

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED
SAFEGUARDS DATA SHEET (PID/ISDS)
CONCEPT STAGE**

Report No.: PIDISDSC15393

Date Prepared/Updated: 17-Nov-2015

I. BASIC INFORMATION

A. Basic Project Data

Country:	Cameroon	Project ID:	P156210
		Parent Project ID (if any):	
Project Name:	Cameroon Inclusive Cities Program (P156210)		
Region:	AFRICA		
Estimated Appraisal Date:	12-Sep-2016	Estimated Board Date:	22-Dec-2016
Practice Area (Lead):	Social, Urban, Rural and Resilience Global Practice	Lending Instrument:	Investment Project Financing
Sector(s):	Sub-national government administration (40%), General water, sanitation and flood protection sector (30%), Urban Transport (20%), General public administration sector (10%)		
Theme(s):	Urban services and housing for the poor (40%), City-wide Infrastructure and Service Delivery (20%), Municipal governance and institution building (20%), Urban planning and housing policy (15%), Participation and civic engagement (5%)		
Borrower(s):	Republic of Cameroon		
Implementing Agency:	MINHDU		
Financing (in USD Million)			
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			80.00
Financing Gap			50.00
Total Project Cost			130.00
Environmental Category:	A - Full Assessment		
Concept Review Decision:	Track II - The review did authorize the preparation to continue		
Is this a	No		

Repeater project?	
Other Decision (as needed):	

B. Introduction and Context

Country Context

1. Cameroon is a lower middle income country with a population of 21.7 million people and great development potential. The country is endowed with vast natural resources, including oil and still untapped natural gas, iron, bauxite, and cobalt, and abundant agricultural products, including coffee, cocoa, and cotton. Thanks to its geographic location at the heart of the Gulf of Guinea, Cameroon is also an important gateway to the economies of Central Africa and provides strategic trading routes connecting West and Central Africa. Ninety percent of goods destined for Central Africa pass through the port of Douala. In addition, Cameroon has a relatively educated work force and a large share of young population (the average age of the population is 19).

2. Despite this potential, the last decade has been characterized by low economic growth and little improvements in poverty and social indicators. Poor infrastructure, an unfavorable business environment, and weak governance all hamper economic activities. Although economic growth has recently started to pick up - with growth rates at 4.6 percent in 2012 and estimated at around 5.5 percent in 2013, primarily driven by the service sector-, this is not enough to reduce poverty on a sustainable basis. Population growth at 2.7 percent per year alone brings per capita growth to a modest two to three percent, and average Gross National Income (GNI) per capita of US\$1,360 in Cameroon remains well below the regional average for Sub-Saharan Africa of US\$1,699 (2014). Poverty levels are around 38 percent and Cameroon will not achieve the Millennium Development Goals. In fact, Camerons scores in the Human Development Index have deteriorated over the past two decades.

3. Cameroon is also a country of large cultural diversity and significant regional differences. It is home to approximately 250 ethnic groups which are regrouped into five geographical and cultural areas that all have ties to bordering countries. Poverty incidence is highest in the North and Far North regions, where 56 percent of the country's poor are concentrated. Balancing regional disparities is a key cornerstone of Government policy and its efforts to foster unity have generally been successful.

4. However, stability is challenged as extremist groups pose an increasing threat in northern parts of the country. Boko Haram has carried out violent attacks in Cameroon since the beginning of 2014 and clashes between the Cameroonian armed forces and Boko Haram militants over the last few months have escalated into unpredictable localized conflicts in the Far North region, aggravating already existing north-south disparities. The religious extremism advocated by Boko Haram cannot be considered independent of the deprivation in the north and lack of economic opportunities, particularly for the youth. Insecurity has also led to a considerable contraction of the regional economy as exchanges with Nigeria and Chad stopped and an increased flow of refugees from the Central African Republic and Northern Nigeria increases social tensions in Cameroon.

