



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 27-Feb-2019 | Report No: PIDC26121

**BASIC INFORMATION****A. Basic Project Data**

Country Mauritania	Project ID P169332	Parent Project ID (if any)	Project Name Productive & Resilient Intermediate Cities (P169332)
Region AFRICA	Estimated Appraisal Date Jan 06, 2020	Estimated Board Date Feb 20, 2020	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice
Financing Instrument Investment Project Financing	Borrower(s) Islamic Republic of Mauritania	Implementing Agency Cellule du PNIDDLE	

Proposed Development Objective(s)

The development objectives of this operation are: (i) to improve access to services for the population and the private sector in selected areas; and (ii) to improve the capacity of local government in the areas of planning and municipal management.

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	50.00
Total Financing	50.00
of which IBRD/IDA	50.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	50.00
IDA Grant	50.00

Environmental and Social Risk Classification

Concept Review Decision



Substantial

Track II-The review did authorize the preparation to continue

B. Introduction and Context

- 1. Following a prolonged period of political instability, Mauritania has experienced, a relative stability over the last 11 years.** This has resulted in accelerated economic growth with an average real GDP increase of 3.5% in 2017. Economic growth was mainly driven by the extractive and mining industry, the construction sector, fishery, transports, and communications, as well as the provision of services¹. The underlying driver of growth was the increase in iron, gold, and copper prices on the international market, as well as significant government investment in public infrastructure.
- 2. The positive economic outcomes resulting from the commodity boom contributed to a decrease in the national poverty rate.** Between 2008 and 2014, the poverty rate dropped from 44.5% to 33%² With the rural population benefitting most from this improvement. Indeed, most of the poor in Mauritania are located in rural areas (44.4% of the population lives in rural area while 16% live in urban area) and, during the last decade, the majority of the rural poor increased their share of household expenditures. The south of Mauritania, notably the regions of Brakna, Hodh El Gharbi and Gorgol were the most successful in terms of poverty reduction.
- 3. Despite the socio-economic performance of the past decade, poverty still remains at the forefront of the challenges faced by Mauritania,** with a higher incidence in the “triangle of hope³” and the Wilayas areas in the east along the Malian border⁴. Furthermore, the higher concentration of job opportunities in urban areas contributes to an uneven geographical distribution of the job market. Despite the creation of work opportunities in the mining and extractive, agro-business and public administration sectors, the unemployment rate is still high with 30-31% of the population being currently unemployed⁵. Challenges associated with unemployment are higher in urban areas (17.2%) compared to rural areas (6.9%). Furthermore, 27.4% of youth in urban areas who are willing to work are more likely to face obstacles, when compared to 11.3% in rural areas. Finally, access to job opportunities in urban areas is unequal across genders with 24.8% of women facing challenges to find meaningful work compared with 13.7% of men.
- 4. The country is particularly vulnerable to Climate Change.** Mauritania is exposed to recurrent droughts, floods, and coastal erosion. The livelihoods and food security of most of the poor living in these towns are jeopardized by encroaching desertification, rising temperatures, increasing scarcity of water and flash flooding, drought, and erosion of soil and arable land. The poorest populations of Mauritania, especially those living in the South and East of the country are the most vulnerable to natural (drought) and man-made shocks (influx of refugees from Mali to the Hodh el Chargui). This part of the country is considered fragile and subject to climate fluctuations and correspondingly variable amounts of precipitation.

¹ SCAPP 2016-2030, volume 2

² Mauritania's Country's Partnership Framework.

³ The triangle of hope comprises the wilayas of Guidimanga Assaba and Gorgol

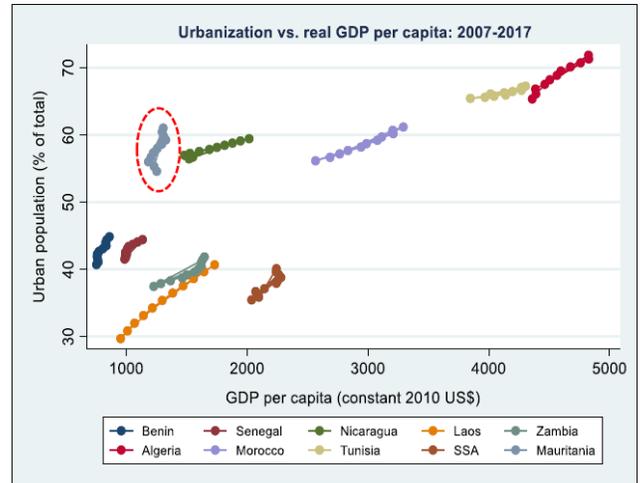
⁴ Hodh el Chargui and Hodh el Gharbi where access to education is lower compared to the other regions of the country; unemployment rate is the highest; food insecurity is at an all-time high.

