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IVORY COAST

Briefing Paper on the Ivory Coast

(Visit of Mr. McNamara to the Ivory Coast, January 1971)

1. Political Situation

The year 1970 marked the tenth anniversary of the independence of the Ivory Coast. President Houphouët-Boigny was reelected on November 30, 1970 for a third five-year term. The Ivory Coast continues to have a one-party political system and there was no opposition in the elections. However, the President showed himself to be in complete control of his party and the national electorate by the virtual unanimity with which he won reelection and the unity displayed during the Party congress. Minor internal problems such as two small tribal insurrections and riotous behavior by students at the time of the invasion attempts in Guinea were handled with firmness.

The foreign policy of the Ivory Coast is marked by the rapprochement with Ghana which has moved rapidly in the past year and improving relations with Nigeria. The President has also publicly announced his approach to the issue of South Africa. Regional economic development and especially complementarity in industrial development appears to play an important role in the Government's thinking. Moreover, the President has taken a personal interest in the regional CIMAO (Ciments de l'Afrique de l'Ouest) project. Government efforts to attract export industries are apparently beginning to bear fruit with the establishment of a Union Carbide battery plant and a textile mill producing for export.

As you know, President Pompidou will visit the Ivory Coast during the first week of February.

2. Matters for Discussion

The economic situation of the Ivory Coast: the overall situation of the economy remains good and the size of the country's debt burden is not excessive. However, we have been concerned about the possibly over-ambitious financial requirements of the new Five-Year Plan (1971-75). Mr. Knapp wrote to the President on this subject and Mr. Chauffournier wrote along similar lines to Minister Bédié (letters attached, Annex I). The President is reported to have called Mr. Knapp's letter to the attention of his Ministers with the remark that it was a firm but moderate challenge to the realism of their development goals. The President later wrote to the Bank to assure us that the matter was receiving their attention (letter attached, Annex I).

A second draft of the Five-Year Plan has been prepared and a Bank economic mission is presently in the Ivory Coast reviewing it in the light of our expressed concerns. (A summary statement of the conclusions of the last economic mission is attached, Annex II).

The African Riviera: This project calls for the construction of a satellite city which would constitute a major extension of Abidjan. The size and timing of the investments are unclear. Completion of the project is sometimes placed in the year 2000 and the cost in the range of \$2 billion, but earlier dates, e.g. 1980 are also mentioned and planning calls for a phased approach of which the first phase would cost from US\$50 to \$90 million. The project appears overly ambitious and likely to put strains on the financial resources of the Government; moreover it may increase the inevitable stresses created by a growing, prosperous middle class and a relatively impoverished mass of laborers, peasants and foreign african residents. The President may solicit an expression of support for this project which is personally important to him. (A separate memorandum is attached, Annex III)

3. Bank Group Operations (CPP dated May, 1970 is attached, Annex IV)

Past Operations

Road Loan: The first Bank loan to this country was signed on June 21, 1968 for US\$5.8 million. The closing date is September 30, 1971. Work under the loan has proceeded satisfactorily and it has been largely disbursed.

Oil Palm: Three interdependent loans guaranteed by the Government were signed on June 13, 1969. The funds are being used to plant 39,500 acres of oil palm, 16,000 acres of coconut and construction of an oil palm mill. The project is still in its early stages.

Education: An US\$11.0 million loan was signed on April 27, 1970. It will assist in the construction of 11 schools for teacher training and secondary technical and vocational education. Some of the funds will also be used for construction of a nationwide instructional television center.

Cocoa: A loan of US\$7.5 million was signed June 5, 1970 and will help finance the planting and rehabilitation of about 60,000 ha of cocoa and the study of a second project.

Current Operations

Roads: A second road project has just been appraised and a loan of either 12 or 20 million dollars, depending on a final decision regarding inclusion of one road, is scheduled for presentation to the Board in June of FY 71.

Coconut Development: A second coconut project has also been appraised and a loan of about US\$8.5 million is scheduled for presentation to the Board in June of FY 71.

Future Operations:

We have several projects which are in various stages of preparation: industrial processing of coffee beans, establishment of an industrial rubber plantation, continuation of cocoa development, an urban project based on transport and the preparation of the infrastructure for an urban extension to Abidjan (the Banco zone), and a sanitation project in Abidjan. To these projects must be added our rather large and continuing involvement in road construction - we expect to finance road projects in 3 out of the next five years.

Our Five-Year Program totals about US\$140.0 million and makes the Bank the Ivory Coast's single most important source of external finance. Our strategy is to concentrate on strengthening the productive base of the economy which is agricultural and to contribute to the solution of certain major social problems - education (technical and vocational) and urban development (sanitation and urbanization of the Abidjan area). Our extensive program in road transport will support development of the agricultural economy of the country and help to promote development of some of its less accessible areas. An investment of this order of magnitude must clearly be based on an understanding that the total size of the Ivorian Development Program is to be kept within bounds.

January 8, 1971

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Le Président de la République de Côte d'Ivoire

ABIDJAN, le 16 DEC. 1970

M. Chaufoeur

Monsieur le Président,

C'est avec beaucoup d'attention que j'ai pris connaissance de votre lettre en date du 4 Septembre 1970.

Je tiens tout particulièrement à vous remercier de l'excellent travail qui a été fait par la mission envoyée par la Banque en Côte d'Ivoire, à la fin de l'année dernière. Je vous sais gré, également, des observations dont vous avez bien voulu nous faire part, et ayant trait plus particulièrement à la poursuite de la croissance économique ivoirienne et à la programmation des investissements publics. J'apprécie hautement la coopération fructueuse qui s'est instaurée entre la Côte d'Ivoire et la Banque, dans la recherche de solutions pour le développement ivoirien des années 1971 à 1975.

Je pense que le séjour à Abidjan, en Janvier 1971, d'une seconde mission économique permettra de réduire rapidement les points de divergence. Cette mission pourra prendre connaissance et apprécier les hypothèses de croissance qui ont été retenues pour la période 1971-1975.

.../...

En ce qui concerne l'évaluation du montant des ressources disponibles pour notre développement, je vous précise que la projection des recettes et dépenses faite par les experts de la Banque Mondiale l'a été à partir d'une base 1970, prise dans la première esquisse du Plan 1971-1975, esquisse qui a été établie en Mai 1968. Depuis cette date, d'autres études ont permis de réajuster ces prévisions et d'éditer, en Juillet 1970, une seconde esquisse du Plan 1971-1975. Compte tenu de certaines rectifications qui s'imposent, les prévisions de la Banque devraient concorder avec les nôtres.

D'ores et déjà, je tiens à indiquer que la plus grande prudence a présidé aux prévisions ivoiriennes pour le financement de la croissance dans les cinq années à venir.

Pour ce qui a trait aux problèmes relatifs à la programmation des investissements publics, des travaux ont débuté depuis plusieurs mois, c'est à dire, avant que nous ne recevions votre lettre, pour réévaluer et classer les opérations inscrites au programme. Comme dans la Loi-Plan 1967-1970, une ventilation sera faite entre un noyau garanti et une tranche optionnelle. Le résultat de ces travaux sera disponible lors de la prochaine venue des représentants de la Banque Mondiale.

Je vous prie d'agréer, Monsieur le Président, les assurances de ma haute considération.

Monsieur J. BURKE KNAPP
 Vice-Président
 Banque Internationale pour
 la Reconstruction et le Développement
 1818 H. Street,

WASHINGTON D. G. 20433, USA



Félix HOUPHOUËT-BOIGNY

Dear Mr. President:

I have given your letter of September 4, 1970 my very careful consideration.

I would like to thank you particularly for the excellent work which was done by the mission sent by Bank to the Ivory Coast at the end of last year. I am also appreciative of the remarks which you kindly sent us and which dealt in particular with the progress made in the continuation of the economic growth of the Ivorian economy and the programming of public investment. I appreciate very much the fruitful cooperation which has developed between the Ivory Coast and the Bank in the search for solutions to the problems of Ivorian development in the years 1971 to 1975.

I think that the arrival in Abidjan in January 1971 of a second economic mission will allow us to reduce very quickly the points on which we disagree. This mission will be able to study and evaluate the hypotheses of growth which were adopted for the period 1971-1975.

As regards the evaluation of the amount of resources which will be available for our development, I would like to explain that the projection of receipts and expenditures made by the Bank experts was made using the base year 1970 which was employed in the first draft of the Plan 1971-1975, the draft of which was made in May 1968. Since that date, other studies have allowed us to adjust these forecasts and to prepare in July 1970 a second draft of the Plan 1971-1975. By taking account of certain corrections which were necessary, the Bank forecasts should agree with our own.

At this time, I would like to state to you that we have exercised the greatest caution in making our forecasts for the financing of our growth in the coming five years.

As for those matters bearing on the problems of programming public investments, work was started several months ago, **that** is to say before we received your letter, on reevaluating and classifying the projects included in the plan. As we did in the Law establishing the Plan for 1967-1970, a distribution of projects will be made between a guaranteed core and an optional group. The results of this work will be available for the forthcoming mission of the representatives of the Bank.

Sincerely yours,

signed

Félix Houphouët-Boigny

le 4 septembre 1970

Son Excellence
Monsieur Félix Houphouët-Boigny
Président de la République
Abidjan, Côte d'Ivoire

Monsieur le Président,

Suite à la mission économique de la Banque qui a visité votre pays vers la fin de l'année dernière, il m'est agréable de vous faire parvenir ci-joint, en anglais et en français, un rapport intitulé "Croissance et Perspectives Economiques de la Côte d'Ivoire". Ce document se compose d'un texte résumé et de quatre volumes: Rapport Principal (Volume I), Développement Agricole (Volume II), Développement Industriel (Volume III), Expansion Démographique et Aménagement Urbain (Volume IV).

Je tiens tout d'abord à vous exprimer tous mes remerciements pour l'excellent accueil réservé à cette mission et l'efficace coopération dont elle a bénéficié dans son travail de la part de tous les ministères et établissements intéressés. Sa tâche en a été d'autant facilitée qu'il s'agissait de tenter, dans un délai relativement court, de faire l'analyse des principaux aspects d'une économie ivoirienne en expansion depuis 10 ans et dégager des perspectives d'avenir.

Nous n'avons pas manqué, au même titre que tous les observateurs, d'être impressionnés par la croissance rapide et continue de l'économie de votre pays dont le Produit Intérieur Brut a augmenté en moyenne de plus de 7 pour cent par an en francs constants entre 1960 et 1968. Parmi les facteurs strictement économiques qui expliquent ce remarquable succès, la croissance des exportations des produits agricoles apparaît comme le plus important. Le café, le cacao et le bois ont fourni entre 75 et 80 pour cent des exportations totales au cours de la période et d'autres produits agricoles à différents stades de transformation ont contribué pour environ 10 pour cent.

En ce qui concerne les prochaines années, nous prévoyons un certain ralentissement de la croissance des exportations qui entraînera une diminution du taux de croissance

globale observé jusqu'ici. La principale raison qui nous a conduit à prévoir ce déclin relatif est que les exportations de produits agricoles semblent devoir être touchées à la fois par la baisse des prix mondiaux de ces produits et par les limitations des quantités de bois disponible à l'exportation. Il n'est pas certain d'autre part que les exportations industrielles puissent croître au point de maintenir la croissance globale des exportations au niveau élevé qu'elle a connu par le passé. Il nous semble dès lors raisonnable de prévoir que la diminution du taux de croissance aura un effet défavorable sur le volume des ressources intérieures disponibles pour les tâches de développement.

Ceci nous a amené à examiner avec une grande attention le programme d'investissements publics prévu dans l'Esquisse du Plan 1971-1975 pour un total d'environ 220 milliards de FCFA. Nous comprenons bien qu'un tel programme est à la mesure des actions que le Gouvernement pense souhaitable d'entreprendre en vue de la réalisation des objectifs de développement. Nous notons cependant que si au coût du programme prévu dans l'Esquisse, on ajoute le montant des remboursements au titre de la dette d'ici à 1975 et la part non encore inscrite des dépenses imputables au projet Kossou, au développement du Sud-Ouest et au projet Riviera, le volume global réel des dépenses auxquelles l'Etat devra faire face au cours de la période pourrait en fait dépasser nettement 300 milliards de FCFA. Il semblerait donc que, pour tenir compte de l'insuffisance probable des ressources prévisibles pour le financement d'un programme aussi important, des aménagements devraient y être opérés au niveau de certains secteurs. Ainsi la différenciation de l'investissement total prévu dans l'Esquisse entre un "noyau garanti" et une tranche optionnelle et l'étalement dans le temps de certains programmes seraient probablement de nature à atténuer les contraintes financières susceptibles de résulter du volume du programme global et contribuer ainsi à en assurer l'exécution dans les meilleures conditions possibles.

Je suis heureux, Monsieur le Président, de vous donner l'assurance que la Banque continuera de suivre avec un intérêt particulièrement attentif l'effort de développement dans lequel s'engage votre Gouvernement au seuil de cette nouvelle période 1971-1975. Nous comptons pour notre part y contribuer selon nos moyens et le mérite particulier de chaque

S.E. M. Félix Houphouët-Boigny
Président de la République

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projet, tant en fonction du contexte global de l'économie que des réaménagements qu'il vous paraîtra probablement utile d'opérer dans la composition et le volume du programme d'investissements publics.

