



# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 30-Aug-2018 | Report No: PIDISDSA24137



**BASIC INFORMATION**

**A. Basic Project Data**

Country Djibouti	Project ID P162901	Project Name Djibouti Integrated Slum Upgrading Project	Parent Project ID (if any)
Region MIDDLE EAST AND NORTH AFRICA	Estimated Appraisal Date 04-Sep-2018	Estimated Board Date 07-Nov-2018	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Economy and Finance	Implementing Agency ARULOS	

Proposed Development Objective(s)

The proposed development objective is to (i) improve the living conditions for slum dwellers in selected urban areas and (ii) strengthen the capacity of public institutions in charge of implementing the Zero Slum Program.

Components

Support to the elaboration of the ZSP strategic framework and investment plan  
Participatory upgrading investments in selected urban areas  
Project management

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

**SUMMARY**

<b>Total Project Cost</b>	25.00
<b>Total Financing</b>	25.00
<b>of which IBRD/IDA</b>	20.00
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	20.00
IDA Credit	15.00



IDA Grant	5.00
<b>Non-World Bank Group Financing</b>	
Counterpart Funding	5.00
Borrower	5.00
Environmental Assessment Category	
A-Full Assessment	
Decision	
The review did authorize the team to appraise and negotiate	

Other Decision (as needed)

## B. Introduction and Context

### Country Context

1. **Djibouti is a small, strategically located lower-middle income country in the Horn of Africa with an estimated population nearing one million inhabitants.** Located at the southern entrance to the Red Sea, the country is adjacent to the Straits of Mandeb and the Suez-Aden waterway, through which 20 percent of global commerce transits. It hosts several military bases<sup>1</sup> and has become the primary sea-access route for its large landlocked neighbor Ethiopia (population 102 million in 2016), whose imports and exports account for more than 80 percent of Djibouti’s port activities. Djibouti draws significant rents from military bases, which now account for more than 20 percent of total government revenues. Its economy has been expanding at a remarkable pace, estimated to have registered 6.5 percent annual increase in 2016, fueled by debt-financed public investments in port modernization and transport, particularly the railroad to Ethiopia, the construction of several new ports, and a water pipeline from Ethiopia. The IMF estimates that the GDP is expected to grow 7-10 percent annually in the medium term, but external debt has also accumulated very rapidly, standing currently above 80 percent of GDP, up from less than 50 percent in 2014.

2. **Despite significant investment and remarkable economic growth, Djibouti ranks very low on human development,** registering at 172 out of 188 countries on the human development index in 2016. Weak governance and insufficiently inclusive social and economic development have impeded the improvement of social outcomes. In 2013, an estimated 40.7 percent of Djiboutians lived in poverty and the country’s Gini index increased to 44 percent from 40 percent in 2002. 23 percent of Djiboutians lived in conditions of extreme poverty, with rural areas showing higher rates of extreme poverty (44 percent). Unemployment remains widespread with the rate reaching 39 percent in 2015 according to official estimates. 20 percent of

<sup>1</sup> Countries that have military bases include: China, France, Germany, Italy, Japan, USA, Saudi Arabia, and Spain.



young people, mostly women and girls, are not in employment, education, or training (NEET), and are at risk of becoming socially excluded. 50 percent of the working age population have never attended school. Life expectancy at birth is 62 years, below the Least Developed Countries average of 63.3 years; and 17.8 percent of children under five years of age suffer from acute malnutrition.

3. **Djibouti's location in an arid desert climate zone poses high risks to its food security and environmental sustainability.** The country ranks 159 out of 181 with respect to its vulnerability to climate change and its lack of readiness to address these vulnerabilities. Year-round high temperatures, limited arable land, low rainfall, together with extended multi-annual droughts and a scarcity of ground water have adverse effects on livelihoods and agriculture production. Agriculture is almost nonexistent, accounting for only about 3 percent of GDP and 2 percent of employment. The country is heavily dependent on food imports, as well as imports of manufactured goods and energy products. Natural hazard risks also include intense flash floods which caused damages and losses (two disastrous flooding events in 1994 and 2004, with losses estimated at US\$11.3 million in 2004); fires fueled by droughts and exacerbated by precarious construction materials; frequent earthquakes in magnitude from four to five on the Richter scale; volcanic activity along the Afar Rift area; and sea level rise—with most of the population living in the coastal capital city. The recent prolonged drought in Djibouti and its neighboring countries has further spurred desertification and exposed at least 20 percent of the population in Djibouti-ville and 75 percent of rural households to food insecurity. Djibouti's natural hazard vulnerability is aggravated by limited water resource management, insufficient land-use planning, constraining and nonsystematic building codes enforcement, and limited capacity to prevent and respond effectively to natural disasters. Today, it is estimated that about a quarter of the one million persons residing in Djibouti require direct assistance, including Djiboutian nationals living in extreme poverty, but also those foreign Internally Displaced People (IDPs).

4. **The refugee and displaced population has been growing at a steady pace due to the prolonged drought in the region and conflicts in neighboring countries.** Djibouti hosts an important foreigner population (apart from the expatriate population), though its number is unknown. A part of this population has come to Djibouti to join their family members