



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

Concept Stage | Date Prepared/Updated: 08-Oct-2021 | Report No: PIDISDSC25605



BASIC INFORMATION

A. Basic Project Data

Country Western Africa	Project ID P167798	Parent Project ID (if any)	Project Name Cameroon-Chad Transport Corridor (P167798)
Region AFRICA WEST	Estimated Appraisal Date Nov 03, 2021	Estimated Board Date Dec 17, 2021	Practice Area (Lead) Transport
Financing Instrument Investment Project Financing	Borrower(s) Government Republic of Cameroon, Gouvernement Republic of Chad	Implementing Agency CAMRAIL, Ministère des Transports, Ministère des Infrastructures, du Désenclavement et des Transports	

Proposed Development Objective(s)

The proposed project development objective is to contribute to the efficient and safe movement of goods and people along the Douala-Ndjamena corridor.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	495.00
Total Financing	495.00
of which IBRD/IDA	345.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	345.00
IDA Credit	210.00
IDA Grant	135.00

Non-World Bank Group Financing



Other Sources	150.00
EC: European Development Fund (EDF)	20.00
EC: European Investment Bank	130.00

Environmental Assessment Category

B - Partial Assessment

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Regional Context

About 80 percent of the transit transport traffic in Central Africa takes place in two rail/road regional corridors through Cameroon: the Douala–N'Djamena corridor and the Douala–Bangui corridor (figure 1). Cameroon remains indeed one of the key regional transport hubs for Central Africa at the crossroads of major regional and continental routes serving several land locked countries. Through the Port of Douala, Cameroon provides the only viable sea access to Chad and the Central African Republic (CAR) via the Douala - N'Djamena/Bangui rail/road corridors.

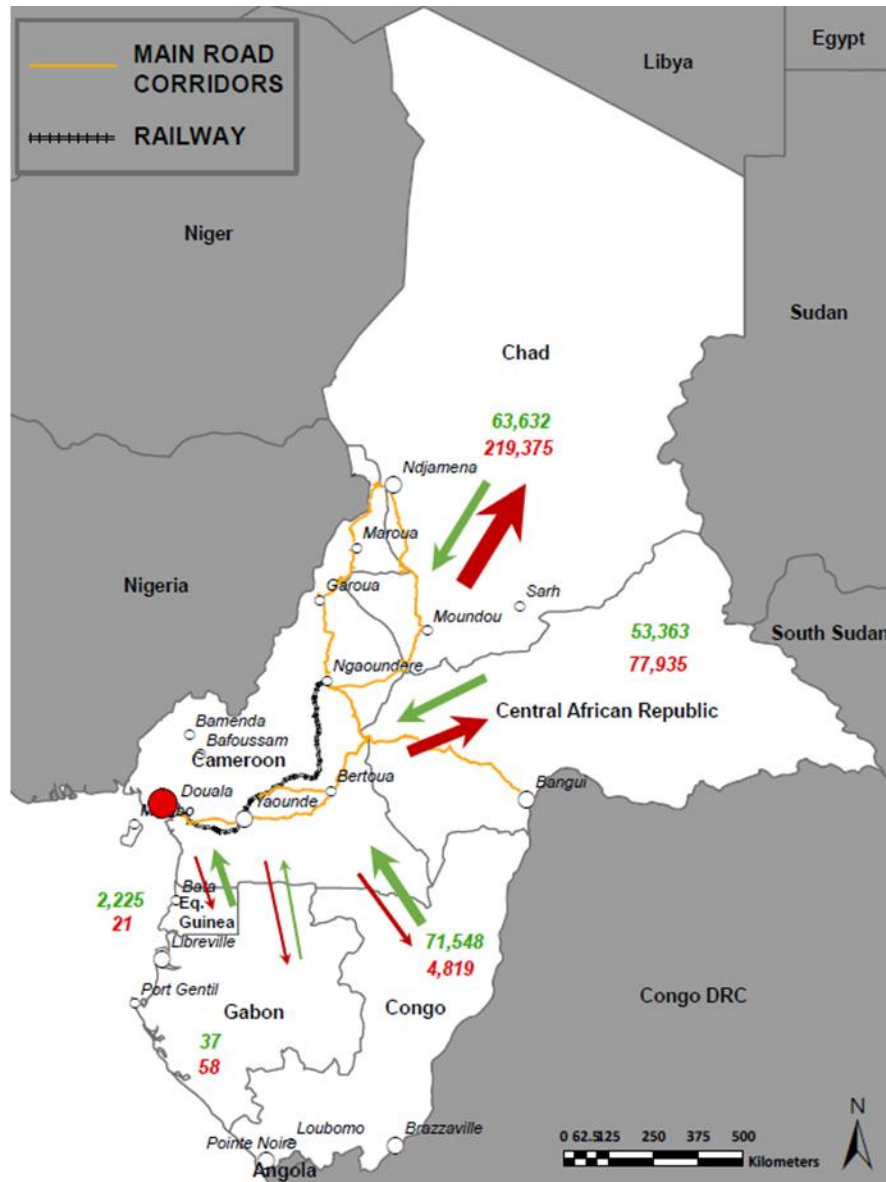


Figure 1. Transit in central Africa

Both Cameroon and Chad perform poorly when it comes to facilitating cross border trade. Based on the OECD’s 2019 average Trade Facilitation Performance indicator, Cameroon ranked 101st over 163 countries while Chad ranked 161st. This indicator measures country performance relative to border procedures, documentation and automation, as well as customs cooperation and administrative effectiveness. As Cameroon is the natural gateway for landlocked Chad and Central African Republic, these poor performances have a negative impact on all the surrounding region and increase tensions between Cameroon and its neighboring countries.