Je me félicite que la préparation de ce rapport économique ait fourni l'occasion de poursuivre plus avant le dialogue déjà très fructueux entre la Côte d'Ivoire et la Banque, et formule le souhait que ce document vous apparaisse d'un certain intérêt dans votre recherche des moyens les plus appropriés d'assurer le développement économique de votre pays.

Veillez agréer, Monsieur le Président, l'expression de ma plus haute considération.

J. / Burke Knapp
Vice President

H2ostal/SCSchott/MLBazin/ARGués:sjb

cc: Mr. Kochman

cc: Mr. Chausfournier o/r

Mr. Kazarok (E)

Mr. Chadenet (Office of Director, Projects)

Mr. de Vries

Mr. Christoffersen (Office of the President)

PCMA

UNOFFICIAL TRANSLATION

Dear Mr. President:

I am pleased to send you attached the English and French version of a report entitled "Economic Growth and Prospects of the Ivory Coast" which was prepared by our Economic Mission that visited your country toward the end of last year. This document has a summary and four volumes: the Main Report (Volume I), Agricultural Development (Volume II), Industrial Development (Volume III), and Population Growth and Urban Development (Volume IV).

I would like, first of all, to thank you for the very kind reception given to the mission and for the helpful cooperation of the various Ministries and institutions concerned. This cooperation was of great importance since the mission was expected to prepare in a relatively short period of time an analysis of the principal aspects of the Ivorian economy which has been in continuous expansion for the last ten years and to draw therefore some conclusions for the future.

We have not failed to be impressed, like many other observers, by the rapid and continuous growth of the economy of your country and we have noted in particular that the Gross Domestic Product has risen an average of more than 7 percent per year between 1960 and 1968 in real terms. Among the economic factors which explain this remarkable success, the growth in exports of agricultural products appears to be the most important. Coffee, cocoa and timber have contributed between 75 and 80 percent of total exports during this period and other agricultural products in varying stages of processing about 10 percent.

Insofar as the coming years are concerned, we foresee some slowing down in the growth of exports, which will cause a decrease in the overall rate of growth observed up to now. We have been led to predict a relative decline in exports because it appears that exports of agricultural products will be affected by lower world prices and by limitations on the quantity of wood available for export. It is not clear on the other hand whether industrial exports will be able to grow sufficiently to maintain the overall growth of exports at the high level which had been reached in the past. It seems therefore reasonable to predict that the decline in the rate of growth will also have an unfavorable effect on the volume of internal resources available for the tasks of development.

Considering these developments we have examined with great care the public investment program set out in the Draft Plan 1971-75 which totals approximately 220 billion CFAF. We understand that such a program is in accord with the Government's views of what it would be desirable to undertake for the accomplishment of its development objectives. However, if one includes in the cost of the program published in the Draft Plan the total of payments on the public debt up to 1975 and the costs of the Kossou project, the development of the South-West and the Niviera project, not yet taken into account, the total size of the expenditures which the Government must meet over the entire period could prove to be much higher than 300 billion CFAF. It seems therefore that in order to take account of the relative insufficiency of foreseeable capital availabilities some adjustments must be made in particular areas of the program.

Thus it might be advisable to break the total amount of investment foreseen in the Draft Plan into a "firm tranche" and an "optional tranche". One could also stretch out certain programs over a longer period in order to lighten the financial burden likely to result from the total program. This would help to secure the execution of the program under the best possible conditions.

I am pleased, Mr. President, to assure you that the Bank will continue to follow with the greatest interest the development effort which your Government has undertaken for the coming years 1971-75. We expect on our part to contribute to these efforts according to our possibilities and on the basis of merits of individual projects. In so doing we shall also take account of overall economic developments and of the changes which you will probably deem necessary to make in the composition and volume of the public investment program.

It is particularly gratifying to me that the preparation of this economic report has given us another opportunity to strengthen the cooperation between the Ivory Coast and the Bank which has already been very fruitful. I trust that this document will be of assistance to you in your attempt to find the best means of furthering the economic development of your country.

Sincerely yours,

SESchott/MLBazin/ARGués:ajb

cc: Mr. Kochman

cc: Mr. haufournier o/r
Mr. Kamaruk (3)

cc: Mr. Chadenet
Mr. de Vries

M. Bazin

→ IVC économique

le 30 octobre 1970

Son Excellence
Monsieur Konan Bédié
Ministre des Affaires Economiques
et Financières
Abidjan, Côte d'Ivoire

Monsieur le Ministre,

J'ai l'honneur de vous faire parvenir par le même courrier un exemplaire, sous pli séparé, du rapport "Croissance et Perspectives Economiques de la Côte d'Ivoire" qui a été rédigé à la suite de notre dernière mission économique. Nous avons d'ailleurs demandé à Monsieur de la Renaudière de vous en transmettre un exemplaire.

Comme vous le savez, M. Knapp a écrit le 4 septembre à Son Excellence Monsieur Houphouët-Boigny, Président de la République, pour lui transmettre un exemplaire de ce rapport et en même temps lui résumer nos conclusions les plus importantes sur les perspectives générales de l'économie ivoirienne. Au cours de notre réunion de Copenhague, nous avons évoqué ces problèmes et j'avais souligné en particulier la nécessité d'ajuster le programme d'investissement public aux disponibilités financières internes et externes sur le montant desquels nous nous sommes, je crois, mis d'accord.

Vous m'aviez indiqué qu'il y avait en fait dans l'exécution du programme une certaine flexibilité, et que le volume des investissements pouvait être revu au cours de la préparation des budgets annuels et aménagé en fonction des disponibilités financières. Je vous avais fait remarquer alors que l'obligation de réaliser certains investissements importants tels que ceux du barrage de Kossou et de ses projets annexes, introduisait nécessairement une certaine rigidité dans le programme d'investissement, et ne laissait plus la flexibilité qui existait dans le passé pour faire face à une conjoncture moins favorable. De même, bien que nous ne connaissions pas les intentions précises du gouvernement ivoirien en ce qui concerne le projet de la Riviera, il est bien certain que ce projet introduirait lui aussi une rigidité supplémentaire dans le programme.

Son Excellence
Monsieur Konan Bédié

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le 30 octobre 1970

Je voudrais également vous faire remarquer qu'une programmation plus réaliste des investissements devrait rendre plus facile la conduite d'une politique financière saine. Cela vous permettrait en particulier d'éviter de faire appel à des volumes trop importants de crédit-fournisseurs et de ne pas risquer ainsi d'affaiblir le crédit extérieur remarquable qu'a su se forger la Côte d'Ivoire. Ceci est très important puisque la possibilité de maintenir le rythme élevé de croissance que nous croyons possible dépendra en partie de la confiance que les investisseurs étrangers continueront de montrer envers la stabilité financière de votre pays.

Comme j'ai eu l'occasion de vous le souligner, il n'était pas souhaitable que notre rapport économique, qui est distribué à une audience assez large, mette l'accent sur des questions qui pour le moment ne sont que des nuages à l'horizon, mais la publicité récente donnée à certains grands projets d'investissement, dont la rentabilité à l'échelle envisagée demande à être soigneusement vérifiée, m'a incité à attirer une fois encore votre attention sur les problèmes qui nous préoccupent. Je crois que la révision du plan sur des bases plus réalistes, c'est-à-dire des bases qui feraient clairement apparaître tous les projets les plus importants envisagés et les moyens de financement correspondants, serait de nature à atténuer nos préoccupations en ce domaine.

Restez assuré en tout cas, Monsieur le Ministre, que la Banque continue de suivre avec un intérêt tout particulier l'effort de développement dans lequel votre gouvernement s'est engagé et souhaite en tout état de cause y participer dans toute la mesure du possible. La préparation de ce rapport nous a fourni l'occasion de poursuivre un dialogue déjà très fructueux avec votre gouvernement. Nous souhaitons reprendre ce dialogue sur des bases plus détaillées à l'occasion de la prochaine mission économique que nous avons dû remettre en janvier à la suite d'un contretemps. J'espère que la visite à Abidjan de M. Jensen, le Chef de la mission, du 23 au 26 novembre, que je vous ai annoncée par télégramme du 16 octobre, permettra de mieux définir les objectifs de la mission et de faire progresser les travaux de préparation qui seront nécessaires.

Son Excellence
Monsieur Konan Bédié

- 3 -

le 30 octobre 1970

J'envoie copie de cette lettre, à titre d'information, à
Son Excellence le Ministre du Plan.

Veillez agréer, Monsieur le Ministre, l'expression de ma
très haute considération.



Roger Chaufourier
Directeur
Département Afrique de l'Ouest

SCS ~~sjb~~ / ARGué / RChaufournier : sjb

Cleared with and cc: Mr. Jansen
cc: Mr. de Vries
PMJA
cc: Mr. Kochman

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UNOFFICIAL TRANSLATION

Dear Sir,

It is my pleasure to send you a copy, under separate cover, of the report "Growth and Economic Perspectives of the Ivory Coast" which was prepared following our last economic mission. We have already asked Mr. de la Renaudière to transmit a copy of it to you.

As you are aware, Mr. Knapp wrote on September 4 to His Excellency Houphouët-Boigny, President of the Republic, in order to transmit to him a copy of this report and at the same time sum up the most important of our conclusions on the financial prospects of the Ivorian economy. During our meeting in Copenhagen, we discussed these problems and I emphasized in particular the need to adjust the public investment program to the available financial resources, both internal and external, on the amount of which I believe we were in agreement.

You indicated to me that there was in fact a certain flexibility in the execution of the program and that the volume of investments could be reviewed during the preparation of the annual budget and tailored according to financial availabilities. I pointed out to you that the obligation to carry forward certain important investments such as the Kossou dam and its ancillary projects introduced a certain rigidity into the investment program and would not permit the flexibility which existed in the past for coping with a less favorable trend in the economy. Similarly, although we do not know the exact intentions of the Ivorian Government as concerns the Riviera project, it is certain that this project would induce increased rigidity in the program.

I would also like to point out to you that a more realistic program of investment would make it easier to conduct a healthy financial administration. In particular, it would permit you to avoid making too frequent use of large amounts of suppliers credits and would help you to avoid weakening the remarkable external credit the Ivory Coast has enjoyed. This is very important since the possibility of maintaining the high rate of growth which we believe is possible will depend in part on the confidence which foreign investors continue to show toward the financial stability of your country.

As I had the occasion to emphasize to you it is not desirable that our economic report, which is distributed to a rather large audience, should put the accent on questions which for the moment are only clouds on the horizon, but the recent publicity given to large investment projects, the economic return of which on the scale anticipated requires careful verification caused me to call your attention once more to the problems which are of concern to us. I believe that the redraft of the plan along more realistic lines, that is, along lines which allow the more important projects to emerge clearly as well as the corresponding sources of financing, would help to relieve our worries in this area.

You may be assured, Mr. Minister, that the Bank is continuing

to follow with a very special interest the development effort in which your Government is involved and wishes, in any case, to assist you insofar as it is possible. The preparation of this report gave us the opportunity to continue a dialogue with your Government which has already been very fruitful. We hope to rekindle this dialogue and to engage in more detailed discussions on the occasion of the next economic mission which we had to postpone to January following a minor inconvenience. I hope that the visit of Mr. Jansen, head of the mission, to Abidjan the 23rd to the 26th of November, about which I informed you by telegram on the 16th of October, will allow you to define better the objectives of the mission and to make some progress in the preparatory work.

I am sending a copy of this letter to His Excellency, the Minister of Planning, for his information.

SCSchott:seb

Annex II

OFFICE MEMORANDUM

TO: Mr. J. Burke Knapp

FROM: Roger Chaufournier *Ru*

SUBJECT: IVORY COAST - Conclusions of Economic Report -
Discussions with Government

DATE: April 17, 1970

1. The Ivory Coast draft economic report has been reviewed by a panel of readers selected by the Secretary of the Economic Committee and will be sent to the Government for comment early next week. Messrs. Gué and de Azcarate will visit Abidjan at the end of the month to present and discuss its main conclusions and recommendations and to obtain the Government's view, before the report is finalized. They will also have an exchange of views with FED and FAC in order to ensure coordination between our planned activities and theirs. The draft summary and conclusions of the report are attached.

2. Although we are not going to discuss with the Government, at this stage, our detailed lending program for 1971-75, the Government is aware of the projects we are considering and, for purposes of planning, is anxious to know the outline of the program we are willing to consider. Our tentative lending program for 1971-75 was circulated to the Projects Departments and submitted to Programming and Budgeting in early March. I would appreciate having your views on the size and composition of this program and our underlying strategy as outlined in the supporting text (attached) before we hold discussions with the Government.

3. The proposed 1971-75 program of \$133.0 million is slightly smaller than the 1970-74 program of \$139.0 million discussed and approved last year. After discussions with the Government and FED, we may propose a few modifications such as the addition of a telecommunications project and probably a second rubber project. However, our total 1971-75 program will remain in the \$135.0-140.0 million range.

4. The salient features of our program are as follows:

- (a) a sizeable program of road construction (as follow-up of the UNDP Transport Survey, currently in Phase II);
- (b) an important program in agriculture of which a substantial part would be in the South-West - San Pedro area (rubber, coconut and oil palm);
- (c) two high-priority projects in the Abidjan area (sewerage and transportation);
- (d) a follow-up project in education; and
- (e) several tentative projects in industry and tourism.

