

**PROJECT INFORMATION DOCUMENT (PID)  
CONCEPT STAGE**

Report No.: AB6291

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|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Project Name</b>                              | Sanitation Project                                                                                                                                                                                    |
| <b>Region</b>                                    | AFRICA                                                                                                                                                                                                |
| <b>Sector</b>                                    | General water, sanitation and flood protection sector (84%); Sub-national government administration (5%); Other social services (5%); Central government administration (4%); Roads and highways (2%) |
| <b>Project ID</b>                                | P117102                                                                                                                                                                                               |
| <b>Borrower(s)</b>                               | GOVERNMENT OF CAMEROON                                                                                                                                                                                |
|                                                  | Government of Cameroon                                                                                                                                                                                |
| <b>Implementing Agency</b>                       | Ministry of Energy and Water (MINEE)<br>PO Box 70<br>Yaounde<br>Cameroon<br>Tel: (237-22) 231-685<br>dhhminee@yahoo.fr                                                                                |
| <b>Environment Category</b>                      | <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)                               |
| <b>Date PID Prepared</b>                         | January 26, 2011                                                                                                                                                                                      |
| <b>Estimated Date of Appraisal Authorization</b> | March 31, 2011                                                                                                                                                                                        |
| <b>Estimated Date of Board Approval</b>          | July 7, 2011                                                                                                                                                                                          |

1. Key development issues and rationale for Bank involvement

*Country Context*

Cameroon is a country in Central Africa with a population of 18 million and a land area of 475,650 km<sup>2</sup>. Cameroon is rich in natural resources and characterized by a strong diversity between the regions of the Sahelian North and the tropical forests of the South. Its per capita income in 2006 is US\$630, or slightly more than the average of sub-Saharan Africa. Poverty remains widespread, with about 40 percent of the country's population living under the poverty threshold of about US\$1 per day. Cameroon is urbanizing. 50% of the population already live in cities.

Cameroon lags behind on many social indicators. After a period of continuous progress from the 1960s until 1992, life expectancy dropped from 54.8 years in 1992 to 45.7 years in 2004 (UNDP, 2006). Ranked in the 144th position out of a total of 177 countries, Cameroon is one of a group of 20 countries for which the Human Development Index worsened between 1990 and 2006 (UN, 2006). The country is off-track in meeting most of the Millennium Development Goals (MDGs). In some instances, Cameroon's MDG performance is weaker than countries with lower per capita income, particularly with respect to access to water supply, sanitation, and health care.

Cameroon is a centralized country but there is a recent push towards decentralization. The Government of Cameroon embedded decentralization in the 1996 amendment to the Constitution, however it was not until mid-2004 that the implementing legislation was adopted by the National Assembly. The Government's strategy for decentralizing service delivery consists of two complementary pillars: deconcentration of administrative units of the central government and strengthening the decentralized units (communes) so that they can assume increased responsibilities in service delivery.

### *Sectoral and Institutional Context*

Access to sanitation in Cameroon is low, and access to sewerage virtually inexistent. According to the UNICEF/WHO Joint Monitoring Program, access to improved sanitation was 56% for urban populations in 2010. Access to improved sanitation in rural areas was estimated at 35%. These national figures hide disparities across the country. The lowest access rates are in the North and North-West regions – both are under 10%. The access rates also hide the low quality of services – for instance only 1.8 % of the urban population is connected to sewerage.

The low levels of access to sanitation pose huge health risks to the population of Cameroon. There is anecdotal proof that recent cholera outbreaks in the North and in Douala (the largest city) are related to bad sanitation. The Cholera outbreak, on the other hand, provides a window of opportunity for the sanitation sector, as the political leadership in Cameroon is urgently looking for solutions. It should be noted that less than half of the schools in Cameroon have latrines. This not only poses public health risks but also lowers school attendance rates for girls. The 2002 WHO World Health Report established that the lack of WSS accounts for 5.5% of death and illness in high mortality developing countries. This puts it third place in mortality rates after malnutrition and unsafe sex. The largest health gains are created by providing basic sanitation services to those who have not and hygiene education. For instance, recent research in Ghana has shown that handwashing with soap can reduce diarrhea by up to 45% and respiratory infections by up to 25%.

