

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED
SAFEGUARDS DATA SHEET (PID/ISDS)
ADDITIONAL FINANCING**

Report No.: PIDISDSA19981

Date Prepared/Updated: 17-Jan-2017

I. BASIC INFORMATION

A. Basic Project Data

Country:	Cameroon	Project ID:	P160917
		Parent Project ID (if any):	P122153
Project Name:	Mining Sector Capacity Building Add (P160917)		
Parent Project Name:	Cameroon Mining Sector Technical Assistance Project (P122153)		
Region:	AFRICA		
Estimated Appraisal Date:	16-Jan-2017	Estimated Board Date:	23-Mar-2017
Practice Area (Lead):	Energy & Extractives	Lending Instrument:	Investment Project Financing
Borrower(s):	MINMIDT		
Implementing Agency:	MINMIDT		
Financing (in USD Million)			
Financing Source			Amount
International Development Association (IDA)			27.00
Total Project Cost			27.00
Environmental Category:			
Appraisal Review Decision (from Decision Note):	The review did authorize the team to appraise and negotiate		
Other Decision:			
Is this a Repeater project?	No		

B. Introduction and Context

Country Context

Cameroon, a central African country of about 24 million people, occupies an area of 475,000 square kilometres, and is strategically located on the gulf of Guinea. It is naturally well placed to play the role of a regional hub, with its 600 kilometre coastline; borders with six Central Africa countries which, with the exception of Nigeria, are members of the Economic and Monetary Community of Central Africa (CEMAC by its French acronym); and its regional port of Douala serving as an entry point to two strategic road corridors to Bangui and Ndjamena. Cameroon's Far North Region shares with Chad, Niger and Nigeria access to Lake Chad, a basin traditionally important for livelihood in the region, but also an area of competition for scarce resources including between farmers and pastoralists. Cameroon is endowed with ample arable land, water, energy, and oil and mineral resources.

Cameroon also is part of the Congo Basin forest ecosystem, the world's second largest contiguous block of tropical forest on the planet. The Congo Basin harbours extraordinary biodiversity and a high level of endemism. It forms an integrated ecological unit encompassing highly forested territories of the Congo Basin countries. The Congo Basin forest performs valuable ecological services, such as flood control and climate regulation at the local and regional level. With the huge amount of carbon stored in its abundant vegetation, it further serves as a buffer against global climate change.

Cameroon is one of the most diverse countries in Africa. The country stretches from the Sudano-Sahelian region in the north, through the high Guinea savannah and Western Highlands in the centre and west, to the dense, humid tropical rainforest of the south. Five distinct agro-ecological zones shape, and are in turn conditioned by, the social and economic activities of a wide range of communities, diverse by language, religion and ethnicity. With 250 ethnic groups, Cameroon is one of the most ethnically diverse countries in Africa. Two out of ten regions, bordering Nigeria on the west, are Anglophone, representing about 14 percent of the population, while the remainder of the country is Francophone. The locally dominant ethnic group in the northern regions, the Fulani, are Muslim. However the population as a whole in the north is fairly evenly balanced between Muslims, Christians and animists. Muslims represent a significant share of the population in other regions. The two Anglophone regions, however, are largely Protestant while the southern and western regions are largely Catholic. Traditional indigenous religions are practiced in rural areas throughout the country.

Cameroon's northern regions (the Far-North, the North, and Adamawa) suffer from chronic fragility, which is fertile ground for Boko Haram infiltration and which has been further exacerbated by Boko Haram violence, and the ensuing displacement and severe social and economic disruption. These three regions exhibit by far the highest poverty rates in Cameroon, and poverty and inequality levels relative to other parts of the country have steadily increased in the recent period. They are subject to multiple poverty traps which have been amply documented in the SCD, including low agriculture productivity, increasing vulnerability to climate change, poor infrastructure, and limited access to health and education services. The presence of Boko Haram on Cameroon's borders with both Nigeria and Chad has resulted in high levels of insecurity and violence, involving 2,276 fatalities in 2014-15 alone. Inhabitants of these areas are traumatized by Boko Haram brutalities, loss of livestock, and risks associated with normal economic activities such as cultivating. In addition, Cameroon's eastern border has, since 2003, been destabilised by the conflict in CAR including highway robbery along trading routes and influx of CAR refugees, mostly Muslims. As a result, Cameroon's northern regions are facing a humanitarian and economic challenge: as of April

2016, Cameroon was hosting 327,000 refugees from Nigeria and CAR, and was counting 140,000 internally displaced persons due to Boko Haram-related insecurity. Insecurity has also started to take a toll on economic activity, as bilateral trade with Nigeria and price stability in the North have been seriously affected.