Several of the above projects are still highly uncertain and will, for instance, depend on export prices (oil palm, coconut, rubber), on further studies and experimentation (paper pulp, iron ore mining railway,

coffee deshelling) and on government priorities and financial possibilities (tourism). However, since we have cut back on our original road construction program, and since other project possibilities exist (telecommunications, livestock) and also since we have assumed joint financing in certain large operations (coffee deshelling, mine railway, paper pulp), the chances of slippage are reduced by the fact that the project mix during this period can be modified as necessary.

5. As you will note, the main conclusions of the economic report regarding the future are as follows:

- (a) existence of social difficulties and labor problems;
- (b) forecast of slower overall growth;
- (c) decreasing relative importance of agricultural exports as the main engine of growth;
- (d) large and possibly oversized public investment program;
- (e) increasing financial strains;
- (f) important resource gap; and
- (g) advisability of higher cost sharing percentage and softer terms of foreign assistance.

6. During our discussions with the Government, we want to put particular emphasis on the necessity to limit the public investment program to a maximum of about CFAF 220 billion (\$790 million). The financing of such a program will already be fairly difficult since it implies a high level of commitments and disbursements by all external sources and may entail substantial suppliers' credit financing (see attached table on external capital requirements). You will also note that, although projected debt service over the period would not exceed 8-9% of export receipts, it would absorb about 40% of domestic public capital resources, which is high.

7. As you know, the mission concludes that external sources will need to finance about 60% of total project costs and to make every effort to soften their terms. This will no doubt prompt the Ivorian Government to raise the possibility of IDA financing. Since we do not have to cross this bridge now, I propose to take the same position as we have taken in the past until we know the level of the replenishment. Do you have any guidance on this point?

Attachments.

cc: Mr. Cope
Mr. Friedman

External Capital Requirements

Financing of total public charges as implicitly projected in the economic report can be put in tabular form (in order to avoid spelling out figures for the Bank Group the report is less precise):

	<u>1971-75</u> <u>Disbursements</u>	
	<u>CFAF billion</u>	<u>US\$ million</u> <u>(rounded)</u>
Total public investment	220	792
Debt service on debt as of 8/14/69	50	180
Debt service on new debt	<u>20</u>	<u>72</u>
	<u>290</u>	<u>1045</u>
Internal resources	<u>-172</u>	<u>-620</u>
Balance (1)	<u>118</u>	<u>425</u>
(a) France (66% of new commitments)	12.5	45
(b) EEC (66% of new commitments)	14.0	50
(c) Other bilateral (60% of new commitments)	10.5	37
(d) Disbursements by (a) (b) (c) on past commitments (Kossou, etc.)	<u>30.0</u>	<u>108</u>
	<u>-67.0</u>	<u>-240</u>
Balance (2)	<u>51.0</u>	<u>185</u>
(e) World Bank Group (50% of commitments 1968-75)	<u>23</u>	<u>83</u>
(f) Others: medium-term credits	20	72
ADB and others	<u>8</u>	<u>30</u>
Balance (3)	<u>000</u>	<u>000</u>

April 17, 1970

OFFICE MEMORANDUM

ANNEX III

TO: Mr. Robert S. McNamara

DATE: January 8, 1971

FROM: Roger Chaufournier *R*SUBJECT: The African Riviera, visit of Mr. McNamara to the Ivory Coast, January, 1971.

1. The Riviera project was first brought to our attention when Mr. Mayer visited IFC in March of 1969 to explain his project. It appears that the project was then at least three years old since it was reported in the Press in 1966.
2. In september 1969, the Ambassador of the Ivory Coast wrote to the Bank stating that he had been requested to convey his Government's authorization for Mr. Moshe Mayer, President of Mafit, to start discussions with the Bank Group for a loan to finance the infrastructure of the "Ivorian Riviera". The first tranche of construction was supposed to require Bank Group financing of US\$25.0 million. Since their visit to you and to IFC there is no indication that Mr. Mayer or his associates have actually submitted any specific proposal to the Bank for financing. (See memorandum of your conversation with Mayer, March 13, 1969).
3. The possibility of Bank financing for the project was raised once by Minister Bédié in a meeting he had with me early in 1970. I took the position stated below in para. 9. However, I added that since there were several proposals for the development of tourism in the Ivory Coast, it would be good to consolidate them and clearly state priorities and phasing since it was clear that the magnitudes involved were well in excess of what could be undertaken in the near term. In Copenhagen, last September, Mr. Bédié confirmed that such a program for tourism was not yet ready. Moreover, I was told by Ivorian sources that my comments were interpreted as showing little enthusiasm for the project, but that President Houphouët-Boigny had been assured by Mr. Moshe Mayer that this should not unduly worry the Government, since he, Mr. Mayer, had assurances that you would support the project. I have of course no concrete evidence of these reports, but what you told me in our meeting of today, January 8, and the fact that despite my warnings you were invited to attend the inauguration of the project on September 7, 1970 indicate that they are substantially correct.
4. Considerable confusion has surrounded this project, and only recently have some apparently definite facts and figures started to emerge. At the time of the rather impressive inauguration of the project, the promoters informed a Bank mission concerned with urban development that the project would consist of the construction in a first phase of: expansion of the Hotel Ivoire, construction of 300 to 500 "middle" income villas, two hotels for tourist accommodations, and various recreational facilities (a marina and a golf course). The total investment was supposed to amount to about US\$50.0 million. (See Financial Times clipping attached).

5. The full project design calls for eventual development of a satellite city of the future designed for 120,000 people and including extensive tourist and recreational facilities, an international conference and trade-fair center, and areas for light industry and handicrafts. No date for completion of the project has been set. Total investment is estimated as high as US\$2 billion. Apparently, the promoters look on it as an open ended venture which can be completed as and when financing is found for its various elements. The danger is that the Government may expect rapid and tangible results and thus be led to prime the pump with undue amounts of its own resources.

6. In early 1970 an Israeli firm started a feasibility study of the project. We have recently learned through a former Israeli Bank staff member working on the project that the Consultants have recommended a first phase of development emphasizing tourism and costing in the area of US\$90.0 million for both infra- and super-structure. Its basic outlines appear the same as the project described in paragraph 4 above, except that it also includes the construction of hotel facilities outside of Abidjan. The project would span the years 1973-1978. The feasibility study has been completed and given to the Government. We understand that the Government intends to approach us for the financing of the infrastructure which for the first phase is estimated to cost between US\$20.0 and \$25.0 million. The Government intends to submit the feasibility study to the Bank at the end of this month.

7. The project is of considerable personal interest to the President and a cloud of secrecy has often seemed to veil it. Ivoirian officials have often appeared not to be fully informed on the real objectives of Mr. Mayer and the scope of his plans. Thus, the project had not been included in budget estimates for the Five-Year Plan. Furthermore, within Government circles there is the belief that the Bank has endorsed the project and that Mr. Mayer has obtained agreement in principle on a loan of unspecified amount from the Bank with terms of 40 years for amortization and 4% interest. The European Investment Bank has also complained that promoters of the project were using both their and the Bank's name to promote the project.

8. We have been receptive to the interest displayed by the Ivory Coast in developing tourism projects. However, we have been reluctant to lend any support whatsoever to plans for the Riviera because of its apparent undue size and extravagance. A project of modest dimensions geared to a realistic rate of growth in the tourist sector might receive our support. However, we are already committed to considering projects affecting the urban development of Abidjan which would benefit a broad cross section of lower income groups (development of the Banco area in the North-West of the city including improved transportation and the Abidjan sanitation project being studied under a UNDP grant).

9. We have two principal concerns with the Riviera project. First, due to its potential size, it could put considerable strain on the Government's budgetary resources, especially since there is already a large financing gap in the new Five-Year Plan without taking this project into account. Second, not only would Government investment in this project draw resources away from other productive ventures and investment in social infrastructure, but it could add to the already evident stresses in a society that is developing large economic disparities among its citizenry and its migrant labor force. Therefore, we believe that we must be very cautious in giving any support to the Riviera plans.

Attachments

Mr. Cherif Hassan

March 14, 1969

James S. Raj *JSR*

IVORY COAST - Tourism

Mr. Moshe Mayer, an Israeli businessman now located in Geneva, met Mr. McNamara on March 13 to outline his plans for developing a swampy lagoon area in Abidjan into a tourist complex, including a hotel and ancillary facilities, shops selling local handicrafts, etc. Mr. Mayer was accompanied by the Ivory Coast Ambassador. I was also present during the meeting. Mr. Mayer estimated that about 1,500 rooms more were required in order to cater to the current demand for tourist accommodation. His idea would be to develop the entire "Riviera" on the outskirts of Abidjan. He gave an account of his earlier hotel ventures in Liberia (Hotel Ducor) and Hotel Ivoire in Abidjan. He felt that the natural beauty of the area he had selected and the prospects of developing handicrafts which would be easily saleable to foreigners would be very good. He asked for financial help of the World Bank Group to carry his project forward.

Mr. McNamara agreed that the tourist potential in the Ivory Coast was very great. He had been impressed by the high quality of the handicrafts available for sale in the hotel in Abidjan in which he had stayed. He cautioned Mr. Mayer, however, that tourism was a new area of activity for the World Bank Group and our technical expertise in this field was not outstanding. Nevertheless, he wished to assure Mr. Mayer that all due consideration would be given to his project. He asked that he be informed of the progress of this matter once a month or so.

Mr. Mayer subsequently came to my office and left with me a diary of Mayer Enterprises Ltd. which gives some idea of the wide coverage of the activities of his group. He also left with me a copy of Fortune of January 19, 1966, in which there is a writeup about him.

Mr. Mayer is in New York during the next week, and I have arranged for him to meet me at 11:00 a.m. on Tuesday, when he expects to give us more details of his project. Please arrange for concerned people in the Bank Group to be present at this meeting.

cc: Mr. McNamara
Messrs. Bazin/de Azcarate (Africa Dept.)
Mr. Boyd (Tourism Dept.)
Mr. de Longuemar

JSRaj:am

BY A SPECIAL CORRESPONDENT IN ABIDJAN *The Financial Times*
October 9, 1970

TOURISM, in spite of brave plans has hardly got off the ground in West Africa. Unlike the eastern or southern parts of the continent, which abounds in natural tourist attractions, West Africa has little spectacular scenery, no vast game reserves and very few good beaches. Visitors—apart from a few blond Swedes disporting themselves on the beaches of Gambia—tend to be international businessmen, or other “expatriates” taking some local leave.

Now, however, there is a plan to change all this—at least in the Ivory Coast. Long delighting in a reputation as the “Paris of West Africa” (there are probably 40,000 Frenchmen in the Ivory Coast to-day, compared with less than 20,000 at independence 10 years ago). Abidjan, the capital, is to become the centre of a “West African Riviera.”

Fanfare at launching

This highly ambitious project, launched with great fanfare and luxury last month, is intended ultimately to transform 10,000 square acres of bush on the eastern edge of Abidjan into an international tourist complex, four residential areas accommodating 120,000 people, and an industrial park for light industry.

Behind the scheme is the Ivory Coast Government, in partnership with the Israeli developer, Moshe Mayer. The immediate goal of the Riviera project is the development of Abidjan as a tourist centre, although the planners—William L. Pereira and Associates of Los Angeles and Thomas M. Leitersdorf of Tel Aviv—see the Riviera as serving as a model for the development of urban areas in other parts of Africa.

The first building phase, to be completed by 1971-72, includes a Robert Trent Jones 18-hole championship golf course, a marina, an international conference centre, two hotels and 500 dwelling units. It is projected that by 1980 there will be 6,000 hotel

rooms, an artisans' village, an amusement park, an animal park, plus housing and supporting community facilities for 70,000 people.

Estimates of capital investment for the whole scheme run as high as \$2,000m. However, the

Intercontinental Hotels, a subsidiary of Pan American, operates the hotel.

The majority of visitors to the Hotel Ivoire have been international businessmen, and the hotel provides the luxury-class accommodation and services

new visitors to Africa as well as to bring travellers to East and Southern Africa through the Ivory Coast. The first step in the plan for making the Riviera “African” is the development of an animal park to be located partially on the mainland and

which the local setting might impart is only too obvious.

While the planners have been devising ways of bringing Africa on to the Riviera, they have also had to contend with a piece of traditional Africa which already exists on the site. Approximately 6,000 people inhabit six rural villages within the area designated for development. One of the more dubious aspects of the project is the proposal for transforming these traditional villages into modern “garden residential” communities.