⁵ Mauritania's Country's Partnership Framework.



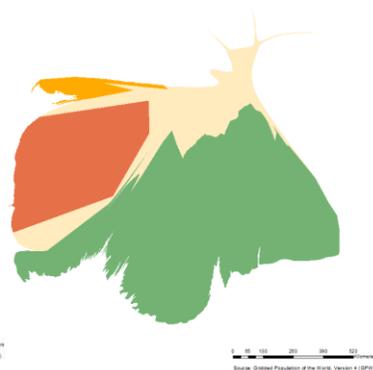
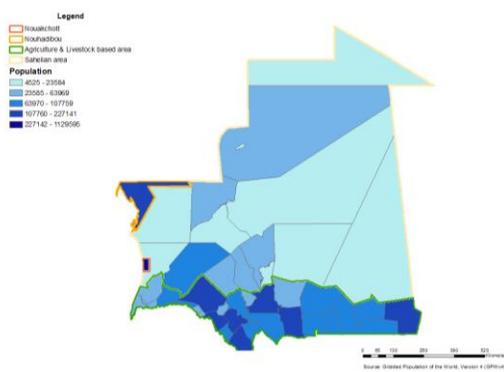
Sectoral and Institutional Context

5. **The Population of Mauritania has experienced a rapid urbanization has not translated into a corresponding increase in per capita GDP in urban areas.** This is partly explained by a long-term transition from a nomadic to a sedentary lifestyle; until the late 1960's, Mauritania's population was mostly nomadic and pastoral, and urbanization was very minimal. Since that time, the nomadic lifestyle has slowly disappeared, partly due to recurring droughts, resulting in massive migration to urban centers. Rapid population growth also played a decisive factor in the variation of the urbanization rate of Mauritania. In 2013, the country's population, estimated at 3 million habitants, more than doubled compared to its 1977 level with a corresponding increase in the urbanization rate between 1977 and 2017 from 22.7% to 53% respectively.⁶



Source: WDI et calculs des auteurs

6. **The growth rate of urbanization is uneven across Mauritanian cities.** Nouakchott (1 million inhabitants) and Nouadhibou (120,000 inhabitants) located along the Mauritanian coast share the main bulk of the country's urban expansion. In addition to Nouakchott and Nouadhibou, Mauritania has at least 20 cities of 10,000 to 60,000 habitants located mostly in the South of the country where the population density is the higher. Among them, the most important are Kiffa, Rosso, and Kaedi in the South and Zouerate in the North which include around 11 % of the total population. The uneven urbanization rate in Mauritania is an impediment to the socio-economic development of the intermediate cities⁷, whose role in sustaining the economic development of the country is crucial, but still limited due to uneven flows of socio-economic and natural wealth. Urban planning and poor quality of service provision also hamper local economic growth.



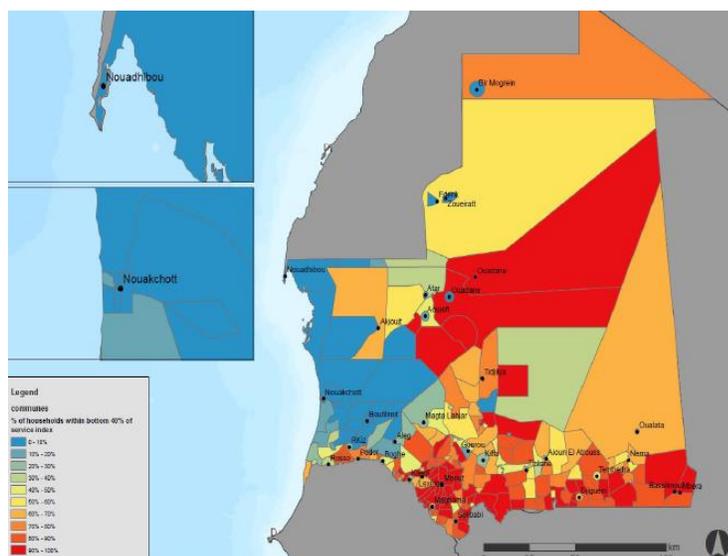
Source: Africapolis 2015

⁶ Ministère de l'Economie et des Finances, SCAPP 2016-2030 Diagnostic, 2016.