Sectoral and Institutional Context

5. Cameroon has been rapidly urbanizing and is among the most urbanized countries in sub-

Saharan Africa. It is estimated that about 54 percent of the country's population live in cities and, according to the UN World Urbanization Prospects, the urban population will continue to increase by almost 8 million from 12.7 million in 2015 to 20.4 million in 2030. The urban system is characterized by two primate cities of around 2 million people (Yaoundé and Douala), four cities with more than 200,000 people, and sixteen other secondary cities with more than 50,000 inhabitants (2005). The country benefits from a relatively good spatial distribution of these 22 cities across its territory and the location of several cities along key regional trade routes. The two major cities house nearly 50 percent of the urban population and are still experiencing high urbanization rates around 5 percent per year. Internal migration accounts for 2.8 percent of the urban growth in the country (4 percent). More than half of the population in Yaoundé and Douala are rural migrants.

6. The rapid urban growth over the past decades has been absorbed by informal settlements spreading out from the edges of towns and growing densities in low-income neighborhoods near city centers in the bigger cities. As a result of limited investments, most of this urban growth has occurred without connection to infrastructure and poor access to basic services, transport, and job opportunities. The infrastructure deficit in Cameroonian cities is prominent as the urban infrastructure stock has not been updated significantly since the end of the 1980s, while the population has more than doubled. Huge disparities in access to infrastructure and basic services, sanitary conditions and crime and violence exist between low-income settlements and more established parts of the cities, undermining the quality of life of their inhabitants and the productivity of these urban areas. Further, unplanned settlements in urban areas lack adequate storm water management facilities and sanitation, and face increased risk of environmental degradation and recurrent devastating flooding.

7. Monetary poverty in urban areas overall has declined from 18 percent in 2001 to less than 10 percent in 2014, but wide regional disparities remain. While monetary poverty in Douala and Yaoundé is as low as 5 percent in 2014, urban poverty in the Far North Region is 22 percent (up from just over 20 percent in 2007) and nearly 20 percent in the North Region (ECAM 3, ECAM4). In addition, informal employment and underemployment are widespread in urban areas where about 70 percent of jobs are informal. Worryingly, unemployment in urban areas increases with higher educational attainment and for the youth, for which it exceeds 20 percent.

8. The Government of Cameroon has shown its commitment to implement decentralization, but progress to date has been relatively slow. The 2004 Decentralization framework law transferred substantial responsibilities and powers to municipalities, positioning them as the key actor for urban development, which was complemented by a new financial regime for local taxes and intergovernmental fiscal transfers in 2009. However, despite having been assigned extensive responsibilities, municipalities are facing a range of institutional and financial constraints to fulfill their new roles and ensure proper service delivery to their population. Municipal resources are still below 3 percent of overall Government resources and 1 percent of Gross Domestic Product. They usually remain below 2500 FCFA per capita, with the exception of a few major cities like Douala (10 000 FCFA per capita). In addition, the amount of fiscal transfers to municipalities is not predictable as they are not being allocated based on clear criteria, which makes the preparation, budget execution and provision of services at local level difficult.

9. The Government of Cameroon has adopted an Urban Strategy in 2014. This strategy outlines the priorities of the Government to control urban growth and improve the living environment of

urban populations in order to increase the competitiveness and economic, social and environmental efficiency of cities and contribute to the achievement of the Cameroon Growth and Employment Strategy Paper (2010-2035). In particular, the strategy foresees the strengthening of urban planning instruments, the construction of 600 km of new paved roads and 10,000 dwellings, the development of 50,000 plots of serviced land, and the halving of the urban population without access to water, electricity and ICT by 2020.

10. The lack of secure land tenure poses a serious challenge to efficient urban management and planning. Currently, it is estimated that 70 percent of urban land is held without title. Moreover the country maintains a dual land tenure systems, both modern and customary which complicate land transactions. Although a framework for land reform was adopted by the Government in 2005, its implementation has been problematic. The weakness of property rights discourage investors and gaps in outdated registration procedures affect the collection of revenues (only 20 percent of land taxes are collected). To respond to these challenges, Government, with the support of the African Development Bank, launched a project to modernize the land registration system and improve land transaction transparency in 2009 but progress has been slow so far.

