



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
COMMUNITY DEVELOPMENT PROGRAM SUPPORT PROJECT-PHASE III
APPROVED ON SEPTEMBER 29, 2015
TO
REPUBLIC OF CAMEROON

SOCIAL SUSTAINABILITY AND INCLUSION

WESTERN AND CENTRAL AFRICA

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ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
CDSP	Community Development Program Support Project
IDA	International Development Association
ISR	Implementation Status Report
PDO	Project Development Objective
PMU	Project Management Unit
RSW	Refugee Sub-Window
SIMBA	System for Integrated Management, Budgeting, and Accounting



BASIC DATA

Product Information

Project ID P144637	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 29-Sep-2015	Current Closing Date 30-Jun-2022

Organizations

Borrower REPUBLIC OF CAMEROON	Responsible Agency
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Project Development Objective (PDO)

Original PDO

The development objective of phase 3 (PNDP III) is to strengthen local public finance management and participatory development processes in communes for the delivery of quality and sustainable social and economic infrastructure.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-62240	01-May-2018	17-Dec-2018	18-Jun-2019	30-Jun-2022	8.00	0	7.39
IDA-D2990	01-May-2018	17-Dec-2018	18-Jun-2019	30-Jun-2022	40.00	15.52	21.97
IDA-57180	29-Sep-2015	03-Feb-2016	01-Apr-2016	30-Jun-2022	70.00	66.04	4.19



Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Introduction:

Community Development Program Support Project, CDSP, has been implemented in different phases and financed by different sources. It is therefore necessary to stress that the proposed restructuring concerns only the additional funds provided to phase III from IDA D2990 financing.

B. Project Background

1. The Community Development Program Support Project, CDSP, Phase III is an ongoing project since 2004 which has been implemented in several phases, as follows: 1st phase from 2004 to 2009 consisting in the Initiation phase in 6 of the 10 Regions, 155 communes involved, 2nd phase from 2010 to 2014 consisting in the Extension phase in all 10 Regions of the country, 329 communes involved, and the 3rd phase since 2016 consisting in the Consolidation and extension phase to all 360 communes in Cameroon.
2. The third phase of the CDSP was approved on 29 September 2015 and in May 2018, an additional financing (AF) from the IDA18 Refugee Sub-Window (RSW) was granted to CDSP in the amount of USD 48 million (SDR 27.7 million equivalent) split as follows: USD 40 million in form of grant and EUR 6.6 million (equivalent to USD 8 million) in form of credit.
3. The AF was granted to the CDSP to help the government of Cameroon cope with the subregional crises linked to Boko Haram and the conflict in the Central African Republic that had direct and severe consequences on the Far North, the North, Adamawa, and the East, particularly in cross-border areas.
4. As of November 2017, Cameroon was host to 338,505 refugees. Hosting regions account for 66 percent of the poor households in the country, even though they are home to only 38 percent of Cameroon's population. Forced displacements have greatly increased humanitarian needs, exacerbated poverty levels, and put significant pressure on social, economic, and governance structures that are already overstretched, and on natural resources. The increased fragility, insecurity, and violence in the border countries have resulted in the loss of livestock, interruption of agricultural activities, trade decreases, and closed markets, roads, and borders.
5. Under this AF, and based on its experience working in local councils hosting refugees, the CDSP III has been contributing to: (a) enhancing both service-delivery and social cohesion in refugee-hosting areas through community-driven development activities; (b) reinforcing capacity of local governments in accountable frontline service-delivery for both displaced and host communities; and (c) strengthening the capacity and role of local government in facilitating land planning and management through an inclusive approach.



C. Progress by component:

The project consists of three components: Component A: Local development support, Component B: Support to the decentralization process, Component C: Coordination, management, monitoring and evaluation and communication.

6. During the current fiscal year, The Project Management Unit (PMU) has made considerable efforts to make up for delays in the execution of activities. These efforts have resulted in set up effective strategies to finalize the pre-feasibility studies of the micro-projects and the mobilization of the various actors to facilitate the awarding of contracts within a short timeframe. But, the project implementation context, especially that of the completion of microprojects, remained slow.
7. Challenges related to the COVID-19 pandemic and late implementation of strategies and action plans have contributed to the delay in the implementation of activities in the field. This has significantly affected the disbursement rate, which was at 70% as of June 15, 2022, two weeks before the closing of the project.
8. Component A: Support to local development. The progress of this component has known a considerable delay in the implementation of the microprojects despite all efforts done by the project.
9. Component B: Support to the decentralization process. The progress of this component is rated Moderately. The PMU has supported the communes in the development and updating of PCDs and has put in place technical and financial information systems to improve budgetary and accounting performance through the deployment of the financial management information system for local authorities (SIMBA). In addition, the PMU has enabled the communes to ensure that priority investments are included in communal development plans and budgets, which has made it possible to enhance the value of the PCD as the main tool and guide for local development.
10. Component C: Coordination, management, monitoring-evaluation and communication. The progress of this component is rated Moderately Satisfactory during the last ISR. The PMU continues making good progress in the management of the project and especially in coordination with humanitarian and development actors to ensure complementarity of interventions. In addition, the PMU has disseminated its complaint management mechanism through the toll-free number to beneficiaries.