While progress has recently been observed as a result of both the road improvement works and trade facilitation activities financed by IDA under CEMAC Trade and Transit Facilitation Project (P079736 - CEMAC TTFF) and other development partners on key intra/inter regional corridors, more efforts are needed to substantially reduce transport costs. Transport costs along the main transit corridors to Chad and CAR remain indeed among the highest in Sub-Saharan Africa. Some rail and road infrastructure sections along the corridors are still highly degraded hampering corridors



efficiency. Improving these links is identified as a strategic pillar of the CEMAC Regional Economic Program (PER) II Program (Programme Economique Régional 2017-2021) endorsed by all CEMAC Governments in October 2017.

Among these corridors, the South-North Douala-N'Djamena regional rail/road corridor plays a critical role for Regional Integration between Cameroon and Chad. About 79 percent of all of Chad's imports pass through the Port of Douala. Besides economic efficiency, this corridor is essential for political and social regional integration in Lake Chad region as both countries share a common challenge in terms of fragility and security with the active presence of Boko Haram.

Improving the rail/road corridor is thus a necessary condition for competitiveness and improved integration of both countries into the regional market. An integrated approach, involving both investments on the rail and roads along the corridor and intervention on trade facilitation has the potential to dramatically facilitate trade and economic exchanges between the countries. Building on and pursuing the objectives of the CEMAC TTFP, a regional operation has been designed to further improve the performance of the Douala-N'Djamena rail/road corridor:

- In Cameroon: the proposed project will seek to improve efficiency of the rail component of this corridor, which is critical for improved performance of both Douala-N'Djamena and Douala-Bangui regional corridors;
- In Chad: the regional operation will involve mostly road works and will comprise road rehabilitation and maintenance along the Douala-N'Djamena corridor; this operation will target the Ngaoundere – Touboro – Moundou-N'Djamena road corridor, alternative to the Ngaoundéré-Maroua-Kousseri deeply affected by security issue.
- In both countries, the project will include a trade facilitation component.

A 2018 World Bank (WB) mission inspected the 600km long road from N'Djamena to Moundou and Cameroon's border, heavily degraded on most of its stretches. At that time, a tentative total cost of US\$175 million was identified for rehabilitation of some of the most degraded sections including Guelendeng-Bongor. The cost of rehabilitating the whole road corridor is likely to be much higher and will be assessed by the ongoing technical study.

The same mission inspected also the railway connection between Yaoundé and Douala, confirming the need for rehabilitation work. The Regional/National IDA financing amount required as well as the splitting between sources would be:

- Cameroon: total IDA: US\$210 million (US\$70 million national and US\$140 million regional)
- Chad: total IDA: US\$135 million (US\$45 million national and US\$90 million regional).

Cameroon Context

Cameroon has a surface of 475,440 km² and a population of almost 25.9 million inhabitants¹. In the last decade, the population rose by 2.5 percent per year, with an average density of 56.2 people per sq. km of land area, although much higher in large urban centers (Douala, Yaoundé and Garoua) and in the Western and Northern regions². Cameroon is a low middle-income country with high levels of poverty, weak social indicators and a 2020 Human Development Index ranking of 153 out of 188. The GDP per capita amounts to US\$1,499.37 (2020) and the GDP grew by 0.7 percent in 2020 as the COVID-19 crisis negatively impacted the country's economy.

The political situation of Cameroon had improved after the violent riot crisis in 2008 (Emeutes de la Faim) and successful political reforms coupled with general elections occurred in 2013. In contrast, the Anglophone crisis has risen in Western part of the country since 2016 and the overall regional situation is unstable because of the presence of terrorist group Boko-Haram in the Northern regions and instability along the borders with both Chad and CAR.

¹ United Nations World Population Prospects, 2019.

² United Nations Population Division, 2019



In 2013 Cameroon adopted a Strategy Document for Growth and Jobs, named DSCE in French (Document de Stratégie pour la Croissance et l'Emploi) which provides a long-term vision (2035) and goals for country development, including in particular an ambitious infrastructure program. The strategy focuses on economic and social development and identifies potential measures and instruments to overcome current obstacles and to provide better performance for the overall economy.

Chad Context

Chad is a large landlocked country in central Africa covering an area of 1.3 million km² with 16.2 million inhabitants. The rural population accounts for 76.7 percent of the total population³ and people under 15 years of age account for 46.5% of the total population.⁴ The population growth rate is 3.0 percent per year and average life expectancy is 50 years. With an average density of 13.0 inhabitants per km²,⁵ the population is unequally distributed on the national territory with the capital city, Ndjamena, concentrating 1.5 million inhabitants, while Moundou as the second largest city has a population of 150,000.