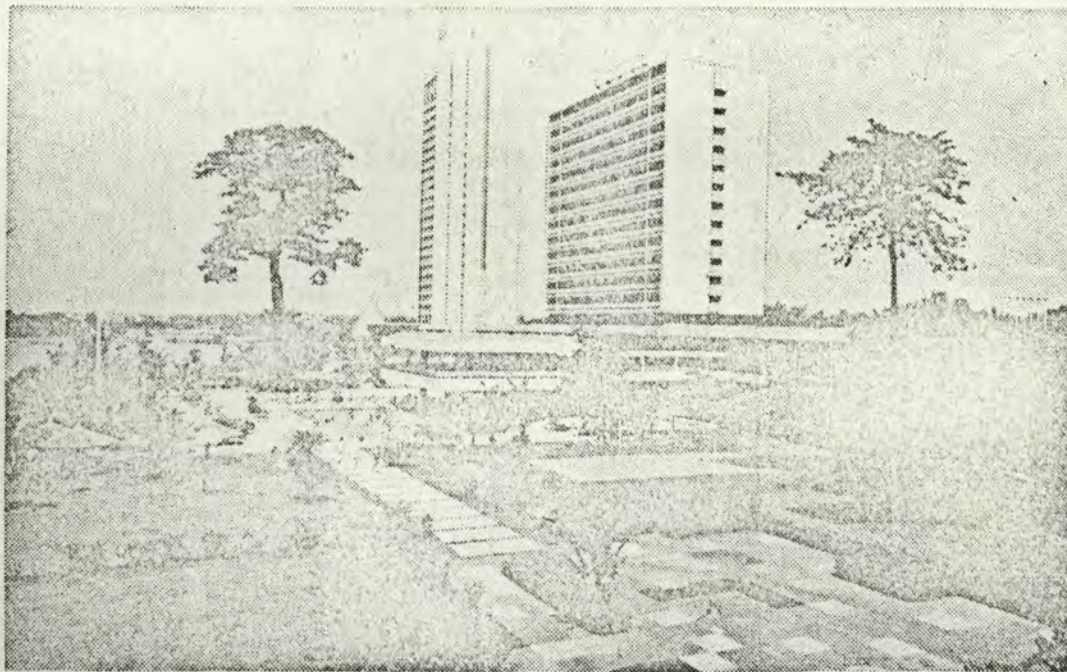
Any assessment as to the possible contribution of the Riviera project to the Ivory Coast economy is speculative. A feasibility report prepared for the project estimates that by 1975 earnings from tourism and their multiplier effects will total \$50m. and by 1980, \$100m. This, of course, depends on attracting the target number of visitors. They also estimate that 36,000 jobs could be created in supporting industries.

No plans for training

Extraordinarily, although there has been some discussion about establishing a school for hotel personnel, no plans have yet been made for training Ivoirians.

The investors see the Riviera project as a catalyst which will stimulate the economy of the entire country. It is hoped that the project will become a symbol of the Ivory Coast's ability to attract foreign capital, effectively to utilise its own resources, and to create an urban setting comparable to those in more highly developed areas of the world.

If the Riviera project is to attract the huge amounts of foreign investment necessary to meet current projections, two conditions must be satisfied. First, far more tourists must come to West Africa. Second, the political stability and economic policies which have been maintained under the country's first President, 65-year-old Houphouet-Boigny, will need to continue. There must be doubts as to whether either condition can be fulfilled.



The Hotel Ivoire at Abidjan.

cost of the first building phase is put at \$50m., \$14m. to be invested by the Ivoirian Government in infrastructure and land development and the remainder by Mayer's Geneva-based Maft Trust Corporation. The establishment of facilities for international visitors is an important part of President Félix Houphouet-Boigny's plan.

Moshe Mayer, at the President's invitation, came to the Ivory Coast six years ago to establish the present Hotel Ivoire complex, which now includes 500 rooms, bowling alleys, an artificial lake, a casino, sauna baths, and West Africa's only ice-skating rink. The total cost of this has amounted to \$30m., one-third provided by the Ivoirian Government, one-third by Mayer's group, and one-third by loan

demanded by them. But the decision to expand the Ivoire complex and to develop the Riviera project represents an important shift in market focus. A recent market survey conducted in Europe and North America for the developers claims a substantial demand by the middle-income tourist for a holiday spot in West Africa. In 1968 less than 25,000 visitors came to the Ivory Coast and of this number only one-third were classified as tourists. By 1980, however, it is projected that the Ivory Coast may receive as many as 500,000 visitors annually—although in view of Kenya's annual total of about 150,000 visitors this seems fairly far-fetched.

In any case, Mr. Mayer's plan is to endow the Riviera project with a special identity of its own sufficiently attractive to entice

partially on a small island a few hundred metres off shore. Eventually, visitors will view the animals from the comfort and safety of elevated monorail transport. The second major effort to bring African environment on to the Riviera is to be the construction of an artisans' village as a “living museum” of customs and traditions where the music, dancing, art, and architecture of the peoples of the Ivory Coast will be brought together and made easily accessible to the foreign visitor. In addition to creating a distinctively African flavour on the Riviera, the developers also want the resort to be “sophisticated and international”—though the danger of Disneyland-type amusement parks, high-rise hotels, and pseudo Tivoli gardens submerging any uniqueness

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May 19, 1970

COUNTRY PROGRAM PAPERIVORY COAST

1970 Population	4.98 million	Bank/IDA lending (US\$ millions)			
1968 Per Capita GDP	US\$ 280		<u>1964-68</u>	<u>1969-73</u>	<u>1972-76</u>
Current estimated					
population growth		IBRD	5.8	117.1	142.5
rate:	3% p.a.	IDA	-	-	-
Exchange rate					
Before August 11					
1969 :	US\$1 = 246.85 CFA				
After August 11	US\$1 = 277.71 CFA	Total	5.8	117.1	142.5
		<u>Annual Average Per Capita (\$)</u>			
		IBRD/IDA	.23	4.70	5.72
		IDA	-	-	-

A. COUNTRY OBJECTIVESGeneral

1. In the 1960's the Ivory Coast emerged as one of the important countries of Western Africa. With a population slightly under the five million mark and a land surface of only 322,000 square km, it became the most dynamic economy in the area. Its successes were largely attributable to its good location, its political stability and close cooperation with its parent country, diversified agricultural resources, intelligent, moderate leadership, and a large hinterland including the neighboring states of Upper Volta, Niger and Mali which supplied the Ivory Coast with a plentiful supply of labor.

2. The Ivory Coast has a regular topography and the land rises gradually through three belt like zones which parallel the coast. These three zones vary in climate from the hot, humid Guinean forest of the coast, through the forested savanna of the center to the drier grassy savanna of the North. With an average population of 15 persons per square km it is considered underpopulated. While there is considerable ethnic and linguistic diversity in the Ivory Coast, no tribe can be considered as dominant. Religion does tend to divide the country, however, along North-South, and Moslem-Christian lines.

3. Agriculturally the country is divided into two main regions: the South with its tropical and semi-tropical perennial crops such as coffee, cocoa, palm products, coconuts, pineapples, citrus and bananas and the North with a drier climate adapted to cotton and groundnut cultivation. The cultivation of all these crops has advanced markedly in recent years and land has become scarce in the South-East of the country. Much of the South-West, however, is still covered by exploitable forest and could be opened up to farming. Because of the higher yields obtainable from the tropical and semi-tropical crops per unit of labor, there has been an important migration of labor toward the South.

4. Agriculture is the mainstay of the Ivorian economy and contributed 31% of GDP in 1968, but accounted for 90% of all exports. Coffee, cocoa and timber represented three quarters of total agricultural exports, but pineapples, including processed pineapple products, palm oil, bananas, coconuts, cotton, groundnuts and cola nuts, contributed an increasing though still small share. The Government has systematically encouraged the export of a wide range of crops. Food crop production has also been emphasized, particularly rice for which a major program is being executed. While the Ivory Coast is not a first rank producer of any of its major tropical export products, it has increasingly become a market force to be reckoned with especially for coffee (third in the world) and cocoa (fourth in the world).

5. The secondary sector, which accounted for 20% of GDP in 1960, has in recent years grown at a rapid pace and provided 33% of the increase in GDP between 1964 and 1968. The Government has maintained a liberal policy toward foreign investment and encouraged industrial development through a broad range of incentives. It is expected that continued, if not intensified, emphasis on this sector, will be necessary to provide employment for the large number of persons entering the labor market each year. In the coming years Ivorian industry will also have to become export oriented to a greater degree.

Social

6. The population of the Ivory Coast in 1970 is estimated to be 4.98 million of which approximately 350,000 persons are temporary residents. There is a continuing net annual immigration of perhaps 30,000 persons principally from Upper Volta and the overall annual growth rate of the population is about 3%. The South with its industrial plantations and thriving commercial and industrial life centered in Abidjan has acted as a magnet for the resource poor populations of the North. While this has guaranteed the economy a continuous supply of labor, it has contributed to the development of a number of social problems - urban unemployment, overcrowded urban areas, and the conflicts engendered by the interposition of social groups varying in language, religion and social customs.

7. The rapid development experienced by the Ivory Coast in the ten years since independence has seen the emergence of a bourgeois class of politicians, civil servants, well to do farmers and white collar workers in service industries. The share of wages in the economy has grown and the average annual income of a wage earner in 1965 was CFAF 300,000 (\$1,200) compared with CFAF 80,000 (\$325) for the self-employed (primarily farmers). Per capita income reached \$280 in 1968; however, if the earnings of non African expatriates is excluded average per capita income was approximately \$240. The disparities in income between the North and the South and between urban and rural areas are very great. For example the regions with an agricultural income well below the national average account for 50% of the population.

8. The growth of urban areas, especially Abidjan, has far exceeded that of the economy as a whole. By 1975 it is estimated that two million persons or 35% of the projected population of the Ivory Coast will live in urban agglomerations of 10,000 or more. Abidjan is estimated to have 550,000 inhabitants and urban unemployment is a critical problem. A Government survey of unemployed in Abidjan recently found that the city may have an overall rate of unemployment of as much as 25% of all those able to work. The Government is concerned about the problems inherent in this situation and is concentrating a major effort on improving the quality of the labor force through vocational and on-the-job training.

9. A critical element of the labor problem and one which is destined to intensify as a social and political problem is the place of African expatriate workers in the labor force. Of wage earners in agriculture 75% were foreign Africans (16% of the rural population). Statistics show that among all wage earners Europeans occupy 85% of the jobs in the top category and foreign Africans 65% of the jobs in the bottom category. There tends to be a concentration of Europeans in the upper categories and foreign Africans in the lower categories, with Ivoirians occupying a prominent position only in the middle to lower ranks. This state of affairs has led to increasing pressure on the Government to pursue a policy of Ivorization at all levels, but particularly in the upper levels of skilled labor and management. There is however a continuing lack of qualified Ivoirians for these positions.

10. The Ivory Coast has a literacy rate of only 9% and education remains a major bottleneck in an economy which is rapidly urbanizing and entering the early phases of industrial development. While school attendance is relatively high by African standards (about 50%) the major problems are the quality of the curricula and the instruction offered. The Government is aware that the system needs major reforms and has undertaken a far reaching effort to overhaul it.

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11. There has been in recent years a general improvement in public health and life expectancy has increased. Endemic diseases, however, remain a problem and the Government is gradually increasing the proportion of its resources spent on public health. The birth rate is high at 50 per thousand, and the net natural increase in population is relatively high at 25 per thousand. This rate can be expected to grow gradually with continued improvements in general health and extension of the average life span. The Government is aware of the social and economic costs resulting from rapid population growth but is not interested in adopting family planning programs at this time. In a country which will continue to depend to a considerable extent on foreign labor, particularly in agriculture, family planning may well not be too urgent.

12. Accelerated population growth will result in a rapidly rising level of social expenditure, particularly for education, health and urban infrastructure including housing. At the same time the growth of the labor force will require large investments in capital equipment and policies which will channel labor toward areas of effective new labor demand. In particular population pressures on Abidjan may need to be relieved through the development of new urban poles of attraction. The requirements of increased food production and sustained growth in the supply of export products will require a more rational use of land and the opening up of new areas. At the same time the basic infrastructure of roads, power, water supply and telecommunications will have to be rapidly expanded.

13. Key to the Government's objectives in the long term are two projects which are already well underway - the new port of San Pedro and the Kossou dam. The San Pedro project in the South-West may well recreate the set of factors which gave rise to the rapid development of Abidjan - a large, underpopulated and potentially rich hinterland, easy access to external markets, and an influx of labor. If these factors are catalyzed by well planned development projects, the port may become a new metropolitan area and a major pole of attraction. The Kossou dam which is in the early phases of construction will provide a large increase in electric power by 1973/74. The Bank has had major reservations regarding this project. Its potential for agricultural and fisheries development is still untested. Furthermore, the project will require the resettlement and relocation of between 80 and 120,000 people whose villages will be inundated as the dam reservoir is filled. This will be an expensive and lengthy undertaking, the results of which are difficult to foresee.

Political

14. The political evolution of the Ivory Coast in the near term appears to a very large degree to rest on social progress within the country. During the recent decade of dynamic forward movement, dissent

could be held in check because it had no broadly based support. As occurred recently, President Houphouët Boigny was able to check and disarm vocal criticism through a series of open dialogues with those having grievances. The one party system helped to channel the debate and provided the younger cadres who could be introduced into the cabinet structure in a move which broadened the base of the Government at the highest levels, but did not affect any major ministry. The philosophy guiding the party, if it may be claimed to have one, would have to be characterized as pragmatic, western oriented, economically open, mildly authoritarian and paternalistic.

15. The state is highly centralized and the executive powers, similar to those of the President of the United States, are concentrated in the hands of the President. The President has no effective personal opposition, but the question of his successor has assumed increasing importance. None of the political figures in the President's entourage has a popular following and the Minister of Finance, Konan Bédié, is considered by many the favorite. His preeminence rests, however, on uncertain foundations - the favor of the President (they are both members of the Baoulé tribe), a position of strength in the party derived from the continuing economic performance of the country, and the lack of any clear rival. Other contenders include the President of the National Assembly Philippe Yacé and the Foreign Minister Usher Assouan.

16. Many of the principal problems facing the country relate to sharing the growing national pie. Income disparities are great between regions, and between urban and rural areas. A privileged class of civil servants has emerged on top of a growing, urbanized and proletarian base. In between there is a relative void filled only by African and European expatriates whose performance is critical for the economy of the country. Demands are rising for Ivorization, and the resentments generated by this issue could encourage political opportunism. The management of this issue will test the mettle of the Government, especially should the strong leadership of Houphouët Boigny disappear suddenly.