Relationship to CAS/CPS/CPF

11. The Country Assistance Strategy (CAS) for Cameroon (2010-2014) recognized the potential negative impacts of rapid urbanization, the growth of informal suburban settlements, the large disparities in service delivery, lack of adequate infrastructure and unfavorable business environment. Further, the CAS is aligned with the Government's Growth and Employment Strategy for 2010-2013 that identified "the need to alleviate the bottlenecks to growth, especially in infrastructure, refocus public spending on priority areas, strengthen the place and quality of public investment, and improve the business environment." Building on the preceding Urban Water and Development Project (PDUE), which was implemented from 2007 to August 31, 2015, the proposed project would continue to support the achievement of the CAS strategic theme on "Improving Service Delivery".

12. The World Bank is currently preparing a Strategic Country Diagnostic (SCD) for Cameroon, based on which a new Country Partnership Framework (CPF) will be prepared. It is expected that both documents will reinforce the potential of urbanization for poverty reduction and shared growth, while emphasizing the need to expand service delivery and strengthen local government capacity in urban areas.

C. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The proposed Development Objective is to increase access of the urban population, particularly those living in poor neighborhoods, to infrastructure and services.

Key Results (From PCN)

14. Expected key results include:

- (i) Direct project beneficiaries (number), of which female (percentage);
- (ii) People in urban areas provided with access to all-season roads within a 500 meter range under the project (number);
- (iii) People in urban areas benefiting from improved drainage (number);
- (iv) People in urban areas provided with access to improved water sources and/or sanitation under the project (number);
- (v) Additional population in the targeted urban areas protected against periodic flooding

(number);

(vi) Beneficiaries that feel project investments reflected their needs (percentage and disaggregated by gender);

(vii) Local governments that implement asset management plan as specified in the city development contracts (number).

D. Concept Description

15. The proposed project aims to consolidate and extent the achievements of the urban component under the Urban and Water Development Support Project (PDUE), which closed on August 31, 2015, to support strategic priorities of the Government in terms of urban development and decentralization and address spatial disparities.

16. The project concept is based on the inclusive cities approach that aims to address questions of: (i) spatial exclusion by improving access to urban services for low-income populations, (ii) economic exclusion by promoting access to job opportunities, and (iii) social exclusion through mechanisms for community participation and citizen engagement in municipal management. The project will follow an integrated approach that combines: (i) construction of basic and structuring infrastructure in selected cities and low-income neighborhoods, including through labor-intensive methods and specific programs to target young and vulnerable people; (ii) capacity building at the local level to ensure provision and maintenance of infrastructure and services and to improve accountability and citizen participation; and (iii) targeted support to ministries in charge of urban development, land affairs, and decentralization to support implementation of policies and strategies. The project will continue to use the ‘city contract’ approach developed by the Government of Cameroon and applied under PDUE and other donors supported projects, which is based on prior urban, financial, and organizational participatory assessments of participating municipalities. The team will also continue to closely coordinate with the National Community Development Program Support Project (Programme National de Développement Participatif, PNDP), which is being implemented in parallel, to ensure that the community participation processes and planning instruments in urban communes are well aligned with the proposed project interventions and avoid duplication.

17. With a view to addressing spatial disparities, strengthening economic development potential (including role as ‘connector’ city along strategic corridors), and ensuring complementarity with other operations supporting urban development in Cameroon, the following communes were identified as potential beneficiary cities under the proposed project: Ngaoundéré, Maroua, and Kousséri in the northern area, Kumba and Koumba in the Anglophone West, Districts 5 and 7 in Yaoundé, and District 3 and 5 in Douala. The final list of participating municipalities and target neighborhoods will be confirmed during preparation, but is expected to include some cities located in the northern part of Cameroon that has been experiencing increasing security threats.. The project’s intervention in these cities will require conflict-sensitive approaches, specific implementation arrangements and possibly adapted project activities. A fragility assessment in Northern Cameroon will inform the definition of project activities in the northern cities during project preparation.

