



DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
FLOOD EMERGENCY PROJECT
APPROVED ON JUNE 11, 2013
TO
MINEPAT

WATER
AFRICA

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I. BASIC DATA

Product Information

Project ID P143940	Financing Instrument Investment Project Financing
Original EA Category Full Assessment (A)	Current EA Category Full Assessment (A)
Approval Date 11-Jun-2013	Current Closing Date 31-May-2019

Organizations

Borrower MINEPAT	Responsible Agency SEMRY
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Project Development Objective (PDO)

Original PDO

The PDO is to rehabilitate key hydraulic infrastructure and improve disaster-preparedness in target areas in the Far North Region of Cameroon.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-52760	11-Jun-2013	09-Sep-2013	21-Nov-2013	31-May-2019	108.00	93.64	6.96

Policy Waiver(s)

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

No

I. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES



1. The purpose of this Restructuring Paper is to seek your approval for an extension of the closing date of the Flood Emergency Project (Projet d'Urgence de Lutte Contre les Inondations, PULCI) (P143940) in Cameroon by 12 months to May 31, 2020, which represents a cumulative extension of the original closing date of 35 months.
2. The project was restructured twice:
 - (i) A first restructuring was concluded on June 22, 2017 and extended the credit closing date by 23 months from June 30, 2017 to May 31, 2019, primarily to address challenging resettlement issues that had caused considerable implementation delays, and also to reallocate funds among categories of expenditures.
 - (ii) A second restructuring was concluded on June 26, 2018 to take into account the decision taken by the Ministry of Finance (MINFI) to no longer exempt projects from gasoil tax payments, and hence to enable the financing of fuel taxes from IDA funds for the PULCI works.
3. The project would be close to seven years at the time of the proposed closing date.

PROJECT BACKGROUND

4. The PULCI was approved by the Board on June 11, 2013 and became effective on November 21, 2013; the original closing date was June 30, 2017. The project is funded by the International Development Association (IDA) credit resources in the amount of SDR 71.60 million (equivalent to US\$108 million) (IDA 52760-CM). The project development objective (PDO) is to rehabilitate key hydraulic infrastructures and improve disaster-preparedness in target areas in the Far North region of Cameroon, the poorest region of Cameroon that is subject to Boko Haram violence.
5. The ratings are Satisfactory for the PDO achievement, and Moderately Satisfactory for the Implementation Progress. Results of PDO Indicators so far: (i) Flood protection infrastructure rehabilitated: 87 km (90 percent of the objective, will be fully achieved by May 31, 2019); (ii) Contingency Plan approved and disseminated: Yes; and (iii) Direct project beneficiaries: 103,500 people (133 percent of the objective), of which female (30 percent, as per the objective).
6. The disbursement rate of the project is at 93.64 percent as of May 07, 2019; project disbursed very little in the first two years, as it was a challenge to recruit enterprises and consultants to work in this unsecure area, but has disbursed steadily and significantly thereafter.
7. The PULCI was prepared in an emergency context, at the request of the Government of Cameroon, following exceptionally heavy rainfalls in Northern Cameroon which caused floods in the North and Far North regions in August/September 2012 and put at risk the lives and livelihoods of 60,000 people. The rehabilitation of the key hydraulic infrastructure (Maga dam and Logone dyke) would not only protect these people living near the river and the dam, but also improve their livelihoods with the rehabilitation of 7,500 hectares of irrigation schemes dedicated to rice production. The project was approved before climate co-benefits were measured, but it is entirely focused on climate change adaptation.
8. Component A: Rehabilitation of Key Hydraulic Infrastructure for Flood Protection and Rice Production (US\$99.2 million equivalent). Rehabilitation works are almost completed: (i) the main works on Maga dam were completed in June 2017, including the hydraulic equipment and upstream rip-rap protections, with final revegetation protections under way and to be completed by end-May 2019; (ii) the rehabilitation of the Logone dyke is completed at 85 percent, with the remaining section of 10 km to be completed by end-May 2019; and (iii) the rehabilitation of irrigation schemes of Maga and Yagoua are completed. The rehabilitation of 7,500 ha of irrigation schemes has benefited 15,000 families, with a direct impact on the improvement of daily livelihoods of these families, and particularly women.
9. Component B: Disaster Risk and Emergency Management (US\$2.6 million equivalent). The Disaster Risk and Emergency Management Plan (DREMP) was finalized and disseminated at large scale. Activities identified in the DREMP were carried out (training of focal people, purchase of emergency materials, large communication campaigns,



etc.); a test-run of the DREMP was conducted during the month of April to assess the efficacy of this plan. The hydro-meteorological equipment is installed, but automatic monitoring remains to be completed.

10. Component C: Infrastructure Operations and Maintenance and Project Management (US\$2.9 million equivalent). An Infrastructure Operations and Maintenance Plan has been developed to enable the regional parastatal agency for agricultural support, irrigation and drainage (Société d'Expansion et de Modernisation de la Riziculture de Yagoua (SEMRY)) to explore new management and organizational structures. This plan proposes (i) a re-definition of the roles and responsibilities of SEMRY (basically focusing on the main infrastructure only); (ii) the creation and promotion of water user associations to whom the lower level infrastructure (tertiary parcels, canals, etc.) should be transferred for management and maintenance; and (iii) to enable participation of the private sector in the provision of agricultural services previously undertaken by SEMRY (tilling, milling, etc.).