Investments in sanitation in Cameroon in the past decades have been close to zero, although some small-scale pilot projects have recently started with donor financing. A 5 km sewerage system in Douala dates from before independence and is no longer operational. Since then, a public real estate development agency (*Société Immobilière du Cameroun* or SIC) has constructed some small sewer systems as part of construction projects for civil service. In theory, the SIC systems serve 60,000 people (or 0.6% of urban population) but in practice many of the systems are no longer functioning. Households have been investing in their own services, sometimes with some support of NGOs. Private sector investment is limited to small investments in vehicles and other materials by approximately 70 sludge collectors (*vidangeurs*) operating in Douala and Yaoundé. Recent donor financed projects include the small condominium systems piloted by the NGO ENDA in Douala, Bertoua and Edea, and the UNICEF financed Community Led Total Sanitation campaign in selected rural areas in Cameroon, and the AfDB financed Peri-Urban Water Supply and Sanitation Project. However, these pilots are small and no full scale sanitation projects exist in Cameroon.

Challenges for development of sustainable sanitation services include:

- Confusing and overlapping institutional responsibilities.
- Lack of financing for both investment and operation.
- Inadequate monitoring and evaluation system.
- Lack of community demand and interest for improved sanitation.
- Lack of capacity, especially at the local level.

The proposed operation will support a subset of activities from the Cameroon Sanitation Strategy and help the government of Cameroon to establish the institutional structure to implement the full strategy. The Government of Cameroon (GoC), with technical assistance of the World Bank, is in the final stages of preparing a National Sanitation Strategy. The strategic directions of the strategy have been validated in stakeholder workshops in October 2010 and January 2011. The final strategy will be available before project appraisal in April 2011.

The National Sanitation Strategy proposes a focus on basic sanitation services, because a narrow focus on the development of conventional sewerage systems will be unaffordable. There is ample evidence that providing basic services to all rather than upgrading some sanitation services to some has a much larger public health impact. The development of individual facilities (latrines and septic tanks), semi-collective low cost technologies (small diameter community “condominial” systems) will be coupled with the development of sludge collection systems and sludge treatment stations. Given its very high costs, conventional sewerage is only considered an option in limited areas in the center of Yaoundé and Douala.

The National Sanitation Strategy proposes a demand-driven approach to sanitation with a strong focus on hygiene education and sanitation marketing. In this way, the Strategy recognizes that improving sanitation practices in Cameroon will require a change in attitude.

Implementing the National Sanitation Strategy will require major public investments, despite its focus on cheaper technology and limited use of hardware subsidies. Subsidies to on-site sanitation facilities of individual households will be limited to the pit and the slab of the latrine<sup>1</sup>, and a considerable share of this investment will be covered by households. The financing plan of the National Strategy includes the introduction of a surcharge on water consumption (to be collected by the national water operator, Camerounaise des Eaux/CAMWATER), an existing pollution charge, internal resources of the Government of Cameroon, and donor financing.

The National Sanitation Strategy proposes a decentralized institutional framework with the Ministry of Energy and Water as a national champion. Investment alone will not significantly improve sanitation services in Cameroon. Institutional reforms that clarify roles and responsibilities are also necessary but insufficient parts of improving sanitation. The proposed strategy focuses on empowering municipalities to take the leadership in sanitation. The National Sanitation Strategy will define a mechanism to channel financial resources to municipalities. Various options are currently being analyzed and will be finalized by project appraisal, including the use of FEICOM, the use of the mechanisms set up for the PNDP and PDUE projects financed

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<sup>1</sup> The costs of the pit and slab are estimated at USD200/hh in urban areas and USD60/hh in rural areas. This represents between 15% and 50% of the total costs of a latrine depending on the materials used for the superstructure of the latrine.

by the World Bank. Overall policy development and coordination will be with the Ministry of Energy and Water (MINEE). The Strategy proposes to establish a Department of Sanitation in MINEE to fulfill these functions.