Since Chad began oil production in 2003, the previously agrarian economy has become heavily dependent on oil. Oil has become the main source for wealth creation during the 2000-2011 decade with an average 7 percent GDP growth per year and an overall increase of GDP per capita from US\$497 in 2004 to US\$967 in 2011. The fall of oil barrel prices by 50 percent in 2014 combined with the structural weaknesses of the Chadian economy has made the country enter into a recession leading to two consecutive years of economic contraction in 2016 and 2017 (-6.4 percent and -2.7 percent). The per capita GDP has fallen from US\$1020 in 2014 to US\$719 in 2019. Despite this oil dependence, agriculture remains the main source of employment providing jobs for three (3) out of four (4) Chadians.

Since independence, Chad has been a fragile, violence- and conflict-affected country marked by chronic instability, political turmoil, security issues, armed conflict with neighboring countries, climate change and local sanitary crisis. These multiple shocks have slowed the development of the country and left it one of the poorest countries in the world. The 2020 UNDP Human Development Index (HDI) ranks it 187th out of 188 countries.

B. Sectoral and Institutional Context

The Cameroon railway plays a critical role in serving Northern Cameroon, Chad, and the CAR and in improving the overall performance of the rail/road Douala-N'Djamena and Douala-Bangui regional corridors (figure 1). The Cameroon 1000km long railway infrastructure going from Douala and its port to Ngaoundéré has always been playing a key role in the economic and social exchanges between Cameroon and neighboring countries. In 2014, before Chad's economic crisis, the concessionaire in charge of railway operations CAMRAIL carried 1.8 million tons of goods and 1.7 million passengers (Services from Douala to Yaoundé and Ngaoundéré). The market share of rail freight between Douala and Ngaoundéré was estimated at about 39% (90% for oil products) and rail transports more than 2/3 of Chad's imports, and a large part of CAR's exports - especially logs. The private concessionaire CAMRAIL competes directly with road operators in both domestic and international freight. In 2013, tariffs per ton-km and per container were approximately 20 percent lower by rail than by road. Competition between rail and road transport helps contain road transport costs and curb excess loads on the main road corridors. Rail transport also has a positive impact on overall transport security and helps mitigate GHG emissions.

Despite recent improvement, rehabilitation works on the existing railway are needed for improved efficiency as well as rail extensions specifically to the deep seaport of Kribi. World Bank financed rehabilitation works were completed

³ World Bank Data, 2019

⁴ Human Development Report, UNDP, 2020

⁵ United Nations Population Division, 2019



under the CEMAC TTFP on the existing railway. Some sections in the Northern Cameroon and between Douala and Yaoundé remain degraded though, hampering rail productivity, safety and efficiency. The signaling system is also outdated and needs upgrading for increased capacity. The railway development plan (“Le plan directeur national des chemins de fer”) adopted in 2012 by the Government of Cameroon aims at developing existing railroads and building new lines at standard gauge to connect Cameroon with its neighboring countries, including a priority new rail link between the existing railway and Kribi deep seaport. Other connections are envisaged under long term perspective between Ngaoundéré and N’Djamena (studies financed by African Development Bank -- AfDB).

The institutional organization of the railway sector is based on a concession agreement. The privatization of Cameroon’s railway has become effective in 1999 when a concession contract was signed between the government and CAMRAIL, a private operator shared by BOLLORE-SAGA-SDV and COMAZAR, a South-African railway operator. The network consists of about 1,100 km of metric gauge lines between Douala and Yaoundé (Eastbound), Kumba (Westbound) and between Yaoundé and Ngaoundéré in the north, plus some nonoperational sections. The concessionaire finances, operates, maintains the rolling stock and maintains the infrastructure. After the first years of operation CAMRAIL performed quite well in term of traffic and productivity increase but didn’t achieve the expected financial results, as it faced many challenges including the lack of passenger’s traffic subventions and urgent investment needs on infrastructure and rolling stocks. In 2008 a second amendment to the concession contract was signed, sharing the costs of an important 2009-2020 investment program between the conceding authority (US\$207 million) and the concessionaire (US\$272 million).

This concession has been considered as a rare successful example of Public-Private Partnership (PPP) in the railway sector in Africa. Since 1999, the concession indeed resulted in (i) modernizing the infrastructure (300km) and upgrading the axle, bogie and wagon workshops to international standards, (ii) a passenger traffic increase of 70% (2015/1999) before the Eseka accident, (iii) a freight traffic increase of 50 percent (2015/1999); and (iv) a sharp reduction in the number of annual derailments, by 92 percent from 1999 to 2012. Since 1999 CAMRAIL has paid an aggregated amount of US\$272 million in concession fees, taxes and import duties, which is a major turnaround from the situation before 1999, when annual operational losses which had to be covered by the Government of Cameroon oscillated between US\$7 million, and US\$12 million.