Sectoral and institutional Context

Mining is a relatively small sector in today's Cameroon economy but it is a key pillar of the Government's 2035 Vision. The contribution of mining to GDP is marginal (less than 0.1% according to the latest EITI data available). Its contribution to fiscal revenues was less than \$US 4 million in 2013, hardly comparable to oil which generated \$US 1.3 billion that same year. There are no large-scale mining production apart from a couple of industrial mineral quarries. Artisanal and small-scale mining of gold and diamond have been widespread since the 1970s and while it is known to provide livelihoods for thousands of people in many rural areas, the official production is limited. However, a few large industrial projects have been developed around historically-known deposits - like the iron-ore Mbalam-Nabemba one at the border with Congo. On that basis, the Growth and Employment Strategy Paper (DSCE) 2010-2020 states that the goal pursued in this sector consist in promoting and encouraging research, mining and the processing of mineral resources necessary for the economic and social development of the country. The development of the sector also fits with the World Bank Group Country Partnership Framework (CPF) under preparation, especially through to the two first areas of focus: (i) governance; (ii) infrastructure and private sector development.

The main obstacles for the development of a dynamic mining sector in Cameroon and one that can be compatible with sustainable development principles - can schematically be explained by governance challenges and lack of geological information. Following the end of the commodity super cycle, many mining investments were cancelled or postponed throughout the African continent. Several initiatives (e.g. African Mining Vision) have tried to devise and promote a new balanced approach towards improving the business environment while strengthening public institutions and governance. In Cameroon, the management of the oil sector has been criticized for not bringing enough benefits to the people, which tends to negatively affect perceptions regarding the emerging mining sector. Contradictory reports on some of the first mining permits that were granted like C&K and Geovik have also fueled a sense of poor governance. In truth, the experience and institutional capacities to govern mining are still comparatively limited. The lack of transparency in the management of mining titles or the semi-mechanized artisanal mining sub-sector are also cited by stakeholders as examples of governance challenges. More generally, there is a clear need for more trust between Government, companies and civil society. However, a key reason why Cameroon does not appear to be on the map of exploration investments is also the lack of geological information. As explained in the Project Appraisal Document of the parent Project, little geological mapping and geophysical work has been undertaken at the national and regional levels since the end of the 1970s. Exploration by private companies has mostly targeted previously known areas and occurrences. Geo-scientific data are poorly stored and managed, and the existing information is dispersed and difficult to access. As a result, the Government does not have the capacity to properly assess the value of prospective mineral deposits or districts and cannot properly promote and manage its resources.

Government has taken significant action in recent years to address some of those challenges, but the risks of venturing capital in mining exploration and development are still perceived to be high. Cameroon was declared compliant with the Extractive Industry Transparency Initiative (EITI) in

2013. The country was also accepted as a member of the Kimberley Process (KP) in 2012. A new mining law was passed in December 2016 with the objectives to further improve transparency, and address a series of priority issues like: uncontrolled artisanal mining, negative speculation on exploration mining titles, insufficient benefits for the population, overlap with environmental protected areas, and other governance gaps. All these represent flagship steps in improving governance of extractive industries and mining in particular. However, Cameroon is still not perceived as a priority destination for mining investments. As shown for instance by the annual survey of the Fraser Institute, the country has not been in the group of 100-120 mining investment destinations listed by companies in recent years. At the same time, in the hope that mining could replace oil as the future dominant national source of wealth, some tax levels have been set at a high level (as illustrated for instance by a royalty on base metals at 5%). In that context, attracting quality investment will require continuous efforts to lower the business risks, improve governance reforms and promote the national geological potential.

C. Proposed Development Objective(s)

Original Project Development Objective(s) - Parent

The PDO is to improve (i) the efficiency and transparency of mining sector management and (ii) the frameworks for sustainable mining development.

Key Results

D. Project Description

The World Bank-financed Mining Sector Capacity Building Project (PRECASEM) has already provided a significant contribution to address those key challenges. PRECASEM was declared effective in September 2012. The Development Objective of this US\$ 30 million IDA-financed operation is to improve (i) the efficiency and transparency of mining sector management and (ii) the frameworks for sustainable mining development. As shown in box below, major achievements to date include: the airborne geophysics survey of half of the territory, the foundation for a modern mining cadaster, the Strategic Environmental and Social Assessment (SESA), a successful online social accountability platform, good track record in training mining administration staff, as well as a range of technical assistances including to the revision of the Mining Code. As of early 2017, PRECASEM is considered Satisfactory and is committed at close to 80%. Following the Mid-Term Review (MTR) that took place between July and October 2015, the closing date was extended to March 29, 2019 to allow for sufficient time to achieve the geological mapping campaign.

