



Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 18-May-2017 | Report No: PIDISDSC21964



BASIC INFORMATION

A. Basic Project Data

Country Djibouti	Project ID P162901	Parent Project ID (if any)	Project Name Djibouti Integrated Slum Upgrading Project (P162901)
Region MIDDLE EAST AND NORTH AFRICA	Estimated Appraisal Date Sep 04, 2018	Estimated Board Date Nov 09, 2018	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice
Financing Instrument Investment Project Financing	Borrower(s) Republic of Djibouti	Implementing Agency ARULOS	

Proposed Development Objective(s)

The proposed development objective is to (i) improve the living conditions for slum dwellers in selected urban areas and (ii) strengthen the capacity of public institutions in charge of implementing the Zero Slum Program.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	25.00
Total Financing	25.00
of which IBRD/IDA	20.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	20.00
IDA Credit	15.00
IDA Grant	5.00

Non-World Bank Group Financing

Counterpart Funding	5.00
---------------------	------



Borrower/Recipient	5.00
Environmental Assessment Category	Concept Review Decision
A - Full Assessment	Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

Located in the Horn of Africa, Djibouti is a rapidly urbanizing lower middle-income country with promising economic prospects. The recent boom in private and public investment in port-related capital-intensive activities continues to stimulate the country's growth. The IMF estimates that real GDP increased by about 6.5 percent in 2016, and is expected to grow 7-10 percent annually in the medium term, potentially tripling per capita income and reducing unemployment. High levels of growth are expected due to several key large-scale public infrastructure investments —such as the construction of a railroad and water pipeline from Ethiopia, as well as other investments for Djibouti to leverage its strategic location and achieve its vision of becoming a logistics and commercial hub for the whole of East Africa.

Although Djibouti has experienced high rates of economic growth over the past decade, the capital intensive, public-sector-led approach to growth has not alleviated its high levels of poverty or unemployment. The large investment projects have had limited impact on employment as they rely on high-skilled, often foreign, labor. High unemployment, estimated at 48 percent nationwide, is even more severe among the young, with over 70 percent of young people under the age of 30 estimated to be unemployed. Government data from 2013 indicate that more than one fifth of the population lives in extreme poverty and cannot cover basic food needs. This rate is higher in rural regions, at an estimated 44 percent, and in some areas poverty rates are over 70 percent. As a result, there are strong migratory pressures on the urban areas and particularly the slums.

Large populations fleeing conflict and drought in neighboring countries are coming to Djibouti, putting additional pressure on the urban infrastructure. Djibouti has traditionally been a host country for populations from neighboring countries, and is now characterized as a country of multiple ethnicities, where familial links within the region are abundant. Eight major droughts have affected the region over the past 30 years adds to the migratory pressures from neighboring countries and from rural areas. The severe drought of 2008 affected 340,000 people in Djibouti alone and wiped out the livestock population. Djibouti extended this tradition to Yemen in the recent crisis, being one of the rare countries to accept Yemenite refugees. Today, it is estimated that about a quarter of its population of 1 million requires assistance. This number includes not only Djiboutians living in extreme poverty, but also about 60,000 refugees, asylum seekers, and migrants from neighboring countries (IMF). This influx of migrants, often poor, puts significant additional



pressure on limited housing, social services, and infrastructure. Many of those involuntary displaced people settle in the newly formed slums at the periphery of Balbala, one of the three communes of Djibouti, but lack of data on those communities does not allow to measure their share in the national population nor their vulnerability. A new Law on Refugees (N°159/AN/16/7ème L), passed in January, should facilitate their inclusion in the country.

Sectoral and Institutional Context

Djibouti's urbanization rate, at 70 percent (2009), is one of the highest in Africa; meanwhile, urban growth continues steadily at 3 percent due to migratory pressure. Traditionally a nomadic country, Djibouti has transitioned to a more sedentary territory, with its population settling mostly in cities. Rural areas remain mostly uninhabited, as agriculture is very limited due to an unfavorable climate. The city of Djibouti established by the French colony is now the capital city and the country's main economic agglomeration, home to 60 percent of the national population. Some secondary cities developed in other regions, though at a much lower level (the second city being Ali Sabieh with 40,000 inhabitants), as well as around port infrastructures, such as Obock and Tadjourah.