⁷ intermediate cities are defined as cities with a population ranging from 25,000 habitants to 75,000 inhabitants



7. Access to essential services in Mauritania is uneven across space. Communes that are predominantly urban show higher access figures across all types of services, and highest access is in Nouakchott and Nouadhibou, where the urban population concentrates. On average, population access to primary education (63.5%) and drinking water supply (62.1%) is relatively high, as is access to telephony (66.4%). Yet, connectivity is poor -- on average only 42.6 % have access to public transportation and this figure is insignificant in areas outside of Nouakchott and Nouadhibou – and electrification in urban (36.9%) and rural areas (2.7%) are abysmal, even compared to other countries in Sub-Saharan Africa. Low penetration of postal, banking, police and justice services (between around 10 and 20 percent) are a reflection of low technical capacity of local governments to step into assuming these roles, as well as shortage of funding by national government.⁸



Map 2: Share of households with access to services in communes (RGPH 2013)

8. **These cities have garnered few of the agglomeration effects typically associated with the urbanization process, especially in terms of job creation and economic development.** Poverty reduction and youth employment remain deeply intertwined in Mauritania. Mauritania’s job-related challenge is characterized by a low-growth macroeconomic context, high reliance on minerals and extractives, and marked poverty and social exclusion. In terms of employment, the unemployment rate is largely an urban phenomenon with 17.2% in urban areas, especially in Nouakchott and Nouadhibou, compared to 6.9% in rural areas. However, jobs in rural are mostly subsistence activities associated with the higher level of poverties experienced in the regions where subsistence agriculture and livestock are the main economic domains. Youth (15–24 years old), comprising over 40 percent of the population as of 2014, are even more exposed to unemployment and are particularly vulnerable to high social exclusion.
9. The South of Mauritania, along the Southern border with Senegal and Mali, from Rosso at the Western side to Néma and Adel Begrou at the Eastern side, offers rich resources and geographic opportunities for the economic development of the country. Still the impact on the local economy - in terms of private sector development, job creation, and poverty reduction - is limited. To better understand current constraints, and the potential of the Southern towns to attract population and create jobs and the benefit of urbanization. the Bank is currently conducting a growth study that will analyze urbanization as a pillar of economic growth and an analytical work on economic potential of south Mauritania. Some ongoing critical investments for increasing domestic and regional connectivity and for improving access to electricity and water in these towns could create a new dynamic for the development of the private sector and population mobility and help these towns to grow into more vibrant secondary cities that would provide better livelihoods and living standards for its people and ultimately contribute to poverty reduction.

⁸ Stratégie Nationale de Croissance Accélérée et de Prospérité Partagée (SCAPP) 2016 – 2030.



