Country and Sector Background

1. Cameroon is a country in Central Africa with a population of 18 million and a land area of 475,650 km². Cameroon is rich in natural resources and characterized by a strong diversity between the regions of the Sahelian North and the tropical forests of the South. Its per capita income in 2006 is US$630, or slightly more than the average of sub-Saharan Africa. Poverty remains widespread, with about 40 percent of the country’s population living under the poverty threshold of about US$1 per day. Cameroon is urbanizing. 50% of the population already live in cities.

2. Cameroon lags behind on many social indicators. After a period of continuous progress from the 1960s until 1992, life expectancy dropped from 54.8 years in 1992 to 45.7 years in 2004. The country is off-track in meeting most of the Millennium Development Goals (MDGs).

3. Cameroon is a centralized country but there is a recent push towards decentralization. The Government of Cameroon (GoC) embedded decentralization in the 1996 amendment to the Constitution, however it was not until mid-2004 that the implementing legislation was adopted by the National Assembly.

4. Access to sanitation in Cameroon is low, and access to sewerage virtually inexistent. According to a 2007 household survey (MICS-3), access to improved sanitation was 33% nationwide. Access to improved sanitation in urban areas was estimated at 52% and access in
rural areas was estimated at 15%\(^1\). These national figures hide disparities across the country. The lowest access rates are in the Extreme North (12%) and the North (16%) regions. The access rates also hide the low quality of services – for instance only 1.8% of the urban population is connected to sewerage.

5. The low levels of access to sanitation pose huge health risks to the population of Cameroon. The 2004 WHO burden of disease report establishes that diarrheal diseases caused by lack of water, sanitation and hygiene leads to 18,300 deaths per year in Cameroon, and accounts for 13.4% of the burden of disease in the country.

6. Challenges for development of sustainable sanitation services include:
   - Confusing and overlapping institutional responsibilities.
   - Lack of financing for both investment and operation.
   - Inadequate monitoring and evaluation system.
   - Lack of community demand and interest for improved sanitation.
   - Lack of capacity, especially at the local level.

7. The Government of Cameroon (GoC), with technical assistance of the World Bank, is in the final stages of preparing a National Sanitation Strategy. The strategic directions of the strategy have been validated in stakeholder workshops in October 2010 and January 2011. The comprehensive strategy will be finalized by April 2011. The consensus of the January workshop is the basis for a letter of sector policy outlining the strategic direction in the sanitation sector which has been adopted by MINEE and is currently with the Prime Minister’s office for signature.

8. The proposed operation will support a subset of activities from the National Sanitation Strategy. The National Sanitation Strategy proposes a focus on basic sanitation services, because the development of conventional sewerage systems will be unaffordable. The development of individual facilities (latrines and septic tanks), semi-collective low cost technologies (small diameter community “condominial” systems) will be coupled with the development of sludge collection systems and sludge treatment stations.

9. The National Sanitation Strategy proposes a demand-driven approach to sanitation with a strong focus on hygiene education and sanitation marketing. In this way, the Strategy recognizes that improving sanitation practices in Cameroon will require a change in attitude.

10. High infrastructure unit costs have been identified as an obstacle for increasing access to sanitation. Based on this affordability analysis for household, an analysis on the affordability of subsidies from a public financial management perspective, and a review of practical subsidy mechanisms, the strategy proposes that the GoC subsidizes the pit and slab of a VIP latrine. The strategy also proposes subsidizing sludge collection and treatment in the first five years of implementation to help change behaviors of households to regularly empty their pit and of sludge collectors to use treatment stations instead of illegal dumping.

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\(^1\) The figures of the UNICEF/WHO Joint Monitoring Program are a bit higher, estimating access to improved sanitation at 56% for urban populations at 35% in rural areas.
11. Implementing the National Sanitation Strategy will require major public investments, despite its focus on cheaper technology. The financing plan of the National Strategy includes the introduction of a surcharge on water consumption (to be collected by the national water operator, Camerounaise des Eaux (CAMWATER), an existing pollution charge, a sewerage tariff for those connected to sewerage, internal resources of the Government of Cameroon, and donor financing. The surcharge on water consumption will be used to create a sustainable financing flow for recurrent costs borne by the public sector, especially the subsidies for sludge management mentioned above. The financing plan will require setting up a transparent arrangement for making financial resources available to the local authorities is in place.