Urban development has mostly happened in an uncontrolled manner, leading to a large part of the urban population living in slums and lacking access to basic urban and socio-economic services. In the capital city in particular, new neighborhoods have developed in a disorderly way around the city, including on the slopes of oueds, which present risks of water surge and people falling from cliffs. Currently, more than one third of the urban population lives in slums, which are growing rapidly due to strong internal and external migration and lack of affordable housing options. Land management and urban services have not kept pace with these growth pressures, with the resulting impact that access to water and electricity are low, sanitation is poor, education and health services are inadequate for the growing populations they are serving, and slum neighborhoods have sprawled into vacant more peripheral land, which raises trunk infrastructure costs due to low densities. Those bad conditions contribute to the spread of diarrhea and cholera diseases in the city of Djibouti. Some neighborhoods are also exposed to flash floods, worsened by the high level of the water table and poor drainage, as well as sea level rise. Housing construction constrained by earthquake prone standards usually very badly applied by the formal as well as informal sector remains expensive. Additionally, unplanned neighborhoods lack connectivity to the main cities, limiting access to jobs, markets and other economic opportunities. With high unemployment rates, and especially amongst youth, the lack of integration and connectivity with the city core can exacerbate economic inequality and potentially create strong social tensions, which could be more volatile in this multi-ethnic setting. While these issues pertain to all of Djibouti's slums, they are particularly pertinent to its largest slum, Balbala.

Public policies have not kept up with the continuously growing demand for housing experienced in the past 20-30 years, leading to the present situation. On many fronts, urban and housing policies have not anticipated the growth of the city. The development of the city has been constrained by the outdated 1998 Master Plan, which was only recently updated in 2016. A housing diagnostic prepared by the Bank in 2013 found that for the past 15 years or so, housing policies have mostly addressed high income households, while low-income housing policies were often ad-hoc, established during urgent circumstances for households impacted by a project or a disaster (flooding or fire).¹ Residential land production has focused mostly on large plots for villas and developers targeting the high income market. Urban land policy was more influenced by short-term budget and economic considerations, rather than proper long-term urban planning and housing needs (even though land for urbanization is 100 percent state-owned, which would have greatly

¹ In the 80's and 90's, when the housing demand was smaller, the government had a more inclusive land and housing policy with the production of large unserved subdivisions and delivery of temporary permit. But in the early 2000's the lack of services in those neighborhoods convinced the government to stop that policy. Though the road footprint in those neighborhoods still exists and allows incremental servicing based on sector projects, as experience today with the Electricity project in Balbala funded by the Bank.



facilitated effective planning). The lack of policies to address the needs of different housing segments, estimated at 3,000-3,500 units per year in total, has led to a significant deficit in housing production, directly constrained by the deficit in urban land production.

Although the housing market has recently benefited from Government efforts to establish new programs and channel foreign investments to the sector, more needs to be done on the low-income segment for which housing affordability remains a challenge. The new Master Plan of Djibouti City was prepared and adopted in 2016, providing the development strategy for the city for the next 10-15 years, which includes plans for major residential and economic extensions around Balbala. Several “social” housing projects under the leadership of the Secretariat of State for Housing, established in 2012, started with funding from foreign aid, targeting the middle class, which had been underserved in the past. The land regularization program has been a relative success with the production of almost 8,000 titles since 2010. Additionally, a Housing Bank project is currently under preparation, to improve access to housing finance for the middle-class, which has been constrained due to limited access to long term financing. But for many, even the most basic serviced plots are unaffordable and the production pace is still far below demand.