17. The position of the Ivory Coast in regional affairs appears to be one of richesse oblige. Its relative wealth allows it a certain amount of patronage; and as the most loyal of the former colonies it continues to be the axis of French influence in the area. Its success has made it envied and admired and emulated. Its position in the Entente group of the Ivory Coast, Upper Volta, Niger, Dahomey and Togo is clearly that of primus inter pares. Furthermore, its relations with Ghana, a natural part of the region, appear now to be developing favorably and should lead to economic cooperation. This succeeds a long period of distrust engendered by Nkrumah's espousal of pan-african nationalism.

18. In its extra regional relations the Ivory Coast has maintained good relations with its European partners and is presently encouraging US investment in many of its major projects. The Government appears to be pursuing a still only partially articulated policy of encouraging a western influence to counter moslem dominated african nationalism. The Government's Biafran policy may be cited as an example of this direction.

B. ECONOMIC OBJECTIVES

Main Macro-Economic Projections (1975)

<u>Indicator</u>		<u>Current Level</u>		<u>Bank Projection</u>	
		<u>Period</u>	<u>Absolute</u>	<u>Absolute</u>	<u>Growth rate</u>
GDP	(CFAF billion)	1967-68	300.4	452.0	6% p.a.
Population	(million)	1968	4.7	5.8	3% p.a.
GDP per capita	(CFAF)	1967-68	65.000	78.000	3% p.a.
Exports (goods)	(CFAF billion)	1967-68	96.6	145.0	6% p.a.
Net public capital inflow and transfers	(CFAF billion)	1967-68	8.0	6.0	14% p.a.
Government revenue	(CFAF billion)	1969-70	74.8	100.0	6% p.a.

General

19. From 1960 to 1968 gross domestic product at current prices increased by an average 10.8% per year or about 7.5% in real terms. GDP per head has grown at an annual rate of about 4.5% and in 1968 stood in the neighborhood of \$280 before devaluation. (The economy's performance in 1969 is still uncertain, but any lost momentum is expected to be recouped in 1970). The principal engine of growth has been agricultural exports which accounted for about 90% of exports in 1968. The good performance in recent years is, however, largely due to favorable cocoa and coffee prices which have significantly improved the country's terms of trade.

20. Exports are expected to grow less rapidly in the coming five year period than previously. This is due to projected world commodity price declines and expected limitations on the supply of the country's forest resources. On the other hand, exports of industrial products will continue to grow, but are not expected to compensate for the lessened rate of growth in agricultural exports. The latter are expected to continue to grow at an average rate of about 5.0% in the five years to 1975 and then to decline to an average growth rate of about 3% in the following five years. Total exports should grow by an average rate of about 5.5% to 6% per year, but after 1975 the rate is uncertain due to the unforeseeable outcome of two projects for iron ore and paper pulp export.

21. GDP should grow at an annual rate of 6% or slightly more per annum, through 1975. Sectoral growth rates should be about 3.5% for industrial crops, 3% for food crops, 10% for the secondary sector and 7% for the tertiary sector including public administration. This rate of growth is satisfactory though slightly lower than overall growth in the period 1960-69.

22. The Ivory Coast has had a favorable balance of trade in all recent years. In 1968 it reached a record level of CFAF 26 billion (23% of export value), a level which from provisional estimates, has been surpassed in 1969. However, non factor services, factor payments and private transfers were all sizeable negative items amounting to about 30% of the value of merchandise imports during the period 1960-68. As a result the current balance has generally been negative except in 1968 when it was practically zero (and possibly in 1969 also). On the other hand, net public transfers and long term public and private capital have in general more than matched the current deficit. Net external assets have, therefore, increased steadily and at the end of 1969 were equal to \$100 million - approximately four months of imports.

23. In the coming years, the current balance of payments will be affected by an increase both in imports (due largely to a much increased volume of investments) and in the volume of foreign remittances. These, coupled with a slower rate of growth for exports will bring about a larger deficit in the current external balance, which is estimated to reach, on the basis of medium assumptions, about 30 billion CFAF by 1975 or three times the average for 1967-68.

Planning and Finance

24. The first development plan of the Ivory Coast was prepared for 1967-70. The plan is implemented through three year "rolling" public investment programs and ultimately translated into annual investment budgets. In the past the Government has placed its principal emphasis on maximization of the production of its major export commodities and diversification of crops to broaden the base of its export economy. However, it has also engaged in major food crop projects such as the cultivation of rice, with a view to gradually making the Ivory Coast self sufficient in this major grain. These policies did not require heavy capital investments because of the large available supply of labor and land. However, as these factors have become more expensive, and since export markets for agricultural commodities cannot absorb indefinite increases in production, the Government has turned more and more toward investments with a large capital input such as industrial plantations for export products, industry and major infrastructure projects -- the hydroelectric facility of Kossou, the new port of San Pedro and an extensive transportation network. Thus economic development is rapidly becoming more capital intensive and less dependent on the availability of underutilized human and natural resources.

25. The Government's development strategy will continue to emphasize the expansion and diversification of agricultural exports. However, more stress is being placed on industrial production and industrial exports. Regional trade in industrial products is presently being explored and certain industries will be developed for the export market, such as textiles, batteries, canned pineapple and, possibly at a more distant date, iron ore and paper pulp. Nevertheless, development policy in the 70's is likely to continue to be dominated by the major infrastructure projects of San Pedro, which we consider to be promising, and Kossou, a project of dubious value. Both projects are high risk undertakings whose real cost both in economic and social terms is still hard to assess. In the area of social development, education and urbanization will probably enjoy a priority because of the need to speed the ivorization of the economy and to cope with the continuing mass immigration into urban areas.

26. We agree with the continued emphasis on agricultural diversification and increased production for export, but are equally concerned about encouraging greater industrial processing of agricultural products and the further development of industry both for import substitution and export. In general the draft Five-Year Plan 1971-1975 is overly ambitious and has not taken into consideration certain major investments which could distort it -- the cost of displacing populations out of the Kossou area, some of the San Pedro port works, and the so-called "Riviera" project for tourist development and housing. Investments in transportation may also be excessive. Therefore, we have encouraged the Government to hold down its investments and to consider pushing back some investments which should not have priority, e.g. housing, transport, social investments related to Kossou, and the Riviera project.

27. The new 1971-75 draft plan called for capital investment in the public sector of \$157 million for transport infrastructure, \$85 million for power, \$21 million for telecommunications, \$63 million for urban development, \$80 million for administration infrastructure (including public housing for civil servants), \$62 million for education, \$29 million for health, \$130 million for government participations in industry (for a total of \$727 million). (Private investment which is projected to amount to 215 billion CFAF at current prices, including 27 billion CFAF of government participations, will be spent in the following sectors: agriculture, forestry and fisheries, 8 billion CFAF; industry and mining 81 billion CFAF; and housing 126 billion CFAF.)

28. The Government has succeeded in mobilizing a growing volume of internal and external resources to finance current and capital expenditures. While current expenditures have increased by 10.2% per year from 1960 to 1970, current resources have grown at an annual average rate of 11.8%. The cost of public administration rose rapidly in the first five years after independence, but the rate of growth slowed in the second half of the decade. On the other hand, expenditures for public health, social insurance and education have been accelerating and will account for 33% of total government expenditures in 1970.

29. Government revenues, which reached 21.5% of GNP in 1968, are expected to rise pari passu with the growth of the economy i.e. at 6% per annum. This means that the rate of growth in current expenditures at stable prices will have to be restricted by comparison with the average rate of 10.2% (at current prices) during the period 1960-70. A substantial effort will be required to accomplish this in view of the need to raise outlays for education and health. National savings financed 80-85% of gross domestic investment during the period 1960-68, a remarkable amount considering the high propensity of firms and of wage and salary earners to remit savings abroad. However, the share of public resources in financing public investment declined from 73% in the period 1960-66 to 60% in 1967-70.

30. External public indebtedness has risen sharply from \$36 million in 1960, to \$196 million in 1966, and \$325 million in 1968. In the latter year the amount of new debt incurred increased by 35% largely as the result of loans obtained for the Kossou dam and San Pedro projects. However, in the first 7 months of 1969 new debt rose by only 14 billion CFAF (\$50 million) and large amounts of the money committed in 1968 are only now being disbursed. Suppliers' credits have accounted for an increasing proportion of this debt which represents one fourth of total external debt (as of mid 1969).

31. Total investments included in the draft plan are about 220 billion CFAF (\$794 million)^{1/}. To this must be added the cost of amortizing outstanding and future indebtedness which should be about 70 billion CFAF. The total resources required are therefore estimated at 290 billion CFAF (\$1,045 million). The Government is expected to be able to finance out of its own resources close to CFAF 180 billion (\$650 million). This means that external lenders will have to supply CFAF 110 billion (\$400 million), which, as is discussed in the External Aid section, is about the maximum the Ivory Coast can count on. It should be noted, however, that this investment level might be exceeded either because additional projects will be added to the plan without corresponding cut-backs or they will be undertaken without any reference to the plan. This would then mean that investments would considerably exceed the domestic and external resources likely to be available.

32. Debt service has not thus far been a heavy burden on the balance of payments not exceeding 5 to 6% of export of goods. About 30% of outstanding debt is on soft terms, 45% on medium soft terms and 25% in suppliers' credits. Nevertheless, lending terms are hardening for the Ivory Coast and its sources of grant aid are gradually disappearing. In 1964 debt service took only 5.5% of government revenues, whereas by 1970 the percentage has almost doubled to 10.5%. The economic mission has estimated that during the period 1971-75 debt service during the same period will amount to about 70 billion CFAF (\$251 million) of which CFAF 50 billion on debt outstanding as of August 1969, and about CFAF 20 billion on new debt provided that debt to be contracted in and after 1970 is at an average interest rate of 4.5% with a 25-year

^{1/} These amounts correspond to CFAF 200 billion (\$727 million) adjusted for price increases since 1965.

repayment period including 5 years of grace during which interest would be paid. With these terms total debt service would not exceed 8-9% of merchandise exports in 1971-75, but will absorb close to 40% of internal public savings. This is a relatively heavy debt burden, and it is therefore necessary that the average terms described above be obtained.

Economic Sectors

Agriculture

33. The Ivory Coast has enjoyed in recent years optimum conditions for agricultural development: abundant land, a plentiful supply of labor and favorable world markets for its principal products. The Government contributed to growth by providing credit and price incentives, and establishing state corporations for the management of industrial plantations. This dual policy has continued and has benefitted agriculture and rural society through the strengthening of the small holder and the creation of a large number of jobs on industrial plantations. Agricultural production has responded with a production growth rate of 6.5% at current prices and an export growth rate of 11% per year.

34. Through diversification the Government has sought to reduce the country's dependence on coffee and cocoa, two products subject to sharp price swings. The introduction of oil palm, bananas, pineapples and coconuts as export crops has been highly successful. For example the production of bananas rose from 46,000 tons in 1958 to 143,000 tons in 1969, and that of fresh and canned pineapple from 5,500 tons in 1958 to 44,000 tons in 1969, and the Ivory Coast will become a major producer of palm products in the next several years. 40,000 ha of palm have been planted and 20,000 more are planned. At the same time oil mills are being established for processing. To a lesser extent there have also been large increases in industrial coconut plantations..

35. Through regional development the Government has attempted, although with only limited success, to redress the unequal rate of income development between North and South and it is now endeavoring to open up the South-West of the country. Cotton production - the main cash crop in the North - was encouraged by instituting guaranteed prices and providing an assured market. Cotton production rose rapidly from 5,500 tons in 1965 to 42,000 tons in 1969 and the growth of the textile industry has been accelerated with the addition of large new facilities to be undertaken soon. In the South-West the Government will soon begin to implement a program for the development of cocoa, oil palm, coconut, timber, rice and rubber cultivation in the hinterland of the new port of San Pedro.

36. A major resource of the Ivory Coast is its forests. Their exploitation has provided the country in recent years with its second largest export product. Timber even became the first export product in 1969. Government policy allowed rapid exploitation without any coherent effort to promote wood using industries in order to export a more remunerative product. Now that the most valuable species are nearing exhaustion, there is increased interest in maintaining the level of earnings from this sector through more scientific forest management, the processing of forest products and the promotion of new species in foreign markets.

37. Agricultural development has been promoted by various decentralized and autonomous bodies such as SODEPALM (Société pour le Développement du Palmier à Huile), SATMACI (Société d'Assistance Technique et de Modernisation Agricole de Côte d'Ivoire) and others specialized in fruit, cotton and reforestation. While these organizations are responsible to the Minister of Agriculture, they have a great deal of independence. Despite the relative efficiency of this structure oriented toward product development, there is a need to strengthen the coordination function of the Ministry of Agriculture.

Industry

38. Industry in the Ivory Coast has grown rapidly in recent years and in 1968 accounted for 9% of GDP. It still has a narrow base since it is confined to agricultural processing and import substitution. It includes such processing industries as wood working, grain milling, cotton ginning, oil processing, fruit canning, and coffee conversion. Industries manufacturing for the domestic market comprise such standard products as soap, matches, textiles, shoes, and food products. However, there is also a growing group of medium industries such as cement grinding, bricks and ceramics, chemicals (fertilizers, paint, glue, insecticides and plastics), automotive and small vehicle assembly, and light metal working. In the area of heavy industry there is only the petroleum refinery which is in the process of expansion and two major industrial projects which are planned - paper pulp manufacture and iron ore beneficiation - both of which would be export industries.