10. **To improve the socio-economic conditions of those regions outside Nouakchott and Nouadhibou, the government of Mauritania has emphasized an approach to local development and engaged in a decentralization process** as described in the national development strategy “Strategy for Accelerated Growth and Shared prosperity 2016-2030” (*Stratégie de Croissance Accélérée et de Prospérité Partagée, SCAPP*). The SCAPP aims for towns outside of Nouakchott and Nouadhibou to strengthen local governance as the basis for improved planning and local management. Local governments are considered to be best positioned to identify the needs of the population and the economic actors and be more diligent to respond to those needs for their benefit. As such, communes created in the 80’s have been mandated to deliver basic services in sectors such as health and education and to a lesser degree in the areas of agriculture and the management of hydraulic resources. In January 2018, the Government of Mauritania created 15 Regions (at the level of the Wilayas) through the adoption of the Organic Law on that was pending for nearly 27 years. But the effective establishment of these new entities, to make them effective institutions capable to accomplish their mission of territorial development remains to be seen.
11. **Decentralization takes time and despite policy commitments to move towards decentralization, Mauritania remains a centralized country where more needs to be done.** With a territory of over 1,030,000 sq. km, decentralization is undoubtedly a low hanging fruit for local development in the country. Many municipal elections held since 1992 have not resulted in an effective transfer of competences and resources to local governments. In reality, the communes still rely heavily on the government with respect to infrastructures and services, that keep being provided by sector ministries. The first meaningful move towards decentralization was the launch of the Local Government Development Project (*Projet d’Appui au Programme National Intégré pour la Décentralisation, le Développement Local et l’Emploi - PNIDDLE*) in 2014 with US\$25 million IDA financing combined with US\$50 million from the government, to support the development of 100 Mauritanian municipalities through financing of municipal infrastructures and capacity building. It was the first effort to operationalize the decentralization framework by making communes manage entirely their allocations, from planning to execution, and introduced an innovative approach based on performance.
12. **Communes are not able to operate at the optimal level because of the lack of financial and human resources and the failure to adequately receive the necessary allocations needed to sustain local socio-economic growth.** Created in 1980, the Regional Development Fund (*Fond Régional de Développement - FRD*) has provided minimal resources to the communes. In 2017, it represented 0.7% of the Budget (at UM3.5 million); while adding PNIDDLE allocations (about US\$20 million IDA and US\$30 million from the Government over 5 years) the total transfers from the national Budget reached about UM6.2 million. Considering the low level of own-source revenues⁹, the budgets of communes highly depend on those transfers (at 84%), except for Nouakchott and Nouadhibou, but still remain extremely limited with less than USD0.06 per inhabitant. In order to improve the role of communes in their overall planning and management, more remain to be accomplished on the front of tax revenues, financial management, citizen engagement and consultation, and procurement.
13. **In 2018, the Government of Mauritania prepared a National Strategy for Decentralization and Local Development (SNDDL).** The strategy builds on past experience and seeks to identify operationalizable steps to support decentralization onward. This timely initiative capitalizes the fifteen-year experience of decentralization focused on

⁹ There was an increase of own-source revenues doubling from 2014 to 2015, at a level that was maintained in 2016, which could be explained by the performance framework of the PNIDDLE.



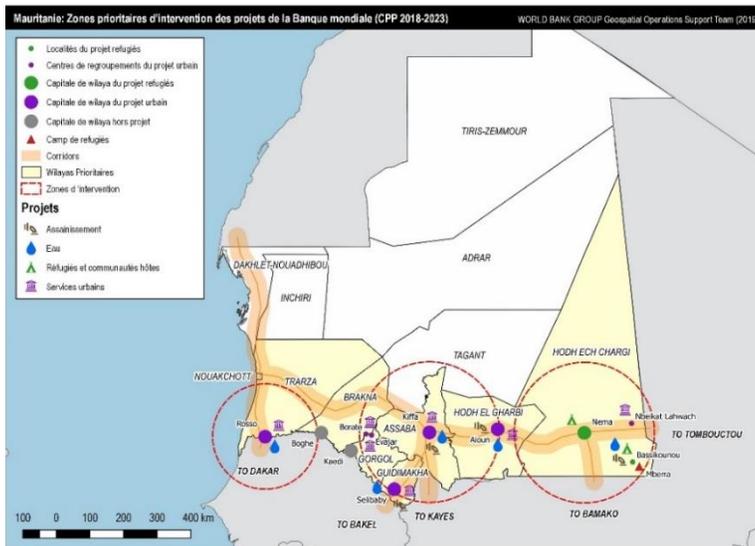
capacity building and repositions decentralization and local development in the context of regionalization. The launch of the SNDDL is a major step as to provide a concerted and harmonized framework for all intervention and initiatives related to decentralization and territorial development.

Relationship to CPF

14. This operation is in line with the FY2018-2023 Country Partnership Strategy (CPS) for Mauritania approved by the World Bank Board of Directors in July 2018, in particular, Pillar 1 on accelerating inclusive growth and creating employment and Pillar 2 on improving service delivery. On pillar 1, the project will support the decentralization process and contribute to accelerate inclusive growth by helping promote the development of productive cities and adjacent territories in the context of decentralization and create conducive environment to attract the private sector. On Pillar 2, this project will contribute to increase access to basic services in urban area by improving the socio-economic environment of intermediary cities. This project will also be consistent with the Bank’s strategy to provide multi-sector support to the Government of Mauritania to support its “Strategy for Accelerated Growth and Shared prosperity 2016-2030” and the Bank’s commitment to the Sahel Alliance to deliver multi-sectoral infrastructures and services to the South and East of Mauritania where the rate of poverty and the level of vulnerability are the highest in the country.

