

PROJECT INFORMATION DOCUMENT (PID)

CONCEPT STAGE

Report No.: AB1131

Project Name	CHAD URBAN DEVELOPMENT PROJECT
Region	AFRICA
Sector	General water, sanitation and flood protection sector (40%); Sub-national government administration (40%); Other social services (20%)
Project ID	P072030
Borrower(s)	GOVERNMENT OF CHAD Ministère de l'Aménagement du Territoire, de l'Urbanisme et de l'Habitat (MATUH) Tel: (235) 52 04 44 Fax: (235) 52 39 35
Implementing Agency	Direction de l'Urbanisme
Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Safeguard Classification	<input type="checkbox"/> S ₁ <input checked="" type="checkbox"/> S ₂ <input type="checkbox"/> S ₃ <input type="checkbox"/> S _F <input type="checkbox"/> TBD (to be determined)
Date PID Prepared	October 21, 2004
Estimated Date of Appraisal Authorization	January 17, 2005
Estimated Date of Board Approval	March 17, 2005

1. Key development issues and rationale for Bank involvement

While 75% of Chad's population resides in rural areas, the rate of urbanization is growing and has surpassed 5% per annum for some cities. Urban areas are rapidly gaining importance as engines of economic growth, and currently contribute about 54% of GDP. The country faces enormous challenges in terms of municipal infrastructure. Chad's primary and secondary cities (among them N'Djamena, Sarh, Moundou, Abéché and Doba) are characterized by rapid population growth, significant infrastructure shortage and decay, and the lack of viable local infrastructure investment and maintenance plans. According to a 1999 WHO report, 48% of urban residents had access to improved water resources and only 2% had access to improved sanitation. As a result, these cities are confronted with emergency shortages of public services, which, in addition to reducing the quality of life for residents and stifling economic growth, also present significant public health risks. Donor financing for urban infrastructure and capacity building is required to overcome these difficulties to improve the quality of life of urban residents, in particular the poor.

Specific issues in the urban sector are: (i) the lack of capacity for urban management at the local level and the inability of the central level to provide them adequate support (which results in the inability of cities to provide adequate infrastructure to serve their current populations and to contribute more effectively to national economic development; (ii) lack of integration of urban communities in urban management activities; and (iii) the need for support to the decentralization process currently underway.

As emphasized in the Country Assistance Strategy (CAS) dated December 11, 2003, the proposed project will be in line with the two CAS pillars, which are (i) strengthening governance, including public resource management and service delivery arrangements; and (ii) ensuring inclusive, broad-based growth, as the country embarks on oil production.

The Bank's previous support to Chad's urban sector includes the 1994 Public Works and Capacity Building Project, which financed priority urban infrastructure, capacity-building for small and medium enterprises (SMEs) in construction, community involvement in infrastructure maintenance and procurement reform. The Credit also financed preparatory studies for a follow-on urban project, which was subsequently dropped from the lending program. In the interim, other donors have supported the urban sector, particularly the *Agence Française de Développement* (AFD). However, the demands generated by the rapid urban growth have continued to increase. Recognizing the pressure on urban areas and their key role to support economic growth, the Bank has decided to renew its support to the urban sector as part of its Country Assistance Strategy for Chad.

The proposed credit is based on previous sector experience and studies, and will be prepared and implemented in close coordination with other donors to ensure complementarity of interventions and maximum sector coverage. Since AFD and UNDP are financing infrastructure in the capital city, N'Djaména, Bank support will concentrate on investments in the major secondary urban centers (Moundou, Sarh, Abéché and Doba), but will provide capacity-building activities for the urban sector as a whole, in conjunction with other donor operations. It will provide a complement to the Bank's PROADEL, supporting decentralization in rural areas. While the credit is primarily targeting secondary towns, the possibility of including well circumscribed and critical public works in N'Djaména under the credit is being explored with the authorities, in consultation with other donors.