18. The proposed project is expected to have three components:

19. Component 1: Institutional support and capacity building for decentralization. This

component will provide technical assistance at both the local and national levels to support the decentralization agenda and strengthen service delivery and accountability in participating municipalities. It will have two sub-components:

20. Sub-component 1.1: Support to urban and municipal management (US\$ 9 million IDA). The objective of this sub-component is to strengthen the urban management capacity of participating cities in planning, implementing, and maintaining delivery of urban services and infrastructure; financial management and revenue collection; as well as accountability and citizen engagement. It focuses on capacity building activities and the development of effective management tools. Urban, organizational, and financial assessments of the participating municipalities will be completed during project preparation that will help identify the areas of capacity building and inform the city performance contracts to be agreed between participating municipalities and the Government. Capacity building support will focus on participating municipalities, but will also include 'deconcentrated' agencies of the ministries in charge of urban development and decentralization. Importantly, this subcomponent will also provide training and capacity building to community organizations and other civil society stakeholders to improve citizen participation and local governance in targeted municipalities. The potential inclusion of participatory budgeting or other innovative citizen engagement mechanisms will be further explored during project preparation in close coordination with the PNDP.

21. Sub-component 1.2: Support to implementation of national policies and strategies. This sub-component will provide targeted support to competent ministries, in particular the Ministry of Urban Development and Housing (MINHDU), Ministry of Territorial Administration and Decentralization (MINATD), and Ministry of Domain, Cadaster, and Land Tenure (MINDCAF), to support implementation of policies and strategies in the areas of urban development, housing, urban mobility, decentralization, fiscal transfers, land management and urban data. It will focus on strengthening activities at the strategic level initiated under the PDUE, such as the development of a national urban database, and supporting implementation of existing policies. In addition, it will continue the dialog with the Ministries on possible sector reforms in housing, land, and fiscal transfers to local government.

22. Component 2: Resilient urban infrastructure and services. This component aims to increase access to services and infrastructure in participating municipalities and poor neighborhoods and to better integrate selected low-income settlements in the overall urban fabric. To this end and following lessons learnt from the PDUE to more clearly separate neighborhood and city-wide interventions, there will be two sub-components that will finance infrastructure investments at two levels: (i) urban upgrading at the neighborhood level (Sub-component 2.1), and (ii) trunk infrastructure at the city level (Sub-component 2.2) (1). The allocation of investment funds to participating municipalities is expected to be done through a formula combining a lump sum and a variable amount compounding criteria such as population, poverty level index, and municipal revenues. The lump sum will be determined based on the experiences of the PDUE in such a way as to ensure that each participating city will receive a minimal amount to comprise sufficiently sizable interventions. In addition, a performance grant could be allocated based on the achievements of the targets of the city contracts. The allocation mechanism will be further defined during project preparation.

23. Sub-component 2.1: Neighborhood in-situ upgrading. This sub-component will finance small infrastructure works in selected underserved neighborhoods of participating municipalities to

extend access to basic services to low-income populations. Specific investments will be driven by the needs of each beneficiary community and will be identified using a participatory approach based on the experience of the PDUE. Possible investments include local/community roads, pedestrian paths, street lightening, water and sanitation connections, storm water drainage and management, slope stabilization, waste collection points, as well as construction or repair of community facilities and public spaces (leisure/social facilities, markets, health centers, or schools, parks, streetscapes). Building on the experience of the PDUE, the methodology used will prioritize gradual solutions that allow for a progressive improvement in the level of service and avoid resettlement, to the extent possible. It will also seek to enhance disaster resilience (in particular to recurrent floods) and address high youth unemployment through promoting the use of labor-intensive methods, cash-for-work programs linked to the maintenance of neighborhood infrastructure, and community-based water and waste management techniques (such as rainwater harvesting) in addition to incorporating disaster-prevention measures in infrastructure investments. These measures and their use in the target cities will be further defined during project preparation, taking into account the conflict situation in Northern Cameroon as well as gender considerations to ensure that the interventions will not contribute to social tensions. The selection of low-income settlements in participating municipalities will be done during project preparation based on criteria including population density, existing level of access to services, areas suitable for construction, and strength of community participation.

24. Sub-component 2.2: City-level infrastructure. This sub-component will finance the construction and rehabilitation of trunk infrastructure to improve the integration of targeted low-income settlements within the rest of the city. Investments will focus on roads and paths to increase inner-city connectivity and mobility, which can increase access to employment opportunities, and the related storm water drainage and flood management system.

25. Component 3: Project Management, Coordination, Monitoring and Evaluation. This component will finance the costs of project management and coordination, including financial and technical audits, oversight of environmental and social safeguards compliance, communication activities, technical assistance and consultant services, training, and monitoring and evaluation of the project.