15. The proposed project also contributes to a coordinated spatial approach to address a series of key constraints to social and economic development and poverty reduction, consistent with the Sahel Alliance¹⁰'s approach. The Sahel Alliance’s objective to increase financial and technical support to G5-Sahel countries over the next five years. In

Mauritania, the Bank has committed to concentrate its efforts on the areas of the country that are fragile and vulnerable to climate shocks and security risks, and particularly affected by poverty. To this end, this project will be implemented in coordination with projects in the following sectors: (i) youth employment (ii) education (iii) agriculture and food security; (iv) access to electricity, and (v) access to water and sanitation. These projects will focus in the South and East Wilayas of Mauritania (As shown on Figure 1) where vulnerability to climate and man-made shocks is the highest in the country.



16. Building resilience to climate change and disaster risk is a vital step in the fight against poverty and for sustainable development. To that end, any infrastructure investments constructed under the

project will consider the vulnerability to climate change and disaster risks for its design and construction. The project will also support climate resilience through improved urban planning and support for urban reforms across selected intermediary cities. Construction of drainage systems and improved management of solid waste will better protect

¹⁰ Alliance Sahel is a donor organization launched in July 2017 by France, Germany and the European Union. The World Bank, the African Development Bank and the United Nations Development Programme, Italy, Spain, the United Kingdom and Luxembourg joined the Alliance later. The objective of the Alliance Sahel is to provide an appropriate, ambitious and effective response to the challenges facing the G5 Sahel member countries (Mauritania, Mali, Niger, Burkina Faso and Chad).



the populations against floods. The project will also lead to economic diversification in this part of the country to build the resilience of these communities to the adverse effect of climate change.

C. Proposed Development Objective(s)

The development objectives of this operation are: (i) to improve access to services for both the population and the private sector in selected areas; and (ii) to improve the capacity of local government in the areas of planning, management, and financial management.

Key Results (From PCN)

- Access to selected service (number - disaggregated by gender)
- Private sector firms expressing satisfaction with essential service to run their business (Percentage).
- Local Governments with improved management capacity (Number)

D. Concept Description

17. This project will support the local and economic development of selected intermediate cities and towns in the South and East of Mauritania and continue technical support to the decentralization process, building on the lessons and momentum of the PNIDDLE (*Programme National Intégré pour la Décentralisation, le Développement Local et l'Emploi des jeunes*). One major change for this operation will be to refocus investment efforts on a small selection of towns. It aims at delivering higher quality services to the population and private economic actors through a concentration of selected high impact investments on a few dynamic towns in the South of Mauritania suffering from an infrastructure deficit, most of which were not part of the PNIDDLE. This is aligned with one of the pillars of the Decentralization strategy, which recommends encouraging economic and urban levers, considering urban areas are meant to deliver higher levels of services for the population and economic agents. The focus on a limited number of geographic areas will also be critical to test different approaches to the new institutional context that was modified with the creation of the regions. The design and implementation of the project will be articulated with other sectoral projects (access to water and sanitation, access to electricity, youth employment, health and cash transfer services to refugee and host communities) to increase impact on economic development and job creation in this part of the country.
18. A preliminary list of 7 towns (See Figure 1) have been established in consultation with the GoM based on their potential to extend their benefits to a broader territory and population. For that reason, the South of Mauritania, where more than a third of the urban population live and where the poverty rates remain the highest, was preferred. This preliminary list includes 4 intermediate cities, spread across the territory. Rosso, in the West, and Kiffa in the center, are by far the most dynamic ones. Selibaby at the central South and Aioun at the East will complement a good coverage of this large territory. Three voluntary resettlement centers (Borate, Evajar and Nbeikhat Lahwach) are considered because of their relatively large size and will be used to test a national policy aimed at delivering more effectively services to the population. In addition, the project will support the provision of electricity to 3 rural areas presenting a certain concentration of population (2,000+ habitants).
19. The project will comprise four components: (i) resilient infrastructure investment and service delivery in select towns and adjacent territories; (ii) technical support for improving planning and local management; (iii) project management; and (iv) contingency emergency response component.
20. **Component 1: Resilient infrastructure investment and service delivery in select towns and adjacent territories (42 million USD):** This component aims to support the development of communal or inter-municipal economic and basic infrastructures and services in selected areas (either intermediary cities or newly created towns or adjacent