### *Relationship to CAS*

The proposed Project is well aligned with the government's Poverty Reduction Strategy Paper. The PRSP, called the Growth and Employment Strategy (*Document de stratégie pour la croissance et l'emploi - DSCE*) serves as the reference document for programming external support. The project fits in pillar four (developing basic infrastructure and natural resources in an environmentally sustainable manner), and also supports pillar seven (improving the institutional framework, administrative management, and governance). The project is also supporting the PRSP's theme of decentralization as an essential component of the effort to address governance issues and development effectiveness.

The program will contribute towards health, water supply and sanitation, and urban development MDGs. The program will contribute to reaching the following MDG targets: Reducing the under-five mortality rate (target 4A), improving access to water supply and sanitation (target 7C), and improving the life of slum dwellers (target 7D).

The proposed project is included in the World Bank's Country Assistance Strategy (CAS) for Cameroon for 2010-2013 as an FY12 deliverable. The proposed project will contribute directly to Strategic Theme 2: Improving Services Delivery (item 3. greater access to basic infrastructure and social safety nets). While the CAS proposes a Sector Investment Loan (SIL), the current PCN proposes an Adjustable Program Loan (APL) for reasons outlined below.

The proposed program is complimentary to current World Bank financed projects. The Community Development Project (PNDP) in rural areas and Urban and Water Development Support Project (PDUE) in urban areas focus on developing participatory local development plans and financing public investments proposed by communities. However, as basic sanitation is mainly a private good, the projects do not include mechanisms to finance sanitation beyond communal facilities for schools and markets. The PDUE project also finances the development of water supply services through support to the affermage contract between CAMWATER and a private operator. The approach on preventing diarrheal diseases of the proposed program is complimentary to curative activities of the Health Sector Support Investment Project.

## 2. Proposed objective

The project comprises two overlapping phases to be executed over the 2011-2017 period, each phase to be implemented over 4 years. The first phase (APL-1) will extend from 2011 to 2015 for a credit amount of up to US\$30 million. The second phase (APL-2), for a total amount of \$50 million, is expected to begin after achievement of defined targets (it is estimated that APL-2 would start in 2013).

The objective of the Cameroon Sanitation program is to increase quality of and access to sanitation services for the targeted populations of Cameroon.

Each phase of the APL will contribute to the APL object through its specific PDO. Specifically, Phase I will support the national policy and institutional framework, pilot new approaches to urban and rural sanitation, and strengthen systems and capacities in the context of the proposed reform. Phase II of the program will expand the capacity development activities and finance scaling-up of proven interventions.

The PDO for Phase I of the Program (APL1) is to improve planning and management of the sanitation sector as well as to provide access to sanitation services in selected areas. This will be achieved through piloting of new approaches, local planning exercises, and technical studies, and hands-on capacity building.

### 3. Preliminary description

APL-1 uses a learning-by-doing anchored in the National Sanitation Strategy. On the one hand, APL-1 will support at scale pilots of new approaches to urban and rural sanitation. On the other had it will provide technical assistance to develop the institutional framework required to implement the national policies. The implementation of the large pilots as well as the technical assistance will help strengthen systems and capacities at the national and sub-national level.

APL-1 will empower of local governments to take leadership on the sanitation agenda, taking into account their current capacity. The project will support moving towards an intergovernmental transfer system that provides local governments with the resources they need to implement their own choices in the sanitation sector.

APL-1 will include planning and demonstration activities in both rural and urban areas which will pave the way for other donors engaging in the sanitation sector as well as increased investment from internal public resources. The investment needs of the sanitation sector are huge, but the sector has suffered from chronic under-financing. The APL-1 will showcase different approaches to demonstrate how increased investment can lead to sustained results. It will also finance studies as a basis for investments, which will be partly financed by APL-2 but can also attract additional investment from other sources. The approach is to engage in both urban and rural areas in APL-1, but for World Bank financing to focus on urban areas in APL-2.

APL-1 would finance three components: (i) Urban sanitation; (ii) Rural sanitation, and (iii) Institutional Strengthening and project management. Both the urban and rural sanitation component will combine hardware and software, anchored in local planning exercises and technical studies, The hardware activities will follow the main technology choices (latrines, condominial sewerage) and subsidy arrangements proposed in the National Sanitation Strategy. Soft activities will include hygiene promotion, sanitation marketing, and training to local private sector that will start with research on the existing sanitation markets. Hands-on capacity building will be provided to the municipalities involved in the project.