(1) The project will also consider the recommendations of the multi sectoral investments plan for managing climate and disaster risk that will be carried out in 2016 by the Bank.

II. SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

With a view to balancing spatial disparities, strengthening economic development potential (including role of connector cities along strategic trade corridors), and complementarity with other ongoing or planned operations, the proposed project would prioritize strategic cities in different regions of the country with a particular focus on urban areas in the northern part of the country. The selection of low-income settlements within participating cities for project interventions will be determined during project preparation considering criteria including population density, existing level of access to services, areas suitable for construction, and strength of community participation. For the social safeguard analysis, it will be important to identify potential beneficiaries and vulnerable populations as well as the presence of indigenous communities if any in addition to Project Affected Persons (PAPs) for the purposes of managing any land acquisition or negative

impact on livelihoods. This will be particularly important for proposed Sub-Components 1.1 and 2.1.

B. Borrower's Institutional Capacity for Safeguard Policies

It is proposed that the same institutional, fiduciary and operational arrangements implemented under the urban component of the preceding Urban Water and Development Project (PDUE) will be used for the proposed project. As there were/are significant issues managing the implementation of the Resettlement Action Plans (RAPs) for the PDUE, the capacity of the Project Coordination Unit (PCU) will need to be addressed and increased during project preparation with specialized training in safeguard monitoring and compliance. In addition, special attention will be given to identifying specific project sites in order that resettlement planning and preparation of RAPs can be facilitated as early as possible. It is also envisioned to hire an environment and social safeguard consultant for each city who will be able to manage social and environmental issues in close collaboration with the Central PCU.

C. Environmental and Social Safeguards Specialists on the Team

Emeran Serge M. Menang Evouna (GEN07)

Kristyna Bishop (GSU01)

D. POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The Environmental and Social Management Framework (ESMF) will provide guidance for the preparation of the specific Environmental and Social Impact Assessment / Environmental and Social Management Plan for the beneficiary cities.
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	TBD	
Indigenous Peoples OP/BP 4.10	TBD	
Involuntary Resettlement OP/ BP 4.12	Yes	All efforts will be made during preparation to proactively address the resettlement challenges, which are both context and capacity-related. Specialized training to enhance PIU capacity will be provided and the Resettlement Policy Framework (RPF) will include clear guidance for the preparation of the Abbreviated RAPs that will be required once a project site is clearly identified. The CMU is working with other donors and the government to address the larger regulatory issue at country level.
Safety of Dams OP/BP 4.37	No	

Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	TBD	

E. Safeguard Preparation Plan

1. Tentative target date for preparing the PAD Stage ISDS

18-Nov-2016

2. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the PAD-stage ISDS.

The environmental and social category will be confirmed during PCN review and preparation. All safeguard related studies will be initiated immediately and completed before Appraisal. This includes an audit of the status of the PDUE resettlement and compensation, a general social assessment for the potential beneficiary cities and the preparation of the RPF.

III. Contact point

World Bank

Contact: Sylvie Debomy

Title: Lead Urban Development Special

Contact: Patrice Joachim Nirina Rakotoniaina

Title: Senior Municipal Engineer

Borrower/Client/Recipient

Name: Republic of Cameroon

Contact: Jean Jacques YEPMOU

Title: Director MINEPAT

Email: yepmoujj@yahoo.fr

Implementing Agencies

Name: MINH DU

Contact: Mme Anne-Marie Essono

Title: Engineer

Email: essono anne marie <polessono@yahoo.fr>

IV. For more information contact:

The InfoShop

The World Bank

1818 H Street, NW

Washington, D.C. 20433

Telephone: (202) 458-4500

Fax: (202) 522-1500

Web: <http://www.worldbank.org/infoshop>

V. Approval

Task Team Leader(s):	Name: Sylvie Debomy, Patrice Joachim Nirina Rakotoniaina
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<i>Approved By</i>		
Safeguards Advisor:	Name: Johanna van Tilburg (SA)	Date: 09-Jan-2016
Practice Manager/ Manager:	Name: Maria Angelica Sotomayor Araujo (PMGR)	Date: 09-Jan-2016
Country Director:	Name: Elisabeth Huybens (CD)	Date: 20-Jan-2016

1 Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.