The rationale for Additional Financing is both to cover costs overrun and scale up selected activities. In a letter dated June 24, 2016, the World Bank Governor (MINEPAT) formally requested additional financing for PRECASEM. Detailed preparatory work made it possible to agree on a US\$27 million envelop with the following priorities and estimated budgets:

- a. US\$3 million to cover cost overruns of existing contracts. Cost overruns of an estimated 10% result from the combined effect of higher-than-expected costs on selected activities like the geophysical airborne survey and the exchange rate. Absorbing those cost overruns with additional financing would allow to fully undertake Component B of the Project as planned and provide tools and support for better integration of mining into local and regional development.
- b. US\$21.5 million for new contracts to be procured for scaling up of the geology program,

capacity building and artisanal mining activities. First, scaling up the geological program is a historical opportunity to improve knowledge over the country's sub-soil and mineral potential. The original Credit had prioritized areas where no geophysical survey had been acquired. However, the existing information on the rest of the territory must be updated with modern technology and at a consistent line spacing. Similarly, the geological campaign currently being launched is focusing on 10 maps at 1/200.000; doubling this with the Additional Financing would allow to cover a much more significant portion of the territory and completely renew the understanding of the country's geology. Second, scaling up capacity building will allow to expand the mining cadaster to a decentralized level, reinforce technical assistance to the regulatory framework and strengthen the training plan. Third, the Original Financing provided limited support to the management of artisanal and small-scale mining. With the recent increase of that sub-sector, there is an opportunity to support both the administration and local stakeholders to improve the benefits of gold mining and mitigate associated environmental and/or social risks. In component B, the original activity on mineral resources dynamic management system is hence replaced (because covered by other development partners) by support to artisanal mining formalization.

c. US\$2.5 million to cover additional operating costs. These will be associated to implementing the project up to the closing date.

Component Name

Component A. Access to Mineral Resources and Governance of Mining Operations

Comments (optional)

The main objective of this component is to address fundamental impediments to providing access to mineral resources and managing mining operations in an efficient and transparent manner, and under frameworks that comply with sustainable development principles. To achieve this, the project will support the following:

A.1 Program of Geo-data Acquisition, Organization, and Promotion (extension)

A.2 Management of Mineral Rights and Operations

A.3 Transparency and Accountability in the Mining Sector

Component Name

Component B. Integration of Mining into Local and Regional Development

Comments (optional)

The main objective of this component is to improve the integration of mining operations into local and regional development. The additional financing introduces the following changes.

B.1 Support to Artisanal Mining Formalization

B.2 Coordination between Mines, Forests, and Environment Stakeholders

B.3 Local and Regional Linkages

B.4 Framework for Mining Infrastructure Development

Component Name

Component C. Management and M&E of the project

Comments (optional)

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

Similar to the parent project, this Additional Financing would contribute to building the framework for a more efficient and sustainable mining sector in Cameroon. Although mining is currently limited to areas where artisanal and small-scale mining and industrial mineral quarries have proved viable, the Project is national in scope. Technical assistance is provided to inform decision making about future investments in the sector, but this additional financing does not include itself any physical infrastructure and therefore the direct environmental and social impacts are expected to be minimal.

F. Environmental and Social Safeguards Specialists

Albert Francis Atangana Ze (GEN07)

FNU Owono Owono (GEN07)

Kristyna Bishop (GSU01)

II. Implementation

Institutional and Implementation Arrangements

The structure and implementation arrangements of the parent project are maintained. As a consistent continuation and extension of its parent project, the proposed Additional Financing follows the same PDO and Components as well as the same Safeguard category (B). Regarding the implementation arrangements:

- a. The implementing agency will remain the Ministry of Industry, Mines and Technological Development (MINIMIDT), which is responsible for implementation and oversight of the Project. A dedicated Project Implementation Unit (PIU) has been established within the MINIMIDT. It is responsible for day-to-day Project management activities, including procurement, disbursement, financial management, monitoring and evaluation, and safeguard issues. The PIU has a full-time environmental and social specialist.
- b. A Steering Committee (SC) with high-level representatives of relevant Ministries has been established and meets every semester. It is chaired by the Minister of MINIMIDT or his or her representative, and comprises representatives of the ministries responsible for economic planning, finance, environment, forestry, lands, and social affairs.
- c. A Project Implementation Manual (PIM) was developed by the Borrower. It contains a detailed description of the planned activities as well as detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) monitoring, evaluation, safeguards, reporting and communication; and (e) other administrative, financial, technical and organizational arrangements and procedures.
- d. In terms of planning, the PIU prepares a draft annual work plan and budget for the Project for the subsequent calendar year of Project implementation. These annual work plans are reviewed and approved by the Association.
- e. While the World Bank has adopted a new procurement policy, it granted an exception to PRECASEM to extend the rules of the original credit to the additional one.
- f. Arrangements for financial management are maintained.