The Components are outlined below:

*Component 1: Urban sanitation (approximately USD16M)*

This component will focus on at scale pilot activities in Douala, the largest city in Cameroon. The choice for this city is based on the fact that it has a relatively strong municipality that has experience in implementing Bank project as well as the huge needs for investment in this high density city with a high groundwater table that has recently faced cholera. The component will support at scale pilots that integrate support hygiene promotion and marketing of household latrines with various technology approaches included in the National Sanitation Strategy. A program focused on household latrines and septic tanks will be implemented in one project area within Douala. This program will follow the same approach financed by the World Bank in others countries in West-Africa (Senegal, Burkina Faso, Niger) in which the municipality enters into tripartite contracts with local artisans and households. The project finances the construction of the latrine pit and slab while the household finances the superstructure. A small diameter community condominial sewerage system will be constructed in another area in Douala where latrines and septic tanks are not an option given population density, groundwater levels, and soil composition. The project will finance the network and treatment infrastructure for this condominial system while households will finance the works within their compound – using participative methods tested in Ghana, Senegal, and Brazil. In both of these areas, public facilities will be constructed in schools, markets, and other public places. Lastly, sludge collection and treatment will be financed in both areas, including construction of sludge treatment plants and training to *vidangeurs*, and potentially subsidy to contracts for operation of sludge treatment plants and sludge collection with local operators (to be defined during project preparation). Public toilet facilities and sludge treatment plants will be fully subsidized by the project. Based on preliminary cost estimates, the component could provide 200,000 people with latrines/septic tank and 20,000 people with condominial sewerage.

*Component 2: Rural sanitation (approximately USD4M)*

The component will support hygiene promotion and marketing of household latrines in selected regions of Cameroon. It will provide partial subsidies to households to finance household latrines in a similar tripartite construction as described under the urban component and also finance public latrines in schools, medical facilities, markets, and other public places. The level of subsidy will be determined during project preparation. The component will also include capacity building to the private sector on how to develop latrines that consumers are willing and able to purchase. The component will target 200,000 people in two provinces of Cameroon (to be decided during project preparation).

*Component 3: Institutional strengthening and project management (approximately USD10M)*

The component will put emphasis on institutional TA to further clarify the role and responsibilities of various actors. This includes establishment of cost recovery mechanisms for sanitation (including a surcharge on water consumption), as well as TA at the national and local level for sanitation planning. It will include sanitation master plans for selected cities and technical studies for phase 2 investments, including soil studies to enable the choice between on-site sanitation and sewerage. The component will also finance the costs of the Project Implementation Unit in MINEE and other project management costs. The PIU will support local governments help setting up data base system and establish clear mechanism on how to collect

and to convey data from municipality to the central level. Given the lack of disaggregated data on sanitation, surveys will be carried out in project areas to establish a clear baseline. The PIU is seen as a first step to establishing a full sanitation department in MINEE.

#### 4. Safeguard policies that might apply

The project is categorized as B and the overall environmental and social impacts of the project are expected to be positive. By increasing access to sanitation and improving the disposal of sludge, the project is likely to have a positive impact on the public health and the quality of life, and reduce environmental pollution. However potential adverse impacts may arise during the implementation of civil works associated with the construction of sludge treatment plants, public latrines, medical facilities, markets and other public places. However, these impacts are likely to be small scale and site-specific thus easily manageable and typical of category B projects.

Two safeguards policies are triggered: Environmental Assessment (OP/BP 4.01) and Involuntary Resettlement (OP/BP 4.12). A firm decision will be taken on the Indigenous Peoples Policy (OP/BP 4.10) as the project preparation evolves. Given that the specific locations and number of activities to be financed by the project are not known now, Government will prepare an Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF). These will be translated to EIAs or EMPs and RAPs or ARAPs during project implementation as and when necessary. The ESMF and RPF will have to be disclosed in-country and at the Bank's Infoshop prior to appraisal.

#### 5. Tentative financing

| Source:                                     | (\$m.) |
|---------------------------------------------|--------|
| BORROWER/RECIPIENT                          | 0      |
| International Development Association (IDA) | 50     |
| Total                                       | 50     |

#### 6. Contact point

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