The concession model is however now facing several challenges:

- I. CAMRAIL continues to face criticism from public opinion, in particular regarding the performance and quality of passenger services. These criticisms have been exacerbated by the train derailment in Eseka in October 2016 that provoked the death of 79 people and over 550 injured. The accident proves above all that it is urgent to improve railway safety, investing on infrastructure upgrade and rolling stocks modernization.
- II. The overall performance of the railway concession has also been undermined by the economic situation of the CEMAC region, and Chad and CAR in particular. CAMRAIL’s turnover has decreased by 25 percent over the last three years (-15 percent on the freight sector), and the freight tariffs have been reduced by 20 percent on specific segment to sustain the railway modal share (65 percent for conventional traffic and 35 percent for containers) and against fierce road competition. The total freight volume in 2017 amounted to 1.5 million tons (-15 percent compared to the historic peak in 2015). The situation worsened on the passenger side, as the Eseka accident resulted in the cessation of all intercity services and reduced the availability of the rolling stocks. As a result, passenger volume has decreased by 40 percent between 2016 and 2017.
- III. The institutional framework is questioned, and a law is in preparation with several options to reenforce the role of the Government of Cameroon in the supervision and, potentially, the maintenance of infrastructure and operations through the “ *Société de Patrimoine*” which would be established. This might change the



private/public risk sharing and depending on the model chosen could impact the viability and financial sustainability of the railway model.

The proposed project will contribute to increased efficiency of the Cameroon railway and of the rail/road connection therefore to the improved performance of the rail/road regional corridors. The proposed project would contribute to the full rehabilitation of the existing metric-gauge railway and is fully consistent with the ongoing projects. The rehabilitation of the railway infrastructure between Douala and Yaoundé is indeed in line with the rehabilitation of some sections between Batchenga and Ka'a financed under the CEMAC TTFP and at the entries of Yaounde and Douala. In parallel Agence Française de Développement (AFD) and European Investment Bank (EIB) are planning to finance the rehabilitation of the section from BÉlabo up to Ngaoundéré in the North. After these projects are completed, the whole existing railway network would be rehabilitated, increasing capacity safety, speed, reliability and efficiency of rail traffic and therefore improving performance of the corridors to the benefits of Chad, Cameroon and CAR. The GoC has sent a formal request for the World Bank to finance the railway rehabilitation between Douala and Yaoundé.



Source: WB railway reform toolkit – Cameroon case study

One of the first handicaps of the Chadian economy is its isolation, aggravated by high transport costs on the main regional axes that connect the country to the sea. The nearest port (Douala, Cameroon) is located 1,800 km away from N'Djamena with among the highest transport prices in SSA. At the national level, the lack of infrastructure and adapted transport services create isolation of several regions especially rural areas. The situation of the domestic transport is aggravated by factors such as:

- the low density of population, 13 inhabitants per km square and its geographical dispersion (low rate of urbanization of 20 percent) as well as socio-economic activities;



- the poor development of the road network: with only 2,500 km out of 40,000 km road network. Chad is one of the countries where the adequacy between the road network and the needs of the country is one of the least performing;
- the low motorization, with less than 26 vehicles per 1,000 inhabitants, leading to the use of very old vehicles and in rural areas of intermediate means such as animal-drawn carts when it is not simply portage;

The road network consists of 40,000 km of roads including 7,475 km of National Roads of which 2,600 km are considered permanently practicable except for short periods of traffic breakdown. Only 6% (2,500 km) of this network is paved and 12% (4,875 km) consists of seasonal roads. The regional roads have lower standards than the national network but are designed to be at least able to ensure the passage of trucks during harvests.

The Ministry for Infrastructure and Transport (MIT) is responsible for the entire road network through the General Directorate for Roads (DGR) including rural roads. Distribution of responsibilities has recently been clarified as there used to be an overlap of responsibility for rural roads between the Ministry of Infrastructure and the Ministry of Agriculture through its Directorate of Rural Engineering (Direction du Genie Rural- (DGR). Created in 2010 and operational since 2012, the Road Maintenance Agency (AGER) is responsible, as a delegated owner, of the primary network on behalf of the Ministry of Infrastructure and Transport. The maintenance of the national or regional network is financed by the Road Maintenance Fund (FER) and executed by the Road Maintenance Agency (AGER) under the delegation of the MIT. Given the limited resources of the FER, only a small part of the network of roads in the national network is maintained under FER funding each year.

The road corridor between Ndjamea and Moundou is the major international transport corridor as it connects the capital, Ndjamea to the Cameroun border via Moundou, the second most important city in Chad. This axe is the most reliable because of the security condition in the North Cameroun and also provides a road connection for the oil production and agricultural region of Moundou. As part of the CEMAC TTFP, the World Bank in coordination with other donors, had financed several road rehabilitation projects along this corridor but the overall section between Ndjamea and the border is not fully rehabilitated. The World Bank financed the rehabilitation of the section Bongor-Eré-Kelo (131km) and the maintenance of the section Bongor-Moundou-Cameroon border (364km) under a GENiS contract (performance-based contract). Unfortunately, the execution of the contract has proven difficult as the Government of Chad was supposed to cover 75% of the cost, which was possible only before the oil price crisis. The Government of Chad has sent a formal request for the World Bank to finance the rehabilitation of the road corridor between Ndjamea and Moundou.