39. In the promotion of industry the Government has followed a liberal policy toward private foreign investment. Political stability has served to inspire the confidence of investors and new industries have benefitted from certain concessions such as exemption from taxes on profits, rapid amortization, protection against foreign competition, and freedom from the payment of customs duties on imported materials. The transfer of profits and capital are free within the franc zone and subject to only mild restrictions for other areas. Furthermore, with the exception of electric power, Abidjan offers considerable advantages for the location of industry and industrial credit is available through the Banque Ivoirienne de Développement Industriel (BIDI) which provides 15% of the medium term and practically all the long term loans to industry. (While IFC has a 7.1% participation in the share capital of BIDI, loan capital for BIDI has been available from other cheaper sources.)

40. Industrial policy has not in all respects been conducive to the creation of efficient industry. Thus some uneconomic enterprises have been encouraged, while others which were potentially competitive enjoyed excessive profits because of too generous tax advantages and tariff protection. Furthermore, industry in the Ivory Coast continues to have a high import content, about 43% in 1968 and a fairly large margin of nominal protection is accorded finished products manufactured locally - about 30% - which means an effective protection of the value added component about twice as high. In the future incentives will have to be accorded on a more selective basis. Encouragement to Ivorian entrepreneurs should be stressed as well as the formation of local commercial cadres. Room for the further development of import substitution industries still exists, especially if a regional market can be opened up for them, as may be the case of the regional cement industry which is being planned by the Entente countries and Ghana.

Transport

41. The road system of the Ivory Coast comprises about 13,000 km of class A and B roads, all of which are permanently open to traffic. Of these 1,000 km are surfaced. The country has another 20,000 km of secondary, class C roads, some of which are closed to traffic at certain times of the year. This network provides a satisfactory coverage except in the South Western region; however, part of the regional development of the South-West includes the construction or improvement of roads in this area.

42. The basic strategy for road development in the next several years includes: strengthening the road infrastructure in the agriculturally rich Eastern part of the country which includes Abidjan; paving the road link between Abidjan and the Center with the West of the country near the Liberian border; redirecting the eastern timber traffic along new roads toward the port of San Pedro, and strengthening the direct route North to Mali and Upper Volta which parallels the railroad. Studies of a coastal road link with Ghana are also nearing completion.

43. The Bank is financing the construction of the Abengourou-Agnibilékrou road, the principal link with Ghana, and feasibility studies for about 700 km and detailed engineering of about 500 km of roads in the Eastern and Western parts of the country. Feasibility studies of roads are also being prepared under a UNDP grant in the South-East, South-Central, North-Central and Western regions. These studies follow a general Transport Survey which identified road improvement and construction priorities for the country as a whole. Other sections of road particularly in the South-West and the Center of the country near the Kossou dam project are being financed by the Ivory Coast itself or as part of the San Pedro project. The road program is ambitious and may have to be cut back to accommodate other projects of greater priority. As the principal prospective lender in this sector, we expect our advice to have a decisive impact on this program and to a lesser extent the total public investment program.

44. While roads form the major transport infrastructure of the country, the main link with the North of the country and Upper Volta is the railway line between Abidjan and Ouagadougou. The railline is a single metric gauge line 1145 km in length, which is managed by an autonomous international agency - the Régie Abidjan Niger des Chemins de Fer. Expansion of the railway system is not planned except if exploitation of the Bangolo iron ore deposits in the Western region should warrant it. External commerce is carried out principally through the port of Abidjan which is a modern facility adequate for current demand. The new port of San Pedro which will commence operations early in 1971 is expected to divert cargo from Abidjan thus obviating the need for major extensions of the port of Abidjan in the immediate future.

Education

45. The Ivory Coast's education system has not kept pace with the growth of the economy and the dearth of skilled manpower has required the import of high cost foreign technical and managerial cadres. Furthermore, education has not adapted to the needs of the mass of rural people, being modeled on the French system with all courses taught in French. The system also suffers from a high rate of student repeaters, dropouts, a lack of qualified teachers, and high recurrent costs at the secondary level.

46. In primary education only 44% of the age group 6-11 attends school and 16% of the 12-16 group. In secondary education only 6.4% of the group 12-16 is in general or technical/vocational education. The overall literacy rate of the population is only about 9%. While expenditures on education have grown rapidly in recent years and now amount to about 4.2% of GDP, foreign aid still accounts for a large part of the cost of classroom construction and supply of expatriate instructors. It is expected that by 1975 recurrent expenditures on education will reach 23.5 billion (11.6 in 1967) CFAF or 5.1% of GDP and 27% of current government revenues.

47. Manpower needs have been projected for the period 1971-75 by the Ministry of Planning. Their assumptions which are perhaps on the high side indicate that gross manpower needs will be about 29,000 per year. Excluding the unskilled the total of trained manpower needed per year will be 6,500 persons - including 1,000 primary teachers and clerical workers, 580 professionals, 2,100 skilled workers and 1,270 other teachers and technicians. In order to meet these needs in terms of qualified graduates the Ivory Coast will have to adapt its educational system: (1) to improve the quality and relevance of education, and (2) to improve the efficiency of the system. The government is aware of the weaknesses in the education sector and has undertaken with Bank assistance an extensive and innovative program of reform. Instructional television will form part of an overall effort to improve the training of teachers, provide a more relevant curriculum and reform technical and vocational education.

Urbanization

48. The Ivory Coast has experienced rapid urbanization in recent years. The population of Abidjan rose from 120,000 in 1955 to 330,000 in 1965 and by the end of 1969 it reached about 550,000. Similarly, the city of Bouaké, 120,000, almost tripled its population between 1958 and 1969. Natural growth contributed only a small percentage of the increase, most of it representing the immigration of people from rural areas and other African countries. The rate of growth registered in recent years is expected to continue and forecasts point to an urban population of 2.2 million by 1975 or 38% of the total population.

49. The development of employment in Abidjan is not, however, expected to be able to keep pace with population growth. This will in part be due to a general slowing down in the growth of the economy as a whole, and partly to limitations imposed by development of its hinterland. Continued regional income disparities will, nevertheless, encourage rural migration to the urban areas.

50. Extensive studies on the development of Abidjan have been made by the Atelier d'Urbanisme de la Région d'Abidjan, a special organization entrusted with urban planning. The Master Plan is relatively well developed and provides a basis for programming the development of residential and industrial areas of Abidjan through 1980. Traffic congestion is growing and will present a serious problem for the city. A number of urban transport projects have been identified and are being tested against projected needs. Furthermore, the water supply, sewers and storm drain systems are deficient in many parts of the city. A UNDP financed study of waste disposal and water supply problems in Abidjan is about to start.

51. There is a great need for low cost housing. However, in view of the expected undersupply of jobs in Abidjan, and the problem of financing large scale public housing, there will probably be an expansion of shanty towns within the city limits. An ambitious project of hotel, recreational and public housing facilities known as the "Riviera" is about to commence. However, the investments planned for this project which is directed by a mixed public-private company far surpass available resources.

Tourism

52. Tourism in the Ivory Coast has recently become a subject of considerable government and private interest. A Ministry of Tourism has been created and a small resort is under construction with the Club Méditerranée as manager. The country is starting to equip itself with a hotel system, the hotel capacity of Abidjan is undergoing a major expansion, and eventually projects of tourist interest will be constructed within the framework of the multipurpose "Riviera" project. Several companies devoted to tourist development have sprung into existence such as SODRA (Société de Développement du Projet Riviera), SIETHO (Société d'Expansion Touristique et Hôtelière),

SIRAT (Société de Réalisation Artisanale et Touristique). Another major development is the establishment of Hotafric, a public international subsidiary of Air Afrique for tourist development in West Africa.

53. The number of tourists visiting the Ivory Coast in 1968 was estimated at 7,000, a figure which represented a rapid increase over previous years. By 1975, this figure is expected to reach 62,000 tourists, and 1980 - 180,000. In the period up to 1976 the Ivory Coast considers that it will have to provide a thousand rooms in Abidjan, 600 rooms in the interior and 1,000 along the coast. The present capacity of the country is 800 rooms in Abidjan and 500 in the rest of the country. We agree that Abidjan requires increased hotel capacity, but tourist projects being discussed for other parts of the country require careful review before any judgments can be made.

C. EXTERNAL AID

54. France and the European Economic Community have been the principal sources of development assistance for the Ivory Coast. French grants in aid for projects are expected to be gradually phased out in the coming five years, while the proportion of assistance given by the EEC in soft and hard loans rather than grants is expected to provide sizeable assistance for project financing. Bilateral sources such as the U.S., the Federal Republic of Germany and Italy will probably furnish capital only on an irregular basis.

55. As mentioned above the financing gap of the Ivory Coast public sector for the period 1971-1975 is expected to be about 110 billion CFAF (\$400 million). Of the total amount of capital needed, France should provide about 19 billion CFAF, the EEC about 21 billion CFAF and bilateral sources approximately 17 billion CFAF. On the basis of an average rate of disbursement of these assumed resources of about 65%, and external financing already committed and to be expended during the period of 30 billion CFAF, we have arrived at a projected residual gap of approximately CFAF 45 million (\$162 million). This amount will need to be financed out of Bank resources, suppliers' credits, or such other untapped sources as the African Development Bank.

56. The Ivory Coast's contribution to externally financed projects has made an increasingly important claim on public resources. In the past, FAC and FED for example used to finance a very large percentage of project cost, including local expenditures and current costs. Moreover, the financing by the Government of "local contributions" as were necessary did not present a serious problem in view of the relative abundance of local resources. However, increasing difficulties are now being encountered because foreign aid agencies are tending to limit the proportion of project costs they will finance, and the amount of available government resources for joint financing with external lenders will decline relative to the projected availability of such external resources. We estimate that the

public sector will dispose of only CFAF 60 to 65 billion, the amount remaining after debt service and taking account that about 20% of the public investment program will have to be financed entirely from local resources, to match 110 billion CFAF in external credits. This means the project cost ratio of external to government funds will be close to two thirds, a very high proportion of external to local financing, and one which will mean for many projects the financing of local currency costs. The conclusion we have reached, therefore, is that the Government will have to consider its present investment program as the maximum it can hope to finance and external lenders will normally have to provide at least 60% of the cost of projects which they undertake to finance.

D. BANK/IDA - PLAN

57. Until recently the Bank has played a limited role in the development of the Ivory Coast. For the period 1971-75, however, the Bank is expected to become its single most important source of external finance. As mentioned above the residual gap for this period after taking into account disbursements of FED and bilateral aid, should be about \$160.0 million of which the Bank might finance about \$100.0 million (about \$40.0 million of funds already committed plus close to half the amounts included in the proposed 1971-75 program). Coordination with other main sources of aid has therefore become essential. And in agreement with the Government our proposed program has been discussed with the two other main sources of aid, FED and FAC.

58. In the Ivory Coast our objective is twofold: to strengthen the productive base of the economy and to contribute to the solution of its major social problems. Regarding production, industry has become one of the high priority sectors. However, except for a few large projects (iron ore railway, coffee deshelling), industrial development can be expected to be financed in large part by the Caisse Centrale, BEI (with subsidized interest rate by FED), USAID and the German KfW on terms and conditions more advantageous than those of the Bank Group and above all, as in the past, by private investors. We propose therefore to concentrate our actions in two other high priority sectors: agriculture and transportation. And since FED prefers to focus on two areas (in the North: secondary roads, rainfed rice and livestock; in the South-West: main roads, rubber, cocoa and coconut), the Bank would take care of the improvement of other main transport links and the development of major export crops (cocoa and coconut in traditional agricultural areas; rubber and oil palm in the South-West). In the social field, we would be active in education (technical and vocational) and urban development (sewerage and urban transport in Abidjan). In tourism, power and telecommunications, our role would be modest.

59. Continued agricultural and industrial development, facilitated by improved communications, and the opening of new fertile areas should help provide a welcome safety-valve for the population pressure in the South and South-East resulting from continuing migration from the North. A more relevant education system should provide the necessary cadres for an accelerated Ivorization of the economy. Orderly development of Abidjan and

the creation of a new attractive city at San Pedro should attenuate the ill effects of excessive urban concentration and growing urban unrest.

Past Operations

60. The first Bank loan in the Ivory Coast provided \$5.8 million in 1968 for the reconstruction and paving of a major road in the East of the country and for the preparation of feasibility studies and detailed engineering on approximately 500 km of high priority roads. Road construction is proceeding in a generally satisfactory manner and the road studies are expected to lead to a major road construction loan in fiscal 1971. Three loans were made in a package deal in 1969 for a total of \$17.1 million to be used by a public entity and mixed public-private corporation for oil palm and coconut industrial plantations and a processing mill. As of April 30, 1970 \$1.2 million had been disbursed on these three loans. An education loan to the Government has just been concluded, but is not yet effective. The \$11 million which it provides will assist in the construction of 11 schools for teacher training, secondary, technical and vocational education. It will also assist in the construction of an innovative instructional television production center. A loan for cocoa development has recently been negotiated in an amount of \$7.5 million, and was approved by the Board on May 19.