III. Safeguard Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental	Yes	As the project's first phase was designed to support an

Assessment OP/BP 4.01		initial geology program, key sector functions like the establishment of a transparent mining cadastre and other capacities to better manage the mining sector, a Mining Sector Strategic Socio-Environmental Assessment (SESA) was elaborated and will be the reference for this Additional Financing.
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	No	
Indigenous Peoples OP/BP 4.10	No	The SESA indicates that indigenous peoples could be potentially impacted by future investments in larger scale, industrial or semi-mechanized mining activities especially in the East region and it provides guidance regarding how to screen for and mitigate any negative impacts on indigenous communities and when an IPPF and/or IPP should be prepared for future investments.
Involuntary Resettlement OP/BP 4.12	No	This policy was not triggered for the parent project as there were no physical investments that would require land acquisition or a change in land use. Regarding this Additional Financing, it was clarified that support to artisanal mining formalization will essentially consist in studies, training, awareness raising and demonstration of processes and equipment.
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	No	

IV. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p>
<p>Similar to the parent project, this Additional Financing would support the continuation of important contributions to building the framework for a more efficient and sustainable mining sector in Cameroon. Although the intention is to provide guidance for future investments in the sector, this project would not finance any physical infrastructure and therefore the environmental</p>

<p>and social impacts are expected to be minimal. However, in providing guidance for future investments, it is important that safeguard principles are taken into consideration during this planning and capacity building phase. The Project is expected to have a positive impact through improving environmental management of the mining sector, promoting good mining practices, enhancing environmental management capacity and strengthening capacity to anticipate future environmental and social impacts.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p>
<p>This project essentially consists in a range of technical assistance tools to strengthen the Government of Cameroon's capacity to better govern mining. The intention is to help them build the frameworks and institutional arrangements necessary to sustainably manage mining investments in the future. It is possible that future investments could have significant adverse impact on local communities, biodiversity and conservation and this is why a SESA was undertaken during the first phase of PRECASEM in order to identify possible impacts that might result from future investments and provide the Government of Cameroon with recommendations regarding how to manage these risks. The SESA report also provides guidance regarding how to screen for impacts and what safeguard instruments should be prepared in order to manage and mitigate any potential risks during future project investment.</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p>
<p>As explained above, the project essentially consists in a range of technical assistance and the direct environmental and social risks are expected to be minimal. In particular, the support to the formalization of artisanal miners will essentially consist in studies, training, awareness raising and demonstration of alternative processes and equipment.</p>
<p>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</p>
<p>A Strategic Environmental and Social Assessment (SESA) was undertaken in 2015 and the final report issued in January 2016. The SESA report clearly outlines the potential impacts of possible future investments in the mining sector on the environment and local communities and provides guidance regarding the preparation of safeguard instruments for future investments. The Project will contribute to strengthen capacities to implement appropriate measures by providing support and training to Government institutions. The Project be implemented by a stand-alone Project Implementation Unit (PIU) within MINMIDT. In addition to a Project coordinator, procurement and FM staff, the PIU has recruited a full-time Environmental and Social Specialist. The PIU also works closely with the Ministry of Environment to monitor and manage environmental risks and mitigation.</p>
<p>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</p>
<p>The Strategic Environmental and Social Assessment (SESA), conducted in 2015, included a comprehensive consultation of stakeholders both at the central level (Yaounde) and the local level (several mining regions). At different steps of the process (collection of main issues/preoccupations, presentation of scenarios, prioritization of impacts and recommendations), each group of stakeholders (government, private sector, civil society) attended workshops and contributed to building up the assessment. In particular, vulnerable groups like youth, women and indigenous people (Baka) were clearly identified as well as their respective possible interest and influences.</p> <p>The SESA results were publically discussed in a final round of workshops early 2016 and the</p>

deliverable published both locally (through the platform www.mines-cameroun.cm) and internationally (on infoshop).
 The SESA includes many recommendations on how to better promote consultation of potentially affected communities around mine sites. From better identification of stakeholders, to better dissemination of impacts and compensation rules, it fleshes out the needed steps to ensure a more inclusive engagement plan with local stakeholders.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	07-Jan-2016
Date of submission to InfoShop	29-Jan-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Cameroon	07-Jan-2016
<i>Comments:</i> on www.mines-cameroun.cm	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

V. Contact point

World Bank

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VII. Approval

Task Team Leader(s):	Name: Remi Pelon	
Approved By		
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Practice Manager/ Manager:	Name: Christopher Gilbert Sheldon (PMGR)	Date: 18-Jan-2017
Country Director:	Name: Doina Petrescu (CD)	Date: 20-Jan-2017