Relationship to CPF

The World Bank Group (WBG) Regional Integration and Cooperation Assistance Strategy (RICAS) Update (FY2021 – FY2023⁶) points out that (i) infrastructure deficits continue to cripple long-term competitiveness of African economies; and (ii) despite progress in provision of regional infrastructure, critical gaps remain and progress has been uneven across sub-regions. Even when there have been improvements in regional road infrastructure, the impact on greater regional trade has not been realized due to a variety of non-tariff barriers and other market failure which exist in those corridors. This points to the need for paying greater attention to ‘soft’ policy reform issues alongside filling gaps in ‘hard’ infrastructure.

⁶ The World Bank Group (2017) Supporting Africa’s Transformation: Regional Integration and Cooperation Assistance Strategy for the period FY18-FY23, Washington D.C.



The RICAS Update aims to generate economic dynamism along regional economic corridors through: (i) improved functioning of regional corridors; (ii) enhanced regional transport service markets, and (iii) increased private sector leveraging for regional infrastructure.

The project is fully aligned with the Cameroon Country Partnership Framework (CPF) for the period FY17-FY21. The Focus Area Two (Fostering Infrastructure and Private Sector Development) indeed targets key infrastructure services (energy and transport), the business climate including financial services, and the quality of the workforce as cross-cutting building blocks of private sector development. Lack of access to energy and transport, the poor business environment, the limited availability and cost of finance, and inadequate workforce skills are consistently cited by the private sector as main obstacles to growth. The World Bank will scale up its engagement if regulatory and institutional reforms are undertaken, including in the railways sector, should the sector continue to be operated under a satisfactory PPP arrangement. Investment options mentioned in the CPF include: (i) linking the new Kribi deep seaport to the existing rail network; (ii) modernizing the Yaoundé-Douala connection; or (iii) renovating the Northbound connection to Ngaoundéré (in the Adamawa region), which is seriously deteriorated.

As rail infrastructure involves very large costs, any World Bank involvement would be triggered only by: (i) agreement on a comprehensive, economically grounded and carefully sequenced, multi-year plan; and (ii) a review of the current concession arrangements, from the point of view of the contractual obligations, duration, geographic coverage and regulation to seek for the best risk sharing balance to maximize private sector financing and involvement and to ensure financial and environmental sustainability in line with the Maximize Finance for Development (MFD) strategy. The proposed project would indeed be part of the MFD approach in the African transport sector, providing a sustainable financial scheme for the Government of Cameroon and the concessionaire to improve the safety and efficiency of the railway network. World Bank Group's support would be helpful to support the PPP structuring for the dry port and potentially for rail/road platform in Ngaoundéré.

The project is also consistent with the Chad Government's National Development Plan (PND) 2017-2021 "Vision 2030, The Chad We Want" which has identified infrastructures (transport, energy and communication) as a leverage for a diversified, inclusive and sustainable economy.

The project will benefit and build on achieved results on road safety coming from the CEMAC TTFP and the Africa Road Safety Corridor Initiative.

C. Proposed Development Objective(s)

The proposed program development objective is to contribute to the efficient and safe movement of goods and people along the Douala-N'Djamena corridor.

Key Results (From PCN)

The preliminary indicators that have been identified for measuring the key results of the project and the achievement of the PDO (to be finalized during project preparation) are as follows:

- i. Number of direct and indirect beneficiaries with enhanced access to transport infrastructure and services on the Douala-N'djamena multimodal corridor
- ii. Average transit time from entering the Port of Douala to arriving in N'Djamena
- iii. Number of accidents over the corridor disaggregated by rail and road sections
- iv. Railway capacity (Number of train slots)



D. Concept Description

The proposed project will finance improvements on the Cameroon metric-gauge railway and on the Ndjamen-Moundou road corridor as part of a comprehensive strategy to improve the multimodal corridor towards Chad. The proposed project is structured around 6 components: (i) rail track rehabilitation including signaling modernization, bridges and railroad crossings rehabilitations (ii) rail/road platform investments and railway network expansion studies; (iii) road investment along the corridor Ndjamen-Moundou-Toubo, including maintenance component (GENIS); (iv) trade-facilitation and (v) Institutional strengthening and capacity building., and (vi) Immediate Response mechanism -Contingent Emergency Response (IRM-CERC).

The preliminary assessment indicates a total estimated project cost of around US\$330 million for public financing. This cost does not consider compensation linked to involuntary settlement or compensation, which should remain limited however and would be financed by the Governments. It is expected that the railway concessionaire will continue financing, operating, maintaining the rolling stock and maintaining the infrastructure. Over the period 2008-2020, the concessionaire is deemed to finance US\$272 million. For the road to be rehabilitated under a GENIS contract, the contractor will also provide maintenance for the duration of the contract.