Additionally, there have recently been major investments in sectoral trunk infrastructure, opening an opportunity to provide much needed secondary infrastructure in low income areas. Several projects undertaken over the last five years will help resolve the problem of primary water supply and distribution. The water transfer project from Ethiopia, which will be complemented by a desalination project, should address Djibouti’s water production challenge. Additionally, a trunk network circling Balbala will improve quality of water distribution and pressure levels for the entire city. New landfill and transfer sites, funded by the Agence Française de Développement (AFD), are also underway. In Balbala, two new projects under preparation – a connection to the newly built sewage treatment plant as well as a second plant – are expected to cover some old formal neighborhoods as well as the extension areas of the city. Other sectors that are also channeling funding for slum areas include electricity (a new World Bank project in Balbala will provide 3,500 new electricity connections), water supply (funded by the FADES), sewage (funded by the EU) and waste (funded by the EU and AFD). These face significant constraints in accessing dense neighborhoods and lack a coordinated approach that would be more cost effective and have a higher impact.

Institutional inefficiencies and fragmentation has further hampered urban development. The governance of this sector is characterized by the multiplicity of actors and the lack of coordination. At the policy level, the lack of articulation between land management and urban and housing planning has led to a complete deadlock for both public policies as well as for the private sector. The lack of transparency and rules in the provision of land for urbanization creates inefficiencies in the sector, invites speculation and creates other market distortions. Operational coordination is another major challenge. Where in other countries, the city would be governed by a municipal planning agency responsible for coordinating implementation, this is not the case in Djibouti. There are as many institutions as technical sectors involved in the provision of basic services such as: (i) Office of Roads; (ii) Djibouti National Water and Sanitation Authority (ONEAD); (iii) Urban Road Agency; and (iv) Sector Ministries for Education and Health. While the Ministry of Urban Development is in charge of monitoring implementation of the Master Plan, there is no operational agency charged with programming and coordinating the actual implementation of the Master Plan and other urban plans. As a result, implementation occurs on a project by project basis, with projects that are often not coordinated between sectors, leading to inefficiencies in implementation and lack of strategizing resources effectively.

During a Cabinet retreat in December 2016, the President himself expressed great concern about the unprecedented development of slums in the periphery of the city, which followed immediately with a request for this project with a clear intention to set up a national program for slum upgrading. Despite long-term engagements by several donors, including World Bank support as early as the 1980s, the emergence of under-serviced neighborhoods has outpaced the traditional project-by-project approach. Up to now, the World Bank’s urban projects in Djibouti have only intervened



within the city's original perimeter in old but underserved neighborhoods (with the latest project in Quartier 7 working on improving access to services) and AFD has worked in Balbala for the past 10 years. But those project envelopes (US\$5.6 million for the World Bank and EUR 6 million for the most recent AFD project) are small in contrast with estimated low estimate of US\$100 million for slum restructuring. To meet this ambition, the next steps will be for the Government to first elaborate a national strategy for low-income housing and slum upgrading, which will be immediately translated into a national program that donors and the Government itself will be invited to support with financing. Supporting this process is at the core of this Project concept.

Relationship to CPF

The Country Partnership Strategy (CPS) for FY14-17 for Djibouti was discussed by the Board of Directors in March 2014, and was extended to FY18 in May 2016. The CPS is anchored in the Government of Djibouti's Vision 2035, a long-term development plan that focuses on economic integration, governance, and human development, and which continues to guide Djibouti's development focus today. The proposed Project will go to Board under the current CPS. Although not originally envisioned in the CPS, the Project directly addresses both Pillar 1 – Reducing Vulnerability, and Pillar 2- Strengthening Public and Private Sector Capacity for Service Delivery. The Project specifically addresses the stated development goal to “Revitalize and strengthen rural development and implement a policy of development of cities without slums”. In parallel, a Systematic Country Diagnostic is under preparation and will include a reference to slums as part of the poverty assessment.

C. Proposed Development Objective(s)

The proposed development objective is to (i) improve living conditions for slum dwellers and (ii) strengthen the capacity of public institutions to implement the national program for slum upgrading.