11. Price Contingencies (US\$3.3 million equivalent). An unallocated amount had been added to the total base cost of project components to cover exchange rate fluctuations and inflation.

12. For a better understanding of the impact of the project, please see linkage to project video:

French: <https://vimeo.com/312575643>

English: <https://www.youtube.com/watch?v=yrlFTq0H3fs>

13. This Restructuring Paper was reviewed by Financial Management Specialist and they confirmed that the project is in compliance with World Bank fiduciary and has no overdue audit reports or outstanding audit issues; this project is also in compliance with World Bank safeguard policies.

RATIONALE FOR AN EXTENSION OF THE CLOSING DATE

14. The Ministry of Economy, Planning and Regional Development (MINEPAT), issued a letter on March 4, 2019 requesting a restructuring of the project to extend its closing date up to December 31, 2020. Nevertheless, after further discussions between the World Bank and client project team, there is a common agreement that an extension up to May 31, 2020 is sufficient. Indeed, at that time the VIVA-Logone Project (P168772) should be effective, and so should enable a smooth continuity of the implementation of the key activities of former Component C of the PULCI.

15. This proposal requests an extension of the closing date for 12 months (until May 31, 2020) to properly finalize the strategic institutional engagements undertaken in Component C and ensure the sustainability of the infrastructure operation and maintenance plan. This one-year extension is fundamental for furthering the reform process under which SEMRY's roles and responsibilities are being modified, and which would ensure the sustainability of long-term investments in Components A and B. The sustainability of the investments in Components A and B is fundamental for ensuring the long-term benefits of the project, and hinges on a successful transfer of some of the responsibilities to the water users associations. The proposed extension of the closing date will also support the smooth preparation of two follow-on projects that have been made possible by the success of the PULCI: the Valorization of Investments in the Valley of the Logone (P168772), and the Valorization of Investments in the Valley of the Benue (P166072) projects (the "VIVA Logone" and "VIVA Benue" projects). The extension of the closing date will ensure retaining synergies and efficiencies of the PULCI Project, such as maintaining the momentum for sectoral reform, with the road map for the institutional changes and private sector participation now effectively under implementation. These are fundamental elements of a strategy to revitalize the Far North region of Cameroon and the Lake Chad Region as a whole, including through improved food security and livelihoods.

16. Indeed, although PULCI was designed on an emergency basis where Government had to intervene to address urgent needs, the implementation of the PULCI was the opportunity, via Component C, to help the Client improve the irrigation policy for sustaining agricultural production in irrigation areas. This badly needed change in operating modalities of SEMRY and water users has been informed by several south-south exchanges between Cameroon and various countries, such as Senegal and Pakistan, where private sector participation in irrigated rice production has been effective for several years. These exchanges have been particularly revealing to the Cameroonian authorities in



the various Ministries such as MINEPAT, Ministry of Agriculture and Rural Development (MINADER) and in SEMRY, creating a momentum for reform in the sector. These exchanges and the guidance of the team have enabled Cameroonian authorities to draft a clear road map for the institutional changes and private sector participation in the reform process.

17. The PULCI, by implementing a very strict expenditure policy, has been able to save US\$6 million that will be used during the extension period for (i) implementation of the reform road map; and (ii) the preparation of the VIVA Logone and VIVA Benue projects (planned to go to the Board in Q4-FY20 and Q3-FY20). These funds will be dedicated to: (i) the reform of SEMRY and the redefinition of its role; (ii) the effective creation and promotion of water user associations to whom the lower level infrastructure management should be transferred; (iii) the funding of the technical, environmental and social studies being currently procured for VIVA Logone and VIVA Benue; (iv) the promotion of an enabling environment for the participation of the private sector in agricultural services (land-preparation and levelling, transformation of rice by small enterprises at local level and rice commercialization); and (v) the functioning of part of the current PIU as relates to activities (i) to (iv).

18. The project team confirms that World Bank’s requirements under World Bank Directive for Investment Project Financing (IPF) are met, namely, the PDO remains achievable, the performance of the Borrower remains satisfactory, and the World Bank and the Borrower agree on actions that will be undertaken by the Borrower to complete the project.

II. DETAILED CHANGES

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-52760	Effective	30-Jun-2017	31-May-2019	31-May-2020	30-Sep-2020

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Ln/Cr/TF	Current Expenditure Category	Current Allocation	Actuals + Committed	Proposed Allocation	Disbursement % (Type Total)	
					Current	Proposed



The World Bank
Flood Emergency Project (P143940)

IDA-52760-001 Currency: XDR	GD,WK,NCS,CS PART-A	63,300,000.00	55,569,223.72	60,500,000.00	100.00	100.00
	GD,WK,NCS,CS,T R PART-B	1,900,000.00	1,152,680.96	1,800,000.00	100.00	100.00
	GD,WK,NCS,CS,T R,OP PART-C	6,400,000.00	4,384,802.00	9,300,000.00	100.00	100
	UNALLOCATED	0.00	0.00	0.00		
	Total	71,600,000.00	61,106,706.68	71,600,000.00		