Component 1: Douala Yaoundé rail tracks rehabilitation and railway signaling modernization (Estimated cost: US\$170 million, of which US\$170 million financed by IDA)

The railway section between Douala and Yaoundé which is by far the most trafficked section of the whole network is highly degraded. Rehabilitating the rail track - including bridges and railroads crossings - and modernizing the signaling would greatly improve traffic safety, reliability and speed. Besides, this would be the continuation of the CEMAC TTFP and is consistent with the rehabilitation project co-financed by AFD and EIB on the northern section and under preparation.

Early assessments indicate that impacts on the population should remain low as the rehabilitation will take place mostly outside urban environments and only on the existing platform. Most of these impacts will be located around Edea. The quarry is also already identified. It is privately owned and managed. This Environment and Social (E&S) early assessment needs to and will be further deepened during preparation.

A three-step strategy for signaling modernizing was approved in December 2017 and consists of i) mechanizing of switches, ii) rehabilitating radio-telecom channels throughout the railway track before proceeding with iii) installing the on-board signaling systems with centralized control. The first step is already engaged under the ongoing Multimodal Transport project.

All cost elements will be further specified by detailed studies during preparation. All works shall be implemented by the concessionaire under the concession agreement.

The proposed component will finance the following activities:

- i. Goods, works and Consultant's services for rehabilitation works along the 238km long Douala-Yaoundé section, including bridges and railroad crossings rehabilitation. The total cost is estimated at CFAF 65 billion
- ii. Goods, works and Consultant's services for completing the signaling modernization for a total cost accounting to CFAF 17 billion.
- iii. Purchase of mandatory equipment to undertake the rehabilitation (CFAF 10billion). This equipment shall be mutualized with the AFD and EIB-financed project for increased efficiency under an agreement that needs to be discussed.
- iv. Technical, economic and environmental and social studies for the railway rehabilitation.



- v. Support for GBV and social aspects including but not limited to NGO's hiring for GRM mechanisms supervision, awareness campaigns, activities for promotion of women's employment.

Component 2: rail/road connections investments and railway expansion studies (US\$20 million of which US\$20 million are financed by IDA)

A recent study has identified the need for (i) rehabilitating existing rail/road platforms at Ngaoundéré and potentially Bélabo, - possibly as dry ports; (ii) developing new platforms to be built, operated and maintained by private sector operators under a balanced PPP approach; and (iii) updating the outdated Railway Master Plan.

This component will therefore finance the following activities which will be implemented by the Minister of Transport:

- i. Update of the Railway Master Plan;
- ii. Goods, works and Consultant's services for rehabilitating rail/road platforms in Ngaoundéré and potentially Bélabo and transform them into dry ports;
- iii. General studies, PPP structuring and advisory services for new platforms to recruit private sector operators that could design, build, operate and maintain these rail/road platforms;

Component 3: Ndjamena – Moundou road rehabilitation and maintenance program (Estimated cost: US\$270 million, of which US\$120 million financed by IDA)

This component will mainly finance a road rehabilitation and maintenance program along the corridor Ndjamena-Moundou-Toubo (border with Cameroon). Considering the different road sections condition, the performance-based approach will be implemented under 1 (one) or 2 (two) 10-year contracts and over a 2-phase approach. The proposed project will finance rehabilitation and maintenance for the first phase over the most degraded sections. As the total cost of the program exceeds IDA allocation, co-financing from EU and EIB is expected.

The component will finance (i) detailed technical studies, civil works, purchase of equipment's and supervision cost for the rehabilitation and maintenance program; (ii) technical support and equipment for axle load monitoring and (iii) technical assistances, capacity building and institutional strengthening to improve road safety along the road corridor.

Component 4: Trade facilitation component (Estimated cost: US\$25 million, of which US\$25 million financed by IDA)

This component will complement the activities financed under the CEMAC-TTFP to carry on technical assistances and investments in trade-facilitation. The purpose of this component is to facilitate trade between Cameroon and Chad by improving procedures in the port of Douala, at the border between Cameroon and Chad and along the rail and road corridor dealing with logistic providers, trucking industry, customs and Camrail. Detailed activities to be financed under this component will be determined during preparation following stakeholder consultations and assessment of potential benefits in terms of transit time improvement.

Component 5: Institutional strengthening and capacity building (US\$10 million of which US\$10 million are financed by IDA)

In Cameroon, the GoC has committed to increase involvement of the State in the railway sector through COMIFER and through a new railway regulatory reform. There is therefore a strong need for institutional strengthening, capacity building and technical assistance to support the sector reform and concession amendment. In Chad, performance-based road rehabilitation and maintenance contracts implementation likewise requires a strong need for capacity building and technical assistances.



This component would finance the following activities:

- i. Capacity building and institutional strengthening with a strong focus on COMIFER's expertise reinforcement
- ii. Training programs development within existing engineering schools to develop human capital and skills in the railway sector in Cameroon.
- iii. Technical assistance for but not limited to concession contract amendment and the definition and implementation of a railway sector reform.
- iv. Technical assistance on road planning, budgeting and use of Performance-Based Contracts.
- v. Project operational costs in Chad and Cameroon.

Component 6 – Immediate Response mechanism -Contingent Emergency Response (IRM-CERC)

In the event of an eligible crisis or emergency, to provide immediate and effective response to it, the Government may request the World Bank to re-allocate project funds to support emergency response and reconstruction of infrastructures. This component would draw from the uncommitted credits/grants resources under the project from other project components to cover emergency response. This component has, by its nature, a zero funds allocation.

SAFEGUARDS

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

In Cameroon, the railway infrastructure stretches over more than a thousand kilometers (1,200 km), departing from Douala, arriving in Ngaoundéré via Edea, passing through Yaoundé. Three quarters of the Trans-Cameroon railway runs through equatorial forest, while the remainder travels over savannah. Railway also crosses urban and rural settings where encroachments of rights-of-way are common practices. The project will mainly rehabilitate the 238-km long section between Douala and Yaoundé.

In Chad, the road corridor stretches over 600 km departing from Ndjamenà to Moundou up to Toubouro at the border with Cameroon and is the major international transport corridor as it connects the capital, Ndjamenà to the Cameroon border via Moundou, the second most important city in Chad. This axe is the most reliable because of the security condition in the north Cameroon and also provides a road connection for the oil production and agricultural region of Moundou. It crosses Mandelia Wildlife Reserve and Logone Lowlands (RAMSAR site). The project will help reinvigorate the economy in the localities it passes through such as Guelengdeng, Bongor, Kélo, Moundou. Delivery times for goods will be improved as well as safety conditions. Improved transportation will make it easier for people to have access to health care in the region.

B. Borrower's Institutional Capacity for Safeguard Policies

Cameroon and Chad have a comprehensive Environmental and Social Impact Assessment (ESIA) law and regulations framework as well as occupational safety regulations. Environmental management and protection in both countries are respectively governed by the framework law No 96/12 of 5 August 1996 and Law No. 14 / PR / 98 of 17 August 1998. These laws require consultations with the public, interested and affected parties during the ESIA: public consultations during the assessment and public hearings during the review. Legal and administrative appeals are possible at all stages and for all decisions.

In Cameroon, relatively mature central and decentralized ESIA authorities are in place but they are understaffed. The Ministry of Environment through its decentralized committees is also responsible for monitoring the implementation of



the ESIA/ESMP in specific projects. However, there is often no regular follow up due to limited resources and professional capacity. The Ministry of Labor and Social Security faces the same burden. To address these gaps, the project will contribute to set up different local committees in charge of monitoring ESMPs, including occupational health issues in the project areas.

In Cameroon the main activities related to railway rehabilitatio will be implemented by the railway concessionaire, which has already experience in World Bank operations and safeguard policies and has a dedicated and operational E&S specialist and VBG expert.

In Chad, the main institution in charge of environmental and natural resource management is the Ministry of the Environment, Water and Fisheries (MEEP), which includes the Direction of Environmental Assessment, Control and Pollution Control (DEELCPN). DEELCPN has regional Units, however, capacity remains weak in the Ministry, in civil society organizations, and local government bodies, due to limited resources. Social risks and issues related to gender, SBV/SEA/SH, violence against children, labor and land fall under the Ministries of respectively Women and Early Childhood, Land Management, Justice and Public Service and Social Dialogue. In the absence of formal protocols for collaboration, there is however no follow-up by the Technical Directorates of these Ministries.

In Chad, the project will be implemented by the Rural Mobility and Connectivity project (RMCP) existing PIU which has experience in World Bank operations and safeguards policies, and has a dedicated and operational E&S unit.

C. Environmental and Social Safeguards Specialists on the Team

- Aurelie Marie Simone Monique Rossignol, Environmental Specialist
- FNU Owono Owono, Social Specialist
- Cyrille Valence Ngouana Kengne, Environmental Specialist
- Ndoya-Allah Bantiga, Social Specialist
- Charlie Foyet Sonkeng, Environmental Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>In Cameroon, the main issues in the urban areas will be related to safety and pollution. Currently there are numerous injuries (and some deaths) caused by people walking on the tracks or crossing at unsafe intersections. In addition, the final disposal of creosote- treated sleepers as well as social issues associated with decommissioned sleepers remain a challenge for CAMRAIL. Therefore, the project is Categorized B.</p> <p>To mitigate the above-mentioned potential risks and impacts and as part of safeguards requirement for the Cameroon railway rehabilitation component:</p> <ul style="list-style-type: none"> i. an ESIA/ESMP for Douala-Yaoundé rail tracks rehabilitation will be prepared, consulted upon and disclosed before appraisal; ii. an ESMF will be prepared, consulted upon and disclosed before appraisal for activities under Component 2. Draft terms of reference (ToRs) for a



Strategic and Social Assessment of the Railway Master Plan update financed under Component 2 will also be prepared, consulted upon and disclosed before appraisal. This assessment will identify externalities associated with this plan and the estimate of the external costs and benefits of the transport modal shift caused by the operation of the network. The following cost categories will be considered: accidents, noise, air pollution, climate change, nature and landscape, urban effects and upstream process associated to transport. It will also improve the information basis for planning, give insight into possible consequences of short and medium-term projects, as well as identifying alternative options and measures that can avoid negative impacts;

As for Chad, the project location is known, there is no need to prepare an ESMF for the investments. An ESIA/ESMP for the road section between Ndjama and Moundou will be prepared, consulted upon and disclosed before appraisal.

Performance Standards for Private Sector Activities OP/BP 4.03 TBD

Natural Habitats OP/BP 4.04 Yes

This policy is triggered because rail transport is a weak but indispensable link in the bushmeat trade and trophies chain in Cameroon. The Government of Cameroon signed with CAMRAIL in 2016 an agreement with a view to reinforce and intensify the fight against poaching in general and the transportation of wildlife products by train in particular. This project will contribute to enforce the application of this agreement. In addition, railway master plan update will consider the sustainable management of natural habitats. New rail lines might likely open up natural habitats and contribute to increase poaching and illegal logging.

In Chad, the road to be rehabilitated by the project crosses the Mandelia wildlife reserve and Logone Lowlands which are known to be corridors of great importance for birds and other big mammal such as elephants. However, expected impacts are expected to be limited in scope due to the nature of works which mainly consist of rehabilitation of existing right-of-way. Furthermore, the road layout is actually located at the very external border of the Mandelia reserve and not crossing through/inside the reserve.



		In addition, forthcoming ESIA's, ESMPs and SESA will address wildlife protection issues, include biodiversity preservation measures, transport of illegal tropical hardwood logs, sawn timber; as well as transport of illegal bushmeat products.
Forests OP/BP 4.36	Yes	The project does not support commercial forest exploitation. However, any impacts on natural habitats and forests will be assessed and mitigation measures proposed as part of the ESMP. Special measures will be put in place to ensure that illegal timber and bushmeat are not transported by the railway.
Pest Management OP 4.09	No	The project does not entail any use of pesticides and other agrochemicals.
Physical Cultural Resources OP/BP 4.11	Yes	Railway rehabilitation and road rehabilitation will entail excavation. In addition, updating the railway master plan will not have any direct environmental and social impacts on cultural heritage. However, the expected future investments may affect sacred sites tangible cultural heritage. Mitigation measures will be incorporated into the disclosed ESMPs for both Cameroon and Chad including provisions for a detailed Cultural Heritage Management Plan. A comprehensive chance find procedure will be prepared as part of the ESIA reports, embedded in the overall ESMPs and contracts to that end.
Indigenous Peoples OP/BP 4.10	No	This policy is not triggered because the project does not entail any activities in an area where Indigenous Peoples are located. At time of Project Concept meeting, the project description included transaction advisory services for the railway link between Edea and the seaport of Kribi, located near the Lolabe area where Indigenous People's settlements exist. This activity was subsequently removed from the project and as a result OP 4.10 is not triggered anymore.
Involuntary Resettlement OP/BP 4.12	Yes	In Cameroon, this project will rehabilitate rail tracks in rural and urban areas with risks of impacts on encroachers. OP 4.12 policy is in this case triggered to ensure that land acquisition process will be done in respect of WBG principles and national law. Engineering studies for new lines will also consider social risks related to the acquisition of land in rural and urban areas along the future railway footprints. A Resettlement Policy Framework (RPF) will be developed for the entire project to set risks mitigation and land acquisition process rules and principles. A



specific instrument (Resettlement Action Plan) will be developed for rails track to be rehabilitated. In Chad, a Resettlement Policy Framework (RPF) will be developed for the entire project to set risks mitigation and land acquisition process rules and principles. A specific instrument (Resettlement Action Plan) will be prepared, consulted upon and disclosed before appraisal for the road to be rehabilitated between Ndjamenas-Moundou-Toubooro.

This policy is not triggered because the project does not entail any activities related to dams.

Safety of Dams OP/BP 4.37

No

Projects on International Waterways OP/BP 7.50

No

The project does not affect international waterways.

Projects in Disputed Areas OP/BP 7.60

No

The is not in disputed areas.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Nov 03, 2021

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

ESIA for the rehabilitation track in Cameroon will be carried out, consulted upon and disclosed before appraisal. As far as Railway Master Plan update is concerned, the ToR for SESA need to be prepared and disclosed before appraisal; and since investments in Component 2 are not known, an ESMF may be needed and will be prepared and disclosed before appraisal. The RPF and RAP should also be prepared and disclosed before appraisal.

An ESIA/ESMP for the road section between Ndjamenas -Moundou-Toubooro will be prepared, consulted upon and disclosed before appraisal. Indeed, as project location is known, there is no need to prepare an ESMF for the investments in Chad.

In Chad, a Resettlement Policy Framework (RPF) will be prepared for the entire project to set standards for the identification, assessment and mitigation of negative impacts of activities supported by the program. A specific instrument (Resettlement Action Plan-RAP) will be prepared, consulted upon and disclosed before appraisal for the road between Ndjamenas-Moundou-Toubooro to be rehabilitated.

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