Key Results (From PCN)

The key results envisioned for the Project are:

- People provided with improved urban living conditions (Number) (Core)
- ARULOS is fully operational for implementation of the Zero Slum Program
- Beneficiaries that feel project investments reflected their needs (percentage)

D. Concept Description

Given the size of the problem and the country's budgetary constraints, a Zero Slum policy cannot be undertaken except through a strategic framework and a programmatic approach to coordinate interventions and optimize resources. In this context, the government of Djibouti is developing a national plan called “Zero Slum Program”, for which the operational approach for its successful realization is proposed in a strategy. The strategy framework will comprise five pillars: (i) slum upgrading and restructuring; (ii) slum prevention; (iii) home improvement; (iv) job creation; and (v) social and community engagement. In addition to improvement in access to basic and social services, the program will emphasize access to public transport, land management, risk and climate prevention (such as reduction of exposure to flooding, earthquake, and heat waves) as well as improved access to jobs for women and youth, and better integration of migrants from neighboring countries. These are all essential issues that need to be addressed as part of sustainable housing solutions for the low-income population. The strategy will establish operational principles – such as service standards, investments prioritization, and resettlement principles – that will apply to the entire program in order to make the investments in each neighborhood more transparent, systematic, and efficient.



The ISUP will contribute to initiate the Zero Slum Program and prepare the way for future interventions by the different partners – both among government agencies and among technical and financial partners. It is part of this strategic framework and aims at supporting the government in the elaboration and implementation of the ZSP.

The project components are designed around two mutually reinforcing elements. It will (i) provide the most critical institutional, regulatory, planning, and operational instruments that will facilitate the implementation of this comprehensive and long-term policy and improve the overall public investment efficiency in the sector, while at the same time (ii) start the execution of the program and undertake the upgrading and restructuring of one neighborhood of the Program in Balbala, where is found the largest concentration of slums in Djibouti Ville, in order to test and concretize the elements of this policy. This parallel approach has proved to be a factor of success in other international experiences. The design of those components is based on the slum upgrading strategy and investment program that are being prepared as part of the project preparation. And since the strategy will be delivered in April 2018, it is done back-and-forth with the consultant preparing the strategy to ensure harmonization of both the strategy and the project.

Component 1: Formulation of key planning, institutional and operational instruments for execution of the Zero Slum Program (US\$2.8 million, of which US\$0.8 million as part of the Project Preparation Advance)

The objective is to provide to government the planning, regulatory, institutional, and operational tools to implement the PZB. There are three subcomponents targeting different levels of support:

- Subcomponent 1.1: Program planning and management tools. This subcomponent will support the development of regulatory and strategic tools for the operationalization of the PZB.

At the onset (during project preparation), it finances the elaboration of the PZB and investment plan to provide a framework for interventions by government and its partners. A strategic plan will be developed through a participatory process will define, among others, (i) the institutional framework, (ii) the principles and norms for interventions, (iii) the priorities and phasing of interventions, and (iv) the financial framework. At the end of this activity, a donor conference will be held to present the scope and principles of the PZB and to solicit potential financing.

Additionally, this subcomponent will finance key studies and technical assistance for implementation of the program, as identified by the strategy. Those activities are aimed at improving the readiness of the three pillars of the strategy, including on tenure security. As such, it will also finance: i) the creation of a land information system compiling the different tenure security types, populated for Balbala Ancien, which will help keep track of future land transactions and improve land security in the slums part of the program and which will also facilitate the distribution of social land plots to new home owners as part of the low-income housing policy; ii) the preparation of an environmental and social safeguards framework applicable to the PZB; iii) an operational plan for the production of housing that is more affordable to the poorest households, including female-headed households, with possibilities of small parcels and self-construction as well as the clarification of the private sector role; and iv) studies to define the best approaches towards supporting the improvement of housing in slum areas, including proposals for a technical assistance program to homeowners and the design of a housing micro-finance instrument.

- Subcomponent 1.2: Neighborhood upgrading studies and plans. This subcomponent will finance key urban plans needed to guide the execution of the investment plan of the ZSP. It will include i) upgrading plans for a



limited number of slum neighborhoods to facilitate the starting up of the PZB. The neighborhood of Balbala Ancien will take first priority. The selection of an additional neighborhood will be decided in coordination with the planned donor conference and possibly an Additional Financing. Those restructuring plans will be developed based on a) the technical standards and priorities established by the strategy, b) a stocktaking and inventory of each site and c) a thorough consultation with the local population and stakeholders. Attention will be given so as to assure that investments will reasonably satisfy criteria of social and economic benefits, sustainability, subsequent maintenance, impact on employment generation or enterprise development, as well as potential impact on the most vulnerable sections of the population. ii) A broader urban study for Balbala as a whole will also be needed to provide clear spatial plans for transportation and economic development, which will help guide the various slum restructuring plans. iii) A feasibility study for the resettlement zone in the urban extension of Balbala South will be undertaken. Its integration in a larger 110ha low-income housing operation (for slum prevention and resettlement from other slums) and connection to primary infrastructures will be assessed. Transportation as well as economic development shall also be considered.

- Subcomponent 1.3: Institutional reform and capacity building. This subcomponent will i) finance studies required for the creation of the new Agency for Slum Upgrading and Social Housing (ARULOS), which will result from the reform of the FDH. A draft law is already available and is planned to be adopted by Parliament in June 2018. The support will include the preparation of its manual of procedures as well as strategic institutional instruments, such as an operation, financial and human resource plan. It will also finance ii) the operation manual for M&E of the ZSP and the acquisition of needed computer-related equipment to support the creation of an M&E office at the cabinet of the Minister in charge of Housing . Lastly, it will finance iii) capacity building of the main institutions involved in the program at national and municipal levels, starting with ARULOS and including in particular DATUH, the Land Directorate, the municipality, and the neighborhood committees. This will strengthen institutions to execute Component 2 as well as undertake programs of upgrading beyond the ISUP. Capacity building, delivered in the form of training and south-south exchanges, will cover inter alia urban development and investment, urban and housing planning, and community participation.

Component 2: Upgrading investments in Balbala Ancien (US\$11.5 million, of which US\$0.5 million as part of the Project Preparation Advance)

The objective of this component is to improve access to services in one neighborhood of the ZSP and test and concretize the strategy and other instruments developed in Component 1. The neighborhood selected for this first series of investments is Balbala Ancien, one of the most disadvantaged and the oldest slum of Balbala, as well as one of the largest slum with an estimated population of 40,000 inhabitants. It is a very poor, dense and unstructured neighborhood, with very rare pathways that penetrate the extremely tight and small-plot urban pattern. As a consequence, the introduction of water and electricity networks has been limited so far to few of the largest pathways. That said, the area topography is relatively flat and devoid of problematic steep runoffs and rock formations.

There are two sub-components designed as a combination of investments and social activities aimed at facilitating the ownership and approbation of the investments within the population of the neighborhood and maximize the benefits.

- Subcomponent 2.1: Priority infrastructure investments in Balbala Ancien. This Subcomponent will be implemented in a sequence, starting with demonstration investments of about US\$2 million the first year followed by a more comprehensive program of investments of about US\$6.5 million contributing to restructuring the neighborhood and improving access to services. A resettlement area will also be financed to facilitate the implementation of the restructuring of the project by offering a resettlement solution to impacted



households. Options for use of labor intensive methods, especially the use of cobblestones for road paving which has been experimented in the PREPUD and has proved to be adequate for this urban environment, will always be considered.

No regret investments. An access road of 1.2 kilometers penetrating Balbala Ancien and crossing the main commercial area of the neighborhood has been identified as a first priority intervention considering its readiness and important development impact. The road already exists – though not paved – with a generous right of way. The investments include the upgrading of the road aiming at improving access for residents as well as promoting economic development around the market. In particular, the road will be accessible to collective transportation, offer secured sidewalks along the commercial area, and include appropriate drainage. Whenever needed, water and electricity will also be provided. The Islamic development Bank had already financed a technical study of the road in 2012 and its update is underway. These investments will demonstrate rapid and visible results and thus will help garner the support of the population to the ISUP interventions.

Complementary investments. Based on the approved upgrading plan for Balbala prepared as part of Subcomponent 2.1, a number of priority investments will be carried out, based on priorities established during consultations with residents and other partners. The following non-exhaustive list of eligible interventions might include i) roads, ii) drainage, iii) water distribution, iv) electricity distribution and street lighting, v) health units, vi) primary schools, vii) community and youth facilities (such as community centers and sport facilities), and viii) commercial facilities. Those later could eventually benefit the employability projects (of the USAID or the Bank) by facilitating access to affordable commercial space for their beneficiaries. Plus, whenever possible, the ISUP will leverage synergies with other ongoing infrastructure investment projects, in particular the Bank electrification project, which is aimed at improving access to electricity in Balbala, as well as the possible Bank Refugee Window project, which will focus on social and community infrastructures within the neighborhoods where the IDP population lives, including Balbala Ancien. The ISUP will focus on proposing a robust urban plan for the restructuring of the neighborhood and on freeing up the land needed for the other projects' investments.

Development of a resettlement zone. Considering the density of Balbala Ancien and the very narrow existing pathways, this subcomponent will finance the development of a resettlement zone to house the affected population of the operation. The design of this zone, tentatively located in the urban extension zone of Balbala South in the vicinity of the recent Nassib development, will reflect the needs of the population and respond to the criteria and norms of resettlement that are defined within the national slum upgrading strategy.

- Subcomponent 2.2: Community Development and Youth Employability. Cross-cutting citizen engagement is critical to assure the project's impact and sustainability, and maximize its benefits for the local population.

The project envisions engaging targeted communities, including women and youth, in the full cycle of designing and maintaining various investments. The project will also focus on capacity-building for local institutions to streamline and formalize participatory approaches and grievance redress in their routine operations. As such, this sub-component will support: i) the stationing of community facilitators at the level of Balbala Ancien to coordinate neighborhood participation at different project stages; and ii) training of community representatives and municipal officials on institutionalization of community engagement processes.

This sub-component will additionally finance iii) a Community Development Fund, earmarked with two priority windows: a youth innovation window to support youth employability and training initiatives, as well as a public



space and facility management window to reinforce civil society's role in community development initiatives. Administration of the Community Development Fund will emphasize a central role for community representatives and municipal officials, to strengthen their capacity for fostering social inclusion and cohesion. A central role is also envisioned for women in the decision-making processes of the Fund. Employability initiatives will in part seek to connect youth of the neighborhood, including young women, to existing entrepreneurship and skills training programs, while ensuring active mentoring and other types of financial and material support to reduce the risk of drop out. Civil society associations in Balbala Ancien will also be empowered to develop, refine, and execute micro-projects in coordination with neighborhood committees.

Component 3: Project management (US\$0.7 million, including US\$0.3 million of the Project Preparation Advance)

This component will ensure smooth implementation of all project activities in accordance with the Bank's policies and guidelines. It will support the Borrower in the areas of project coordination, supervision, FM and its audits, procurement, and monitoring and evaluation (M&E). The Housing Development Fund will pay the main costs related to its staffing dedicated to the ISUP as well as some other operating costs, which are not part of the component amount.

SAFEGUARDS

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

The national slum upgrading project will focus on Balbala, which houses most of the population living in slums.

Safeguard analysis is required for the sub-component 1.1 "Neighborhood in-situ upgrading and slum prevention" which include the financing of some investments that will be identified during preparation as priority or strategic (such as trunk infrastructure, creation of bus stations, or public street lighting); and for sub-component 1.2 "Creation of a financial instrument for home improvement and job creation" for housing as well as for revenue generating activities.

The major environmental impacts and risks of this Project are likely to be small scale and site-specific, and would be related to construction works for infrastructures, housing, creation of new public transport lines, and public lighting systems .

Since the geographic areas of the Project are defined but the exact activities to be financed under Sub-Components 1.1 and 1.2 are not, an ESMF will be prepared with a screening checklist. It is expected that during implementation, site specific ESIA or ESMPs will be prepared, approved, and disclosed (in-country and at the infoshop) before the commencement of civil works. Likewise, a resettlement policy framework (RPF) will be prepared and disclosed in country and at Info-shop, during preparation; while a Resettlement Action Plan (RAP) will be prepared, prior to commencement of civil works.

B. Borrower's Institutional Capacity for Safeguard Policies

Full institutional arrangements are not yet finalized. However, limited institutional capacity on the knowledge and preparation of Bank safeguards instruments is foreseen. The Bank team will use the preparation time to provide guidance and build capacity on the Government side on Bank safeguards policies, processes and instruments. The team will, among



other aspects, provide safeguards training to safeguards assigned staff in the client Project preparation team.

C. Environmental and Social Safeguards Specialists on the Team

Antoine V. Lema, Social Specialist

Mohamed Adnene Bezzaouia, Environmental Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The Project is categorized as a category B. The activities associated to sub-components 1.2 and 1.3, are expected to generate site specific environmental impacts that will be mitigated in a straightforward manner, as is typical of category B projects. An Environmental and Social Management Framework (ESMF) will be prepared since the exact activities to be financed are not known. The ESMF will be reviewed, approved, disclosed in-country and at the external WB website prior to appraisal.
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	No	This policy is not triggered as the Project will not involve work in natural habitats or protected areas.
Forests OP/BP 4.36	No	This policy is not triggered as the Project will not involve work in forests or their rehabilitation nor will support other investments which rely on services of forests.
Pest Management OP 4.09	No	The Project will not imply the use of pesticides or other related products.
Physical Cultural Resources OP/BP 4.11	TBD	The proposed operation is not expected to pose risks of damaging the existing community cultural property. Nevertheless, the ESMF will analyze the project zones and measures to be followed if such properties are discovered during Project implementation. Cultural property and chance find procedures will be applied and appropriate mitigation measures for both the identification and protection (from theft, mistreatment of discovered artifacts) of cultural property. While not damaging cultural property, Project preparation may later identify and include assistance for preservation of historical or archeological sites. If these opportunities occur, cultural property management plans would be prepared for this Project.



Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	Land acquisition is very likely to be induced by: i) Project sub-component 1.2 "Neighborhood in-situ upgrading and slum prevention" which includes the financing of some investments that will be identified during preparation as priority or strategic; such as, trunk infrastructure, creation of bus stations, or public street lighting; and b) sub-component 1.3 "Creation of a financial instrument for home improvement and job creation" for housing as well as for revenue generating activities. Resettlement Actions Plans (RAPs) will be prepared to mitigate potential adverse impacts
Safety of Dams OP/BP 4.37	No	The Project will not construct or rely on dams
Projects on International Waterways OP/BP 7.50	No	The Project will not affect international waterways
Projects in Disputed Areas OP/BP 7.60	No	The Project is not located in a disputed area

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Nov 30, 2017

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 Appraisal Stage PID/ISDS

The ESMF and RPF will be prepared during preparation as soon as the PPA is available, likely around July 2017. The Appraisal Stage PID/ISDS will be prepared in November 2017.

CONTACT POINT

World Bank

Alexandra Le Courtois, Hazem Mohamed Kamaleldin Abdelfattah Mohamed
Urban Specialist

Borrower/Client/Recipient

Republic of Djibouti
Ali Mohamed Ali
Director of External Financing
aligadileh@yahoo.fr



Implementing Agencies

ARULOS
Abdourahman Ali Ahmed
Director
abdourahmanali@yahoo.fr

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Alexandra Le Courtois, Hazem Mohamed Kamaleldin Abdelfattah Mohamed
----------------------	---

Approved By

Safeguards Advisor:	Surhid P. Gautam	03-Apr-2019
Practice Manager/Manager:	Ellen Hamilton	03-Apr-2019
Country Director:	Marina Wes	04-Apr-2019

Note to Task Teams: End of system generated content, document is editable from here.