territories) to increase access to services and better manage future urban growth. Infrastructure of interest could consist of urban roads, urban drainage systems, electricity lines, solid or liquid waste management infrastructure, public facilities and space for youth, regional or local markets, etc. All infrastructure will be designed with climate change considerations, and many of the proposed types of infrastructure will directly support climate resilience. For example, improved urban drainage would help to reduce the impacts of heavy rainfall events, while solid or liquid waste management would enhance environmental health and safety in view of increasingly severe climatic events. The selection and location of infrastructure will also be conducted in compliance with climate and risk-informed planning which will be done as part of Component 2.

21. Infrastructure investments are designed to support the growth of the intermediary cities or adjacent territories and sustain more effective socio-economic development, with well-targeted and high-quality services. Thus, the selection of investments will be made using a participatory process, based on a Communal Development Plan (CDP), including consultation with different stakeholders and social groups, such as youth and women, as well as private economic actors, to ensure that the needs of the different beneficiaries are properly reflected in the investment program. Those CDPs will be elaborated or updated during the preparation phase of the project, in line with the start of terms for newly elected mayors. Citizen engagement including meetings with local stakeholders will be critical during the project preparation and implementation phase to ensure urban and investments planning reflects stakeholder needs. Technical support in the planning stage and for development of the CDPs will also be key to moving away from standard supply-driven services and help support innovation with more demand-driven and economic approaches.

22. Component 2: Technical support towards improved planning and local management (3 million USD). This component aims at providing technical support to local actors, in particular the municipal institutions, as well as the regional councils and other relevant local institutions (associations, private sector representation, etc.), to improve their capacity to prepare and implement development plans that will yield higher impacts in access to services, economic development and poverty reduction. Two activities will be supported: (i) first, the Component will help the government continue to implement its decentralization agenda and improve its operational sustainability; and (ii) second, it will help address critical constraints to more effective urban planning and management.

- a. In terms of decentralization, the Component will consolidate the support provided under the PNIDDLE through: (i) the preparation and implementation of selected institutional and financial reforms in addition to the decentralization strategy under preparation by the government, (ii) support in establishing conditions for efficient intergovernmental transfers. This will help local government to improve service delivery. This component will leverage the experience and lessons learned from previous projects implemented in urban areas.
- b. Regarding urban planning, this component seeks to (i) improve the capacity of LGs to develop a vision for their own local development, including economic development in coordination with the private sector, citizen engagement and community participation, and preparation of urban planning tools (Commune Development Plans, Urban Master Plans, digital maps and tools); and (ii) prepare reforms for more effective urban planning, for example in urban regulation or access to urban land.

23. Component 3: Project management (5 million USD). This component will support the implementation of all project activities in accordance with the Bank's policies and guidelines in the area of coordination, supervision, financial management, procurement, audits, safeguards, monitoring and evaluation.



24. **Component 4: Contingency Emergency Response Component (0 million USD).** Should a natural event precipitate a major disaster affecting the livelihoods of people living in the project area, the government may request the World Bank to reallocate project funds to cover some costs of emergency response and recovery. Detailed operational guidelines for implementing the project Contingency Emergency Response Component (CERC) will be prepared and approved by the World Bank as a disbursement condition for this sub-component. All expenditures under the CERC will be in accordance with paragraphs 11, 12, and 13 of Bank Policy: Investment Project Financing. They will be appraised and reviewed to determine if they are acceptable to the World Bank before any disbursement is made. Disbursements will be made against an approved list of goods, works, and services required to support crisis mitigation, response, recovery, and reconstruction.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

The environmental and social risks are substantial at this stage of the project as the activities will include construction of infrastructures, urban road, access road, markets, waste management. The project's activities will be implemented near the Mali and Senegalese board where are living vulnerable groups and refugees. There is a risk of workers coming from these two countries which could lead to a conflict with the local and vulnerable groups.

Note To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document.

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