**Objectives**

12. The proposed operation will be structured as a two phase Adaptable Program Loan (APL). The APL approach recognizes that the Cameroon sanitation sector will require sustained support as its investment needs are huge and several stages of reform and institution building will need to be combined with behavior change.

13. The project comprises of two overlapping phases to be executed over the 2010-2017 period, each phase to be implemented over 4 years. The first phase (APL-1) will extend from 2010 to 2014 for a credit amount of up to US$30 million. The second phase (APL-2), for a total amount of $50 million, is expected to begin after achievement of defined targets (it is estimated that APL-2 would start in 2013).

*Proposed PDO for program (series of APLs)*

14. The objective of the Cameroon Sanitation program is to increase quality of and access to sanitation services for the targeted populations of Cameroon.

*Proposed PDO for APL1*

15. The PDO for Phase I of the Program (APL1) is to improve planning and management of the sanitation sector as well as to provide access to sanitation services in selected areas. This will be achieved through piloting of new approaches, local planning exercises, and technical studies, and hands-on capacity building.

**Rationale for Bank Involvement**

16. The need for sanitation is large. While the number of people with access to drinking water rose from 50 percent in 1990 to 74 percent in 2008, access to sanitation has not increased over the same period. The low levels of access to sanitation pose huge health risks to the population of Cameroon. Investments in sanitation in Cameroon in the past decades have been close to zero, although some small-scale pilot projects have recently started with donor financing.

17. A cost-benefit analysis was done to determine the project’s economic efficiency of improvements in sanitation access in Douala (e.g. component 1 of the APL). The analysis concludes that the internal rates of return for latrines and condominial sewerage network exceed
the opportunity cost of capital of 12 percent and, therefore, these options are considered economically viable.

18. The World Bank and the Water and Sanitation Program have over the past few years built up experience with new approaches to hygiene education, sanitation, marketing and lower costs technology interventions. The World Bank has working relations with the Government of Cameroon in many related sectors (e.g. water, urban, rural). These two factors provide the World Bank with a comparative advantage in the sector.

Description

19. APL-1 would finance three components: (i) urban sanitation; (ii) rural sanitation, and (iii) institutional strengthening and project management. Both the urban and rural sanitation component will combine hardware and software, anchored in local planning exercises and technical studies. The hardware activities will follow the main technology choices (latrines, condominial sewerage) and subsidy arrangements proposed in the National Sanitation Strategy. Soft activities will include hygiene promotion, sanitation marketing, and training to local private sector that will start with research on the existing sanitation markets. Hands-on capacity building will be provided to the municipalities involved in the project.

20. The components are outlined below:

Component 1: Urban sanitation

21. This component will focus on full scale pilot activities in Douala, the largest city in Cameroon that integrate support hygiene promotion and marketing of household latrines with construction of latrines, condominial sewerage, and sludge treatment plants.

22. The choice for Douala was made in consultation with the Government of Cameroon based on the huge needs for investment in this high density city with a high flood risk that has recently faced cholera combined with the fact that the municipality has a relatively strong local government (Communaute Urbaine de Douala or CUD) that has a recent track record in implementing Bank project. The component targets four arrondissements in Douala which were selected based on need in terms of income levels, health statistics, access to services, demand from the mayors of the arrondissement, as well as physical conditions including groundwater tables and soil permeability. The selection also considered the technical feasibility of on-site sanitation taking into account groundwater tables and hydro-geological characteristics.

23. Hygiene education, sanitation promotion, and behavior change activities will target people through mass media campaigns and face-to-face hygiene education and sanitation marketing.

24. A program focused on household latrines will be implemented in one project area within Douala. This program will follow the same approach financed by the World Bank in others countries in West-Africa (Senegal, Burkina Faso, and Niger) in which the municipality enters into tripartite contracts with local artisans and households. The project finances the construction of the latrine pit and slab while the household finances the superstructure.
25. A small diameter community condominial sewerage system will be constructed in two or three neighborhoods in Douala where latrines and septic tanks are not an option given population density, groundwater levels, and soil composition. The project will finance the network and treatment infrastructure for this condominial system while households will finance the works within their compound – using participative methods.

26. In addition, public toilets will be constructed in schools, markets, and other public places. Public toilets will be fully subsidized by the project. Schools targeted by the program will also be part of the school hygiene education program.

27. Lastly, construction of sludge treatment plants will be financed, partial subsidy to operation and maintenance of sludge treatment plants, and training to vidangeurs.