Proposed Program 1971-1975 and 1976

61. The size of the proposed programs for 1971-75 (\$132.5 million) and 1972-76 (142.5 million) is similar to the size of the 1970-74 program adopted last year (\$139.0 million). Several of the projects listed below are still uncertain and will depend for instance on export prices (oil palm, coconut, rubber and cocoa), on further studies and experimentation (coffee deshelling, iron ore railway) government priorities and financial means (roads and tourism). However, since other project possibilities exist (agricultural credit, rice, livestock, feeder roads), and we have assumed joint financing of large operations (coffee deshelling, iron ore railway), the chances of slippage are reduced because the project mix can be modified as necessary.

Cocoa II and III

62. The Government program foresees development of 48,000 ha. of cocoa in the West and South-West including food crops. The second Bank project would cover a tranche of this program, or about 20-25,000 ha., in FY75, at a total cost of about \$8.0 million of which the Bank would finance about \$5.0 million. The feasibility study will be part of the cocoa project **first approved**. The project will be located in the West where some plantings by settlers are already taking place. Continued investment in cocoa is expected and a third project is foreseen for about 1976, depending on **the future trend of export prices for this commodity**.

Rubber I

63. Two large rubber projects are under preparation in the South-West, one by Michelin and one by Goodyear. The preparation of the Michelin project is well advanced and FED has reportedly agreed to finance the initial 1971-75 planting phase. The Goodyear project is still under initial study, but it is expected to be ready in 1972. It will probably include both industrial estates and outgrower plantations and its total cost is estimated at above \$20.0 million. Goodyear would manage the estates and establish and finance the necessary processing facilities. Bank participation in the Goodyear project could be about \$10.0 million in FY 73.

Oil Palm II

64. The Government is considering the possibility of expanding its oil palm program, the mainstay of its diversification policy, beyond the current objective of 75,000 ha. for oil palm. There is a limitation to the area available for industrial estates in the populated forest area, though small holders plantations could be intensified. There is however ample space and good ecological conditions in the South-West, and the Government has - after informing the Bank - requested FAC to undertake surveys for a 10,000 ha. project in that region. The proposed project could consist of about 5,000 ha. of estate and 5,000 ha. of outgrower plantations. Its total cost is estimated at about \$16 million, of which the Bank could finance about \$9.0 million in FY 74.

Coconut II

65. The Government is also planning to expand its coconut program. A project for about 8,000 ha. of industrial and outgrower plantations to be executed by SODEPALM in the South is nearing completion and the Bank has recently been asked to consider financing it. Bank financing would amount to about \$5.0 million. This project did not appear in last year's program because the Government was hoping to present it to CCCE and FED. However FED wishes to concentrate its activities outside the South. We have had no time to find out whether CCCE would finance it jointly with us, but we know that they would not finance it alone. Since this project appears attractive, is ready for appraisal and should be relatively easy to bring to fruition, and since we have no other agricultural projects in the Ivory Coast in FY 71 and 72, the Western Africa Department is proposing to include it for financing in FY 72. However, this project is not on the Agriculture Department's list of projects for that year, and they have told us that it could not be accommodated unless it takes the place of another project already scheduled.

Industrial coffee deshelling

66. The Government has launched a feasibility study of coffee processing mills for establishment in the producing areas. These mills could

render deshelling of coffee beans much more economical and thereby permit the producer to obtain a higher price. Also quality of beans would be considerably improved. However, deshelling is currently a profitable operation carried out by village chiefs and industrial milling would alter marketing channels thus affecting certain vested interests. The feasibility study of the pilot mill is almost completed and this mill should be in operation in the course of 1971. In 1972, the project should be ready for appraisal. There will be about 7 to 8 mills with a total cost of about CFAF 11 billion (\$40.0 million). It may be assumed that the agricultural price stabilization board and private traders would contribute the equity capital for the processing company up to 40% of total cost, or \$16.0 million, while the Bank might contribute perhaps one third of the rest in long term financing, i.e. \$8.0 million in FY 1973. Other sources like EIB and CCCE would probably finance the balance.

Agricultural Projects - Unidentified (FY75 and 76)

67. We can foresee three project possibilities: (i) an agricultural credit project; (ii) programs for rice and other food crops; and (iii) a fishery project in the lake to be formed by the Kossou dam. PMWA will be working on the preparation of these projects.

Education II

68. The Bank project approved by the Board recently opens up the possibility of further assistance to the Government in implementing instructional reforms. A reassessment of the education system's capacity to meet the needs of an efficient Ivorization of the economy will be needed in a matter of 2 or 3 years and this will probably indicate the need for new projects in technical/vocational and general education. Provision is made in the program for this, tentatively \$6 million in FY 75.

Power

69. Power transmission facilities between the Ivory Coast and Ghana are expected to be constructed in or about 1975 to meet the Ivory Coast's rapidly growing needs for power. No work has yet been undertaken on this project, but discussions between the two countries on power links will probably take place in the near future. The project is tentatively estimated to require Bank financing of about \$2.5 million in FY75.

Tourism

70. The project in tourism (\$6.0 million, FY 74) is only an indication of our interest in a field which seems to offer promise. Hotels and touristic infrastructure within the framework of the "Riviera Development" or within the forthcoming proposals from Hotafric are serious possibilities. Since

the Government has not yet determined its priorities in this field and has not included tourism in its investment program, we have not been able to pin-point specific projects at this time.

Roads II, III, IV, V

71. These projects will be based either on feasibility studies already underway and included in the Bank's first road loan (FY 68) or on the UNDP financed survey of transport in the Ivory Coast. The second project (FY 71) will include roads in the East of the country North of Abidjan and in the West. The feasibility studies for this project are completed and detailed engineering will start soon.

72. The roads projects III, IV and V will be part of an extensive program of priority road building until 1980 identified and studied by a UNDP financed survey for which the Bank was executing agency, and which is now in its second phase. Feasibility studies of a first tranche of these roads is being carried out under Phase II of this survey. The need for a road maintenance project was also identified in Phase I of the Transport Survey and it is being studied in Phase II. Provision for road maintenance has been made in the projected 1972 loan which is expected to be for \$25.0 million. The planned loans for \$10 million in 1974 and 10.0 million in 1976 are, however, still tentative estimates.

Railway.

73. An iron ore mining operation is under consideration in the West of the Ivory Coast. One component of the project is a railway to link the mine to the sea, near San Pedro, where a wharf would be built. The line would be about 300 km long (190 miles) and construction depends on the feasibility of the iron ore project and a decision to transport the ore by rail rather than the alternative of using a pipe line. Its cost is roughly estimated at CFAF 8 billion (\$29 million) of which \$10 million for FY 1975 is scheduled in the proposed program on the assumption that other sources of finance would contribute jointly with the Bank (for instance EIB).

74. The status of the iron ore project is briefly as follows: a U.S. company (Pickands Mather) has an exploration permit for four years, starting in December 1968. Reserves are estimated at 600 million tons near the surface and 400 million tons in deeper layers. The ore content is low (38-42%) but mining conditions are very favorable and beneficiation of the ore to 65% iron content would not be difficult. The ore would be pelletized in the port. The rate of exploitation would be 5 to 10 million tons p.a. Total cost including rail link, thermal plant, pelletization plants, etc. would be CFAF 50 billion (\$180 million) making it the largest undertaking in the Ivory Coast.

Urban Transport I and II

75. A high priority project in Abidjan is the planned East-West expressway which would permit a smooth expansion of the city without creating serious traffic bottlenecks. The city is expected to undergo a major expansion of its residential and industrial areas along the northern shore of the Lagoon and traffic congestion is already serious in this area at certain times of the day. This project for \$8.0 million in 1972 is almost ready for financing and the government has indicated that it wishes the Bank to take it under consideration. Other intra-city connections and inter-changes are planned as part of the development of the city through 1980. One or more of these will probably be found to be suitable for Bank lending, and provision has been made for a second urban transport project of about \$5.0 million in 1976.

Sewerage

76. Sewerage is a major problem and growing health hazard in Treichville the most populated district of Abidjan. Study of this project is being financed by UNDP with WHO as the executing agency. The Bank has given advice on the scope and orientation of the project which is tentatively expected to call for a loan in the area of \$5 million and be ready for financing in FY 1974.

Telecommunications

77. The Ivory Coast is presently drawing up with the assistance of consultants a telecommunications plan. We have discussed our participation in the financing of this sector with the Government and have tentatively identified a project for long distance links with certain neighboring countries, Ghana, Liberia, Upper Volta and Guinea, and some local telephone networks. Bank participation is estimated at \$3 million to cover the foreign costs of what we consider the acceptable part of the program. Since the Government has already obtained financing for the early phases of its program, we anticipate a project in this area only in FY 1973.

Conclusion

78. At a time when the Bank is about to play an important role in the economic development of the Ivory Coast, the Ivorian economy seems to have reached a turning point. Past economic performance has been remarkable and growth prospects are still favorable. However, despite further diversification efforts, agricultural exports and, therefore, the economy will grow less rapidly than in the past. Additional productive capacity will require heavier capital outlays than in the past when agricultural productivity could be increased at low cost. Large investments (Kossou and San Pedro) will have to be assimilated. Greater social and political tensions will call for increased expenditures for education and health, urban development and housing.

79. The resource gap is expected to grow larger. Debt ratios have been increasing rapidly. Financial strains are already apparent. It is therefore important that the Government discipline current expenditures, keep its investments program within manageable proportions and exercise restraint in the use of suppliers' credits. During our recent discussions with the Government, we have laid great emphasis on the above points. Ivorian officials are well aware of these problems and seem to be determined to pursue a reasonable course of action. However, they give the visitor to understand that not everything depends on them and that important decisions are sometimes taken directly by the President often without much regard for their economic and financial consequences. The Kossou project was such an instance, the Riviera project could be another. Nevertheless, if the Ivory Coast does not embark on overambitious programs and shows sufficient financial restraint, its prospects over the next few years should be fairly good. This was confirmed by the Economic Committee, which concluded on May 13, 1970 that the Ivory Coast should be considered creditworthy for Bank lending. The Economic Committee also agreed with our proposal that, provided the Ivory Coast keeps its five-year investment program at around the maximum level indicated earlier, the Bank should be prepared to finance a high proportion of project costs, (about 60%), including, where appropriate, limited amounts of local currency expenditures in order to help the country surmount its present financial difficulties without unduly hampering future growth. Extended terms and liberal grace periods would also be in order to attenuate the expected debt bulge of the next few years.

80. In keeping the financial situation of Ivory Coast under close review, we shall, therefore, pay particular attention to the size of their investment program, which should be known in the next few months, and reassess the situation at that time if necessary.

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COUNTRY PROGRAM PAPER

IVORY COAST

Postscript

81. The Ivory Coast Country Program Paper was reviewed at a meeting in Mr. McNamara's office on May 27, 1970. This meeting concluded that:

a) the problem of rational resource allocation had become a critical issue in Ivory Coast; we should therefore keep a close watch over the size and composition of the Government investment program; the Government should make every effort to weed out low priority investments in order to have more resources available for financing the local currency portion of high priority projects and thus reduce the need for financing by the Bank of local expenditures; in transmitting the economic report, Mr. McNamara or Mr. Knapp would write President Houphouet-Boigny and express the Bank's concern about the dangers for Ivory Coast of programming investments exceeding the level of total resources likely to be available;

b) the size, (although on the high side), composition and timing of the proposed lending program were acceptable, subject to the following reservations:

(i) particular attention must be paid to the economic justification of the Abidjan expressway project (FY72);

(ii) the total amounts earmarked for transport in FY72 are too large; therefore the \$25.0 million Road III and Maintenance Project should be reduced to \$15.0 million, except if the Abidjan expressway project is abandoned because of inadequate economic justification;

c) a population problem existed and although the Bank did not intend to raise the issue of family planning with the Government at this time, this problem should continue to be analysed by the Bank.

Western Africa Department
June 4, 1970

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Western Africa Department
June 4, 1970

Population (1970): 4.98 million
 Per Capita GNP (1968): \$265^{1/}

Attachment I

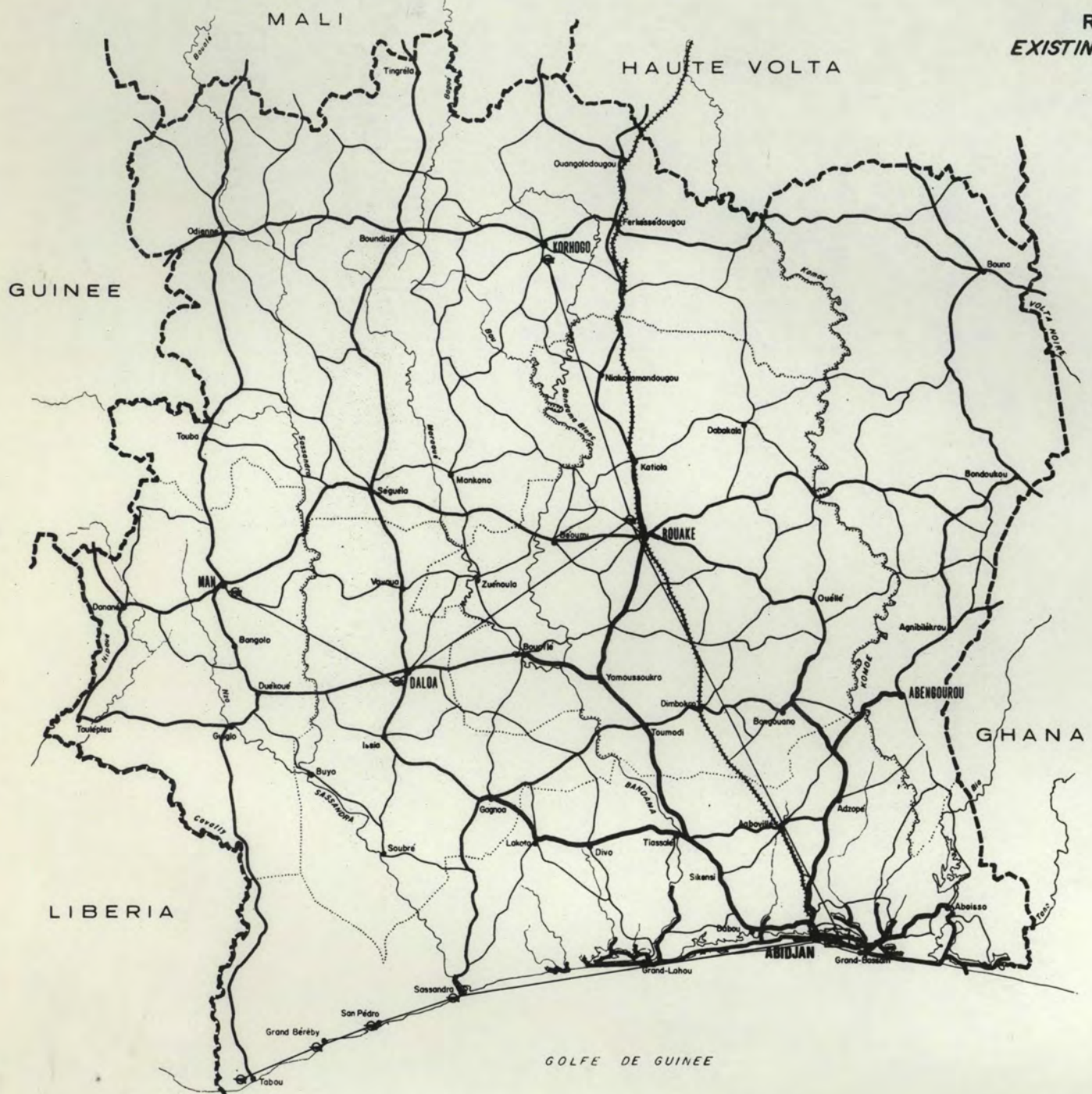
IVORY COAST: ACTUAL AND PROPOSED LENDING THROUGH FY 1976

(\$ millions)

		(through) ^{2/}		Fiscal Years						Total	Total	Total	
		1968	1969	1970	1971	1972	1973	1974	1975	1976	1964-68	1969-73	1972-76
Cocoa I	IBRD			7.5									
Cocoa II	IBRD						5.0						
Cocoa III	IBRD									5.0			
Rubber I	IBRD						10.0						
Oilpalm and Coconut I	IBRD		17.1										
Oilpalm II								9.0					
Coconut II	IBRD					5.0							
Industrial coffee de-shelling	IBRD						8.0						
Agriculture unidentified	IBRD								5.0	5.0			
Education I	IBRD			11.0									
Education II (technical)	IBRD								6.0				
Power	IBRD								2.5				
Tourism unidentified	IBRD							6.0					
Roads I	IBRD	5.8											
Roads II	IBRD				15.0								
Roads III and Road maintenance	IBRD					25.0							
Roads IV and/or feeder roads	IBRD							10.0					
Roads V	IBRD									10.0			
Railroads (Bangolo mine)	IBRD								10.0				
Urban transport I (Abidjan)	IBRD					8.0							
Urban transport II	IBRD									5.0			
Sewerage (Abidjan)	IBRD							5.0					
Telecommunications	IBRD					3.0							
	IBRD	5.8	17.1	18.5	15.0	38.0	26.0	30.0	23.5	25.0	5.8	114.6	142.5
	No.	1	1	2	1	3	4	4	4	4	1	11	19
IBRD Loans Outstanding													
- including undisbursed		5.8	22.9	41.4	56.4	94.4	120.4	150.4	173.9	198.9			
- excluding undisbursed			1.0	3.2	16.2	29.6	51.5	74.5	99.8	124.5			

^{1/} At the official exchange rate following the August 11, 1969 devaluation (\$US1 = CFAC 278) the figure would be \$ 236.

^{2/} In 1954 a loan of \$7.5 million was made to The French Overseas Railways, part of which was used in the Ivory Coast for railway equipment. This loan has been completely disbursed.



RESEAU DE TRANSPORT ACTUEL
EXISTING TRANSPORTATION NETWORK **FIG.2**

LEGENDE - LEGEND

- Voie navigable actuelle
Existing waterway
- Aéroport international
International airport
- Aéroport desservi par "Air Ivoire"
Airport served by "Air Ivoire"
- Ligne "Air Ivoire"
"Air Ivoire" line
- Route A revêtue
A road, paved
- Route A non revêtue
A road, unpaved
- Route B
B road
- Limite d'Etat
National boundary
- Limite de département
Department boundary
- Voie ferrée étroite (1m)
Railway, narrow gauge (1m)

ECHELLE - SCALE : 1 / 2 500 000
0 50 100 125 KM

TIPPEN® Color Control Patches © The Tiffen Company, 2007

8			Black
7			3/Color
6			White
5			Magenta
4			Red
3			Yellow
2			Green
1			Cyan
8			Blue

Centimetres
 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19

			Actual Data					Projected Data					Period Growth Rates		
			1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1964-68
Population - growth rate ^{/a}	%	1												3.0	3.0 ^b
Population - birth rate	per 1000	2				50									
Price Change - c.o.l. index ^{/c}	%	3	1.3	2.7	4.3	2.1	5.5							3.2	
exchange rate (francs)	per US\$	4	246.85	246.85	246.85	246.85	246.85	277.71							
Means of Payment - change	%	5	35.9	-1.4	10.4	7.8	24.7	26.6						14.7	
GNP at factor cost; 1964 prices - Total	\$ mil.	6													
per capita	\$	7													
GNP at constant market prices - real growth rate	%	8													
GDP at current market prices - Total	\$ mil.	9	960.5	959.3	1042.3	1111.6	1322.7	1231.5	1290.2	1351.4	1415.9	1483.2	1553.8	1626.9	
Production Growth (real) - agriculture	%	10													
food per capita	%	11													
manufacturing	%	12													
GDP by Branch - agriculture ^{/e}	%	13	44.5	42.1	39.8	36.5									
mining	%	14	0.5	0.6	0.5	0.3									
manufacturing	%	15	10.9	11.0	11.6	13.3									
construction	%	16	5.0	5.6	5.5	5.8									
transport & communication	%	17	9.1	9.7	9.3	9.3									
public admin. & defense ^{/f}	%	18	9.8	10.5	12.5	13.3									
other branches ^{/g}	%	19	20.2	20.5	20.8	21.5									
Resource Gap ^{/h}	% of GDP	20	1.6	3.8	4.4	5.2	0.0								
Net Factor Payments ^{/i}	% of GDP	21	5.9	6.8	6.5	6.2	6.0								
National Saving - private	% of GDP	22													
public	% of GDP	23													
Total	% of GDP	24	19.8	15.1	16.6	15.0	18.9								
Marginal Saving Rate		25													
Consumption - private	% of GDP	26	61.6	63.9	62.7	63.8	60.5								
public	% of GDP	27	12.2	13.7	13.9	14.1	12.6								
Total	% of GDP	28	73.8	77.6	76.6	77.9	75.1								
Exports of Goods and Services	\$ mil.	29	406.7	373.5	419.7	439.9	559.0	526.0	555.0	587.0	623.0	655.0	695.0	735.0	12.9
Imports of Goods and Services	\$ mil.	30	365.0	353.3	396.2	425.4	483.7	461.0	497.0	533.0	573.0	616.0	663.0	713.0	11.4
Net Goods and Services	\$ mil.	31	41.7	20.2	23.5	14.5	75.3	65.0	58.0	54.0	50.0	39.0	32.0	22.0	7.5 ^b
Interest on Public Debt, Gross: Outflow (-)	\$ mil.	32													
Other Investment Income, Net: Outflow (-) ^{/j}	\$ mil.	33													
Net Investment Income: Outflow (-) ^{/k}	\$ mil.	34	-57.1	-56.3	-69.3	-72.1	-75.8							-140.0	
CURRENT SURPLUS(+) DEFICIT(-) ^{/l}	\$ mil.	35	-15.4	-36.1	-45.8	-57.6	-0.5							-118.0	
Long Term Private Capital, Net inflow	\$ mil.	36	19.0	17.8	1.6	12.2	16.2							25.2	
Long Term Public Capital, Gross inflow ^{/m}	\$ mil.	37	27.1	51.4	44.6	32.8	57.5							89.1	
Less: Amortisation and other capital outflows	\$ mil.	38	5.7	15.8	22.3	17.8	22.7							28.8	
Net long term pub. cap. inflow ^{/n}	\$ mil.	39	21.4	35.6	22.3	15.0	34.8							60.3	
Short Term Capital, Net inflow	\$ mil.	40	1.2	-5.3	10.9	0.4	-8.5								
Other Capital, Net Inflow (incl. errors & om.)	\$ mil.	41	-10.5	0.8	24.7	11.3	-9.7								
NET BALANCE	\$ mil.	42	15.8	13.0	13.8	-18.6	32.0								
IMF Drawings(+) Repayments(-)	\$ mil.	43			-0.4	-0.4									
Foreign Exchange Reserves, Inc.(+) Dec.(-)	\$ mil.	44	15.8	13.0	13.8	-18.6	32.0								
Foreign Exchange Reserves, Net - Total	\$ mil.	45	50.6	63.6	77.4	58.7	90.7								
Foreign Exch. Reserves, Gross - govt. entities	\$ mil.	46	38.5	60.4	60.7	69.3	78.2								
comm. banks	\$ mil.	47	51.0	34.4	46.2	23.9	59.1								
Total	\$ mil.	48	89.5	94.8	106.9	93.2	137.3								
External Debt	\$ mil.	49			196	230	326	342							
Debt Service Ratio	%	50	2.4	2.6	3.5	3.9	5.5								
Export Price Index ^{/o}	%	51	33.0	-13.5	12.2	-1.6	32.3								
Central Government - Current revenue	% of GDP	52	18.8	20.0	20.3	18.9	20.3	20.2	22.4	22.4	22.3	22.3	22.2	22.1	
Current expenditure ^{/p}	% of GDP	53	13.5	14.3	15.8	15.1	15.4	15.0	15.9	16.1	16.2	16.4	16.6	22.1	
Saving	% of GDP	54	5.3	5.7	4.5	3.8	5.0	5.2	6.5	6.3	6.1	5.9	5.6	5.3	
Capital revenue ^{/q}	% of GDP	55	2.4	2.8	3.0	2.5	2.4								
Capital expenditure	% of GDP	56	5.2	6.4	7.0	7.1	7.2	8.8							
Surplus(+) Deficit(-)	% of GDP	57	2.5	2.1	0.5	-0.8	0.2								
Military expenditure	% of GDP	58	1.1	1.3	1.3	1.3	1.2	1.3	1.3	3.6	3.9	4.2	4.5	4.8	5.2
Education - expenditure (general government)	% of GDP	59	2.8	2.5	2.8	2.9	2.9	3.1							
school enrol., primary & second.	%	60													
literacy rate, adult	%	61													
Tax Revenue (general government)	% of GDP	62	18.0	19.0	18.9	17.4	19.6	19.1	21.7						
Public Saving (% of public fixed investment)	%	63													
Gross Investment - private fixed	% of GDP	64	12.3	13.5	13.1	12.5	13.9								
public fixed ^{/r}	% of GDP	65	4.2	5.0	5.2	5.6	4.6								
increase in stocks	% of GDP	66	2.4	0.5	2.1	0.6	0.5								
Total	% of GDP	67	18.9	19.0	20.4	18.7	19.0								
Finance of Investment - National saving	%	68	104.5	79.5	81.0	80.2	99.5								
Foreign capital	%	69													
private	%	70	10.5	9.8	0.8	5.8	6.4								
public	%	71	6.7	13.8	4.7	1.4	7.3								
Total	%	72	17.2	23.6	5.5	7.2	13.7								
Change in reserves	%	73	-8.7	-7.1	-6.5	8.9	-12.8								
Discrepancy	%	74	-12.9	4.0	19.9	3.7	-0.5								
Public Investment by Sector - agriculture	%	75													
industry	%	76													
power	%	77													
housing	%	78													
transportation	%	79													
telecommun.	%	80													
education	%	81													
health	%	82													
other	%	82													

^{/a} Including foreigners permanently employed in the Ivory Coast. ^{/b} 1971-75. ^{/c} Of traditional type family. ^{/d} Produit Domestique Brut projected from 1968 at constant 1967-68 prices. ^{/e} Industrial and export crops included. ^{/f} Salaries paid by public administration. ^{/g} Mainly commerce and other services. ^{/h} Current external deficit from the balance of payments as a percentage of GDP. ^{/i} Includes private transfers. ^{/j} After private transfers. ^{/k} Including net public transfers. ^{/l} For coffee, cocoa, and timber (75-80% of total exports). ^{/m} Excluding interest on public debt. ^{/n} Gross public transfers. ^{/o} Excluding investments of public enterprises mostly included in private fixed investment.

McNamara papers

*Travel
Jan*

Folder 646



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Travel briefs, Ivory Coast

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