2. Proposed objective(s)

The project development objectives are to: (i) increase access to better quality basic services for urban residents, especially the poor, in Chad's major secondary cities (Moundou, Sarh, Abéché and Doba); and (ii) through the provision of urban management tools to cities and relevant central ministries, increase transparency and accountability of urban governance and strengthen local stakeholders' capacity to participate in implementing and maintaining basic urban services while improving urban governance for better service delivery for the country as a whole.

3. Preliminary description

The proposed project will support priority infrastructure (water, sanitation, drainage and economic infrastructure) in the cities of Moundou, Sarh, Abéché, and Doba. By dimensioning public works appropriately and using labor-intensive methods, the project will create employment opportunities for unskilled and semi-skilled labor and promote SMEs in construction and urban services. Finally, it will improve capacity at the local level to plan and manage urban services and at the central level to support urban development. An extensive feasibility study financed by the Bank in 1997 (report prepared by Groupe Huit-BCEOM) identified the major infrastructure priorities which were endorsed by all stakeholders (the Government, the Mayors and the beneficiaries). These priorities remain valid today.

The project will have two components: (i) strengthening urban management capacity; and (ii) provision of basic urban services.

Component 1: Strengthening urban management capacity (estimated cost: US\$4.0 million)

The lack of urban management capacity at the local level and the inability of the central level to provide adequate support to cities are constraints to effective provision of basic services and promotion of economic growth. This component aims at providing support to the key ministries, municipalities, the private sector and community groups, in terms of policy development, public management tools, technical assistance, equipment and training and focuses on:

- (a) strengthening the institutional capacity of the Ministry for Land Administration, Urban Development and Housing (*Ministère de l'Aménagement du Territoire, de l'Urbanisme, et de l'Habitat* - MATUH);
- (b) strengthening the capacities of line ministries at the municipal level to provide support on urban management : Ministry of Finance, Ministry of Public Works and MATUH;
- (c) providing municipal management tools and training to the municipalities in order to improve mobilization and utilization of local financial resources;
- (d) increasing the capacity in the civil society and the private sector (SMEs and consultant firms) to participate in local urban service delivery through technical, financial and management training;
- (e) preparing/updating urban development plans for N'Djaména and up to 12 selected cities (population varying between 30,000 and 60,000), namely Mongo, Kelo, Pala, Bongor, Bol, Mao, Am Timan, Biltine, Ati, Fada, Faya, and Léré. These development plans will help the cities to have a broad vision of their infrastructure needs accompanied by specific investment programs, and serve as a basis for seeking other donors' financing; and
- (f) community integration and awareness for sanitation and public health, including HIV/AIDS.

Component 2: Provision of basic urban services (estimated cost: US\$ 11.0 million)

This component will target the cities of Moundou, Sarh, Abéché and Doba for which infrastructure priorities have been identified. These are:

- (a) drainage, sanitation and the associated rehabilitation of affected roads;
- (b) rehabilitation and extension of the potable water supply system;
- (c) provision of economic infrastructure (e.g. construction/rehabilitation of markets, slaughterhouses, depots, etc...); and
- (d) provision of access roads to isolated neighborhoods.

4. Safeguard policies that might apply

Environmental Assessment (OP/BP 4.01) and Involuntary Resettlement (OP/BP 4.12) are applicable under the project. The environmental assessment/evaluation will be in form of an Environmental Impact Assessment (EIA) and Environmental and Social Management Framework (ESMF). An EIA for specific and identified urban interventions in the cities of N'Djaména, Sarh, Moundou and Abéché will be prepared and an ESMF will be prepared for the city of Doba, since specific interventions are not known or defined. In addition, the interventions could result in the loss of land or restriction of access to source of livelihoods. To this end, a Resettlement Policy Framework (RPF) will be prepared. These safeguards instruments (i.e. EIA, ESMF, RPF) will be prepared in accordance to national environmental policies, and the World Bank environmental and social guidelines and safeguard policies. On completion and approval by ASPEN, these instruments will be disclosed in-country and at the Bank's Infoshop.

5. Tentative financing

Source:
BORROWER/RECIPIENT

(\$m.)
8

INTERNATIONAL DEVELOPMENT ASSOCIATION

Total 15
23

6. Contact point

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