Component 2: Rural sanitation

28. The component will support hygiene promotion, marketing of household latrines, and latrine construction in the Extreme North region of Cameroon. It will provide partial subsidies to households to finance household latrines. It will also finance public latrines in schools and medical facilities. This component will focus on helping communities to understand and appreciate their sanitation problem and defining the solution, which is a crucial to success and sustainability of this project. The component will include capacity building to the private sector on how to develop latrines that consumers are willing and able to purchase.

29. The component will target selected zones in the Extreme North Region. The selection of the region is based on its high poverty levels, low sanitation access rate, and dismissal health statistics – including periodic occurrences of cholera. Also the region is not supported by the AfDB rural WSS project, which allows the government to pilot and assess the two approaches under the different funding effectively. At the same time, the region has benefited from the presence of other programs that have mobilized communities.

30. The component would empower local authorities to take leadership on sanitation. Each municipality will develop a sanitation plan and appoint a focal point for the project. Training of a local cadre of sanitation workers will be a priority in order for them play a key role in implementation of the project, as well as support sustainability of the built infrastructure and hygiene behaviors.

31. A targeted sanitation marketing and hygiene education will be an important part of the component. Community outreach workers (men and women) will be identified in the villages, trained, and given the responsibility of promoting hygiene practices, providing information, and building awareness about access to latrines. Communication activities will also aim to inform teachers and health care workers about hygiene and sanitation, the project and how they can play a role in it. The project will also support training of local masons who would be building the toilets at household level.

32. The project would assist people to get household latrines through a subsidy for the pit and slab. Households interested in participating will be required to put up a deposit to be agreed
between the project and beneficiary communities at project inception. Masons would subsequently dig the pit and build the slab. The household would then build the superstructure (and get back their deposit) or have it built by the mason.

33. The project will fully finance the construction of latrines in public schools and health centers.

Component 3: Institutional strengthening and project management

The component will put emphasis on institutional technical assistance to further clarify the role and responsibilities of various actors and establish a cost recovery mechanism for sanitation (including a surcharge on water consumption). The component will also provide TA for sanitation planning at the national and local level. It will include sanitation master plans for selected cities and technical studies for phase 2 investments. The component will support local governments help setting up monitoring systems and establish clear mechanism on how to collect and to convey data from municipality to the central level. Lastly, the component will finance the costs of the Project Implementation Unit in MINEE and other project management costs.

Financing

Source: ($m.)
BORROWER/RECIPIENT 0.25
International Development Association (IDA) 30.00
Beneficiaries 9.07
Total 30.32

Implementation

34. Project institutional and implementation arrangements will apply the principles of the national sanitation strategy, including (i) empowerment of local authorities and populations in planning and prioritizing work through local sanitation plans; (iv) limited subsidies to investments in infrastructure (for household latrines and semi-collective systems).

35. A Project Steering Committee (Comité de pilotage, PSC) will be established to provide general guidance and monitor the implementation of project activities and to facilitate relations with ministerial departments and public agencies. The project will be coordinated by a Project Implementation Unit in the Ministry of Energy and Water (MINEE).

36. Implementation responsibilities of the three project components are the following:
   - Component 1 (urban sanitation) will be implemented by the Municipality of Douala (Communaute Urbaine de Douala or CUD), which has experience in implementing Bank project (Project d’Infrastructure de Douala).
   - Component 2 (rural sanitation component) will be implemented by the PIU in MINEE in close collaboration with the selected municipalities, because of the lack of implementation capacity of rural municipality.
- Component 3 (Institutional strengthening) will be implemented by the PIU in MINEE.

**Sustainability**

37. Past investments in the sanitation sector have not created sustained results. Many of the public sewerage and sludge treatment plants that were constructed over the past thirty years are no longer operational. In some cases, the systems were never operated after construction as the responsibility for operation and maintenance was not determined, and no cost recovery or subsidy mechanisms were in place.

38. With the development of the National Sanitation Strategy, the Government of Cameroon has shown its commitment towards a more sustainable management of the sector. This commitment is driven by the realization that sanitation and waste management is one of the main challenges facing Cameroon in the coming decade, the embarrassment at low service levels and periodic outbreaks of cholera, as well as demand for change from the population. The recent central government investment in solid waste management in urban centers shows how such a commitment can lead to improvements on the ground.

