

Closing the COVID Accountability Gap:

Côte d'Ivoire's Transparency in the Management of Pandemic Funds

By Emilie Gay



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In 2021, the International Budget Partnership published an assessment of 120 countries' management of COVID relief, which found that too many governments were using the excuse of urgency to avoid being as transparent, accountable or inclusive as they could be. These shortcuts and limitations, however, are neither necessary nor inevitable. IBP's report showcased notable instances in which governments acted swiftly to put in place adequate transparency around their policy responses, where accountability institutions — such as legislatures and supreme audit institutions (SAIs) — stepped up to provide effective oversight, and civil society organizations (CSOs) contributed information on the needs of the most vulnerable. In a series of briefs, we have taken a more in-depth look at these good practices — delving into government objectives in implementing the practices, the impacts achieved, and lessons that can be drawn from these practices for their replication in other countries. The main goal of these briefs is to provide governments with information on good practices in fiscal openness and accountability that they can incorporate into their own policies, to be implemented during periods of crisis and beyond.

Countries provided various economic support measures for workers and companies in response to COVID-19. But given the speed at which these policies were established, governments did not always uphold principles of transparency and accountability.

To swiftly address the crisis, the authorities in Côte d'Ivoire enacted emergency procedures and temporary regulations creating four extrabudgetary

funds that started operating in April 2020. The COVID-19 response plan was set to cost 3.4% of GDP in 2020. The funds provided loans to large enterprises, as well as grants to small firms, the informal sector and vulnerable populations; funding applications were assessed according to separate criteria for each fund. For example, the criteria for the Fonds de Soutien aux Petites et Moyennes Entreprises (FSPME), the fund for small and medium enterprises, included a requirement that recipient firms have at least two years of activity and that all a firm's financial and fiscal documentation be up to date. The emergency procedures and temporary regulations became permanent in the summer of 2020. The 2020 supplementary budget law was adopted in November to reflect the creation of the funds.

According to the IBP's report on the management and accountability of COVID-19 spending, Côte d'Ivoire can be commended for the transparent management of two support funds in particular: Fonds d'Appui aux acteurs du Secteur Informel (FASI), the support fund for the informal sector, and the above-mentioned FSPME. The government successfully created online portals for each fund, with the aim of sharing up-to-date information on the management and functioning of the funds.

This brief will discuss the functioning of these funds, how transparency principles were applied to their management, the use of information by stakeholders, the preconditions and requirements that enabled the government to implement transparency requirements and the lessons learned from Côte d'Ivoire's experience.

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Two COVID-19 support funds: FASI and FSPME

FASI provides support to Côte d'Ivoire's large informal sector. It was established in May 2020 by an ordinance issued by the Council of Ministers¹ and was allocated 100 billion FCFA during its pilot phase in 2020. FASI is an initiative of the Ministry of Economy and Finance and the Ministry of Youth, Professional Integration and Civic Service. Beneficiaries can be informal employees affected by a loss of income, as well as small productive units possessing some proof of the existence of their activity. FASI offers both grants and loans, with grants provided through direct payment to the beneficiary's bank account or through mobile payment; loans are due to be reimbursed after three years. The objective is to make FASI a support mechanism that will be in operation beyond the COVID-19 crisis.

A transition phase was established to set up the management and organization of FASI. Its executive secretariat works closely with the Youth Employment Agency and the National Investment Bank (Banque Nationale d'Investissement) (BNI), which collaborates with sectoral structures. Joint decrees of the minister in charge of the economy and finance, the minister in charge of youth employment and the sectoral ministers concerned define the terms of collaboration. Agreements for the establishment of the financing mechanism were signed among the executive secretariat, the banks and the institutions of microfinance.

The FSPME was established to counter the economic contraction caused by the COVID-19 crisis. Small and medium enterprises represent 80% of companies; before the pandemic, Côte d'Ivoire counted 60,450 SMEs, which provided 200,000 jobs and contributing 20% of GDP. FSPME is managed by the BNI, which was established in 2014 and whose predecessor had been in place for 60 years. FSPME was allocated a budget of 150 billion FCFA, which represents 0.4 % of GDP. The FSPME is managed by a managing committee, which defines its strategic direction, and an executive secretariat, which executes its operational activities. The secretariat also includes representatives from related ministries. This management structure was established by an ordinance passed by the council of ministers in April 2020.²

¹<https://fspme.agencecipme.ci/assets/doc/Ordonnance%20N-2020-385%20du%2015%20avril%202020%20portant%20creation-attributions-organisation%20et%20fonctionnement%20du%20fonds%20d-appui%20aux%20acteurs%20du%20secteur%20informel.pdf>

²The ordinance n° 2020-384 of April 15, 2020 establishes the organization and functioning of the Support Fund for Small and Medium Enterprises, called FSPME COVID-19.

Transparency arrangements for FASI and FPMSE

FASI and FSPME were established following an initiative from the cabinet of the prime minister's office. FASI and FSPME both have dedicated online platforms (*FASI*, *FPSME*) that are easily navigable by citizens. They provide background information on programs, eligibility criteria for accessing funds, steps for registering and requesting funding and the ability to track an application. Both sites provide reports with regular updates on recipients of support.

Since May 2020, FASI has published monthly reports on its website, which provide a breakdown of beneficiaries by geographical region, gender and occupation. The most recent report, from August 2021, notes that FASI provided loans or grants to approximately 1.2 million beneficiaries, including 38,000 informal sector workers.³ The monthly reports are published on average within two months of the end of a reporting period.⁴ The FASI website also published an extensive 24-page report on the first phase of the fund (May to June 2020),⁵ which includes budget execution information broken down by beneficiary and locality. The report also provides a balanced assessment of the effectiveness of the fund, including weaknesses and priorities for the future.

The FASI website also regularly publishes dashboards, which provide up-to-date budget execution information with pie charts, graphics and visualizations to make it accessible to citizens. The dashboards also present information by cohort of beneficiaries. The dashboards were published as often as every two weeks during the peak of the COVID-19 crisis,⁶ and in December 2020 the website also published a dashboard with similar information for the year 2020.

The Ministry of Finance also publishes ad-hoc updates on the budget execution of the funds⁷ in the form of press releases following Council of Ministers meetings. One of these, from June 2020, provides extensive information and analysis, including on beneficiaries and budget executed to date. In 2020, for example, 65% of beneficiaries were women and 35% men; 26% of beneficiaries were from Abidjan and 74% from the rest of the country⁸; 61% were in trade, followed by 17% in food services.

³https://fasi.ci/public/storage/RAPPORT_D_ACTIVITE_FASI_AOUT_2021.pdf

⁴For example, the August and July 2021 reports were published on September 2, 2021, and the June 2021 report was published on August 4.

⁵Rapport d'Activités du Dispositif Transitoire 14 mai – 22 juin 2020 : https://fasi.ci/public/storage/RAPPORT_FASI_PHASE_TRANSITOIRE.pdf

⁶https://fasi.ci/public/storage/FASI-Tableau_de_bord_Cohorte_8.pdf

⁷https://www.tresor.gouv.ci/tres/fr_FR/programme-de-riposte-contre-la-covid-19-letat-dexecution-des-activites-des-fonds-de-soutien/

⁸https://fasi.ci/public/storage/TABLEAU_DE_BORD_GENERAL_FASI_2020.pdf

The FPSME website has published comprehensive monthly reports since May 2020. The reports are each more than 100 pages in length and contain information on the application process for obtaining funding, the composition of beneficiaries by sector and geographic location, and the types of financial instruments used. The report also contains detailed data and visualizations (pie charts, tables, etc.) on the number and type of applications received. The report provides information on the applications that did not succeed, with a description of the reasons why they failed to meet the eligibility criteria. The report also shares some of the challenges in the management of the fund and how the secretariat seeks to address these weaknesses. The monthly reports are published on average within a month following a reporting period (for example, the latest published report is for October 2021 and was published on November 11, 2021).

The website also published a detailed report on the first phase of implementation of FPSME⁹ (until May 2020); the report was published within months following the end of the reporting period (in December 2020). The implementation report includes the same information as the monthly reports but with a focus on the transition phase as a reporting period. In addition, the website contains contact information for citizens to use for communication, as well as functionality to track the progress of an application.

⁹https://fspme.agencecipme.ci/assets/doc/RAPPORT%20D'ACTIVITES%20_FSPME%20VERSION%20FIN%20MAI%20VF.pdf

Transparency of FASI and FPSME as extra-budgetary funds

FASI and FPSME were set up as extra-budgetary funds and as such have taken important steps to ensure their effective management. This includes compliance with approved financial regulations, inclusion in in-year or year-end financial reports, and a statutory audit by the supreme audit institution (SAI).

With regard to parliamentary approval of the government's budget, FASI and FPSME were included in the 2020 Supplementary Budget Law and the 2021 Budget Law. The Agence Promotion PME is featured as a program in the 2021 Budget Proposal. A direct reference to the FPSME is included in the Ministry of Economy and Finance budget line for 2020 and 2021.¹¹ Similarly, FASI is included in the 2020 supplementary budget and 2021 Budget Proposal in a budget line.¹²

The information provided by FASI enables oversight institutions and citizens to practice effective accountability. An inter-ministerial management committee, including the Ministry of Economy and the Ministry of Labor, was created to manage each fund. This management mechanism acted as an entry point for information for parliamentarians.

The information provided by FASI also ensures that external audits can be undertaken. The report states, for example, that two management meetings are held each month. The reports also notify citizens that FASI

has benefited from external control from the SAI, as well as an internal audit from the Inspector General des Finances (IGF) of the Ministry of Economy and Finance. The reports also share information on dates for the audit processes. For example, citizens can see that the Cour des Comptes (Côte d'Ivoire's SAI) has undertaken a report on FASI funds that was shared with FASI in August 2021. The IGF undertook the internal audit control of FASI in June 2021 and the internal audit control of FPSME from February to May 2021.¹³

The monthly FASI reports enable citizens to track the management and operation of the fund. The media has used the financial information included in these reports, as have such other groups as employers' organizations (for instance, at events such as the national employers' day).^{14/15} While the audit reports are yet to be published on the funds' websites or government websites, the information provides entry points for citizens and CSOs to request further information and enables them to assess the management and effectiveness of accountability processes for the fund. Citizens and civil society can also undertake control and create dialogue around the distribution of beneficiaries. For example, the data suggests that the distribution of beneficiaries has been changing over time and efforts seem to have been made to focus on women and provide geographical equity.

¹⁰Budget line 2214102, <https://budget.gouv.ci/doc/loi/Loi-fcs2-budg2021.pdf>

¹¹Budget of 158 billion FCFA in 2020 and 110 billion FCFA in 2021.

¹²Budget of 78 billion FCFA in 2020 and 30 billion FCFA in 2021.

¹³<https://www.igf.finances.gouv.ci/igfAdmin/activites/doc/PAIGF2021.pdf>

¹⁴<https://www.linodrome.com/economie/58530-appui-de-l-etat-aux-entreprises-impactees-par-la-covid-19-le-patronat-ivoirien-denonce-des-difficultes-au-niveau-des-fonds-des-pme-et-du-secteur-informel>

¹⁵<https://www.linodrome.com/economie/71999-cote-d-ivoire-covid-19-15-690-emplois-sauves-grace-au-fonds-de-soutien-aux-grandes-entreprises>

Establishing the funds

Several preconditions helped to enable the success of the transparency arrangements of FASI and FPSME.

The context for the COVID-19 crisis was conducive to introducing measures that align with transparency principles. While the data for the 2021 Open Budget Index (OBS) have not yet been finalized and will not be released in their totality until 2022, it is likely that Côte d'Ivoire will exhibit at least a moderate increase in transparency in the latest round of the survey. This reflects the current government's focus on improving transparency across the policy spectrum. Indeed, improving institutions and governance was the first pillar of the authorities' 2016-20 National Development Plan (NDP). The current draft of the NDP also describes governance as the cornerstone of the improvements expected from the implementation of the plan. Recent notable progress includes the publication of the citizen budget.¹⁶ Another example is the High Authority for Good Governance, which strengthened its capacity to monitor asset declarations from public officials by implementing a new interactive platform (to be fully operational in 2022). Côte d'Ivoire has also made progress in enhancing transparency and accountability in the energy and mining sectors. The most recent Extractive Industries Transparency Initiative report¹⁷ notes the introduction of transparency provisions and the development of a new mining code.

The government views broader digitization as critical to transparency, an important element in improving the social contract between state and citizens. This commitment can be seen through efforts at digitization across certain social services, in the management of public finances (for example, through the establishment of an e-procurement platform accessible to the public), and also in the tax system (through digitization of local taxes). The World Bank is also running a program in the country to support e-government.¹⁸ Skills and past experiences within the administration already existed, thus helping to develop effective online platforms and citizen-facing mechanisms, which in part explains the speed at which the funds (and the citizen-facing websites¹⁹) could be developed.

In terms of participation mechanisms, the government established effective social dialogue with enterprises. According to the International Labour Organization (ILO), as early as March 2020 the Ministry of Labor and Social Protection undertook a consultation with workers and employers regarding the impact of COVID-19 on their activity. Trade unions and workers signed an agreement to establish a common strategy to cope with the conditions generated by the crisis; CITEF (a committee composed of trade unions for a strategy toward the formal economy) was consulted as part of the discussions to develop the funds, as was the CIPC (an employer and workers' association); and a working session organized by the Ministry of Labor took place to identify and develop the measures further.²⁰

¹⁶Ibid., IMF Article IV.

¹⁷EITI (2018): <https://eiti.org/document/cote-divoire-2018-eiti-report>

¹⁸<https://documents1.worldbank.org/curated/en/443251602702930987/pdf/Dismissible-Restructuring-Paper-Enhancing-Government-Effectiveness-for-Improved-Public-Services-P164302.pdf>

¹⁹Mme Madeleine Yao, Conseiller Technique du Ministère de l'Economie et des Finances.

²⁰<https://www.ilo.org/global/topics/coronavirus/regional-country/country-responses/lang-en/index.htm#CI>

Development partners have also reinforced the need for the transparency arrangements of these funds. The funds are supported by partners, including the French development agency (AFD), the World Bank, and GIZ.²¹ The transparency arrangements have also been supported by the fact these funds are coordinated by long-standing and effective institutions. The creation of FPSME was facilitated by the already established Agence Côte d'Ivoire PME, which was created in 2014²² to promote SMEs and was tied to the ministry responsible for SMEs. With regard to FASI, Agence Emploi Jeune was also already established and effective, with 20 agencies in the country — a network used to support the integration of young people into the formal economy and, in the case of the funds, to disseminate information in rural localities.

Lessons learned from the funds' transparency arrangements

Several lessons can be learned from Côte d'Ivoire's experience that could be relevant to other countries when establishing transparency arrangements for emergency funds.

First, transparency and outreach arrangements rely on a good supply of data and information, as well as a culture of open and harmonized data. In the case of FASI, the Ministry of Finance played a strong leadership role and collaborated effectively with line ministries to collect information, which was pivotal, in identifying and mapping the informal sector. For example, the Ministry of Finance reached out proactively by telephone to potential beneficiaries that had been pre-identified by line ministries. Still, delays were noted in getting accurate and timely information from ministries, and

in ensuring consistency in the presentation of data across ministries.

Second, transparency, participation and outreach were facilitated by launching a vast communication campaign. In Côte d'Ivoire, phone payment with Orange, MTN and Moov was already established and used for other G2P (government-to-person) payments. A communication campaign was initiated to share information and better reach beneficiaries, through the use of social media such as Facebook, Twitter and Instagram, as well as through television and radio. Informational videos were made and shown on how to access the funding. Formal ceremonies to give out the checks, often with ministers present, are routinely organized in order to further attract beneficiaries.

²¹<https://www.cabri-sbo.org/en/pages/covid-19-public-finance-monitor>

²²Law n° 2014-140 of March 24, 2014.

Third, while transparency has been prioritized, the accountability and monitoring of the impact of emergency funds is more challenging to establish. There is as yet little national documentation on the impact of FASI and FSPME. One brief study by the World Bank suggests that the funds have been well received by both businesses and beneficiaries and that the government's crisis interventions did address some important needs²³ (media reports have suggested the same).²⁴ The references to and commentary on the funds in the 2021 Budget Proposal could be expanded, especially given they are inter-ministerial in nature and source financing from several ministries, which makes the information fragmented. In terms of accountability, the 2020 audit report is yet to be published by the SAI; it is expected that the

audits of the funds will be published or integrated in the full audit report of the national accounts. The IMF confirms management practices could be further improved, and the funds are subject to controls by the internal auditor and annual audits by independent firms, but these audits are not yet public.²⁵ Public participation in the establishment of funds can also be considered by enabling the participation of civil society actors during the parliamentary debate establishing the funds; civil society actors could be added as members of the funds' management committees. Thus, while transparency in the funds' management can be lauded, other countries seeking to establish emergency support funds could make further progress, with regard to citizen participation and accountability.

²³<https://documents1.worldbank.org/curated/en/515581613386640589/pdf/Navigating-through-COVID-19-A-Snapshot-on-How-the-Pandemic-Affected-MSMEs-in-Cote-dIvoire.pdf>

²⁴<https://www.linfodrome.com/economie/63456-fonds-d-appui-au-secteur-informel-fasi-les-commerçants-remercient-le-gouvernement-et-plaident-pour-des-prets>

²⁵IMF Article IV, August 2021, <https://www.imf.org/en/Publications/CR/Issues/2021/07/28/Cte-dIvoire-2021-Article-IV-Consultation-Press-Release-Staff-Report-Informational-Annex-462924>

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