D. Rationale for the restructuring:

11. Under IDA D2990, the overall disbursement rate is 39,10% as of June 21, 2022, 10 days before the closing of the project on 30 June 2022. This means that the project will not be able to disburse the total financing envelope of US\$ 37 million (SDR 27,700,000).
12. This was evident during the last ISR mission in December 2021, therefore the World Bank task team and the PMU agreed on the need to conduct an analysis that would allow for a realistic estimate of the unused IDA-D2990-001, as of June 30, 2022. To this end, the PMU conducted an in-depth analysis of the activities by component as of December 31, 2021, and of the projected achievements as of June 30, 2022, which made it possible to estimate these funds at **5,780,817,392** CFA francs (equivalent to SDR 6,972,239 as per May 25, 2022). That should be canceled from IDA D2990



financing. Based on this analysis, the recipient sent a request to the World Bank on May 25, 2022, asking for partial cancellation of funds.

II. DESCRIPTION OF PROPOSED CHANGES

- 13. The restructuring will result in the partial cancellation of total amount of 5,780,817,392.00 CFA francs (equivalent to SDR à 6,972,239 as per May 25th, 2022) from IDA-D2990-001. This amount will be reduced as follow: **1,000,000,000.00 CFA francs** (equivalent to SDR 1,206,271 as per May 25th, 2022) from Category 1, **2,900,000,000.00 CFA Francs** (SDR 3,498,190) from Category 3, and **1,880,817,392.00** (SDR 2,267,778) from Category 4, as shown in the table below:
- 14. The effective date of the cancellation is May 25, 2022, date of the reception of the borrower’s request and the closing date of the project is maintained for June 30, 2022.

Category	Amount of the Grant Allocated (expressed in SDR)	Amount to be canceled (expressed in SDR)
(1) Goods, minor works, non-consulting services, consultants’ services, Operating Costs and Training for the Project except: (a) CDP-Subproject Grants under Part A.1(a) of the Project; (b) CDP Preparation Grants under Part A.1(b) of the Project; (c) Poor and Vulnerable Investment Support Grants under Part A.2 of the Project; and (d) CDP Performance Grants under Part A.1(d) of the Project	3,900,000	1,206,271
(2) CDP-Subproject Grants under Part A.1(a) of the Project	0	0
(3) CDP Preparation Grants under Part A.1(b) of the Project; and CDP Performance Grants under Part A.1(d) of the Project	4,000,000	3,498,190
(4) Poor and Vulnerable Investment Support Grants under Part A.2 of the Project	19,800,000	2,267,778
TOTAL AMOUNT	27,700,000	6,972,239



III. SUMMARY OF CHANGES

	Changed	Not Changed
Cancellations Proposed	✓	
Reallocation between Disbursement Categories	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Results Framework		✓
Components and Cost		✓
Loan Closing Date(s)		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)



CANCELLATIONS

Ln/Cr/Tf	Status	Currency	Current Amount	Cancellation Amount	Value Date of Cancellation	New Amount	Reason for Cancellation
IDA-57180-001	Disbursing&Repaying	XDR	50,200,000.00	0.00		50,200,000.00	
IDA-62240-001	Effective	EUR	6,600,000.00	0.00		6,600,000.00	
IDA-D2990-001	Disbursing	XDR	27,700,000.00	6,972,239.00	25-May-2022	20,727,761.00	UNDISBURSED BALANCE AT CLOSING

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

	Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
				Current	Proposed
IDA-D2990-001 Currency: XDR					
iLap Category Sequence No: 1		Current Expenditure Category: GD,WK,NCS,CS,OC & TR exc Grants			
	3,900,000.00	1,384,130.58	2,693,729.00	100.00	100.00
iLap Category Sequence No: 2		Current Expenditure Category: CDP-SUBPROJ GRANTS Pt A.1			
	0.00	0.00	0.00	100.00	100.00
iLap Category Sequence No: 3		Current Expenditure Category: CDP-PREPARATION GRANTS Pt A.1			
	4,000,000.00	82,331.03	501,810.00	100.00	100.00
iLap Category Sequence No: 4		Current Expenditure Category: POOR&VULNERA. INV. SUPP GRT Pt A2			
	19,800,000.00	8,266,717.24	17,532,222.00	100.00	100.00
Total	27,700,000.00	9,733,178.85	20,727,761.00		



The World Bank

Community Development Program Support Project-Phase III (P144637)