39. In this respect, the recent decentralization of the sanitation sector, provides opportunities if implemented well. Local governments are closer to local populations, and are more in sync with the day-to-day environmental squalor they face because of lack of sanitation. However, decentralization in Cameroon is far from complete. While larger cities have built up local governments with professional services, smaller municipalities are still faced with capacity problems. The project will focus on empowerment and capacity building of local governments. Special attention will be paid to responsibilities for operation and maintenance of public infrastructures, such as sludge treatment plants. Municipalities will be encouraged to outsource the management of infrastructures to the private sector.

40. A second challenge is sustainable financing for local governments to carry out their sanitation responsibilities. Local governments still largely depend on often unpredictable and sometimes politicized subsidies from the central government. In order to address this challenge, the project will invest in the identification and introduction of sustainable cost recovery mechanism and a dedicated transparent arrangement for making financial resources available to the local authorities for sanitation. The latter is based on the experience from other countries that sanitation easily gets lost in non-earmarked financing mechanisms.

41. The project will not invest in large public systems before the human and financial capacity is in place to operate and maintain them. APL-1 will mainly invest in on-site and community sanitation facilities. These are maintained by households themselves. Experience of on-site sanitation programs in other countries show that sustainability depends on awareness raising as well as a limited subsidy to construction to increase ownership. A strong education and promotion component will increase sustainability of these investments. Households will have to invest considerably in their facilities as the project provides only partial subsidies. For public latrines, markets associations and school parents associations will have to commit to finance the cost of connection to the water network and the maintenance of the toilets in order to qualify for a latrine. Markets associations will be encouraged to bid out the operation and
maintenance of toilet blocks to local entrepreneurs who will recover their costs through a user fee.

Lessons Learned from Past Operations in the Country/Sector

42. As the proposed project is the first operation in the sanitation sector in Cameroon, its design draws heavily on lessons from the similar-on-going and past operations in other countries in the region, in particular the experiences gained from the similar projects in Burkina Faso, Senegal, Niger and Ghana. In addition, the project design takes into account lessons learned from multisectoral operations in Cameroon, included the Community Development Program Support Project (PNDP) in rural areas and the Urban and Water Development Support Project (PDUE) in urban areas.

43. The project design and implementation arrangements have taken into consideration the following:

- Lessons learned from the similar projects in the region show the biggest health gains can be obtained by hygiene promotion and providing access to basic sanitation services.
- Successful sanitation project tackle both demand- and supply-side factors causing the low prevalence of improved latrines, starting with supply bottlenecks. Sanitation programs should allow the local market to develop and provide space for innovation that may ultimately lower the cost of improved latrines and so partially address the affordability problem. From the demand-side, low prevalence of improved latrines can be explained by affordability constraints and degree of public subsidy is warranted. However, it is important to be aware of the drawbacks that subsidizing, such as potential distortions on demand and markets. Sanitation marketing can generate the demand for sanitation and make households more willing to invest.
- A new generation of hygiene education programs has successfully applied techniques developed in commercial communications as well as anti-smoking and sexually transmitted infections campaigns.
- A lack of clear accountability for sector leadership causes sanitation issues to often fall between the cracks.
- Cost-recovery in sanitation is important for sustainability but is difficult in practice. Wastewater tariffs only apply only to the tiny minority of the population served by water-born sewer systems given the dominance of on-site sanitation.
- The project builds on lessons learned from private sector participation in other infrastructure sectors in Cameroon. Notably, solid waste collection, cleaning services for markets, and dredging of large drainage channels have been outsourced to the private sector for many years. The proposed sanitation project will mainly involve the participation of local private sector for sludge management and of the non-profit sector for education and marketing.
- In order to increase donor coordination, extensive discussions with multi and bilateral donors were an essential part of all preparation missions. Lessons from interventions supported by other donors have been integrated into the project design. The intervention zones were based on the presence of other donors.
Safeguard Policies (including public consultation)

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Contact point

Contact: Meike van Ginneken  
Title: Sector Leader  
Tel: 5330+8030 / 237-2250-8030  
Fax:  
Email: mvanginneken@worldbank.org  
Location: Yaounde, Cameroon (IBRD)

For more information contact:  
The InfoShop  
The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 458-4500  
Fax: (202) 522-1500  
Email: pic@worldbank.org  
Web: http://www.worldbank.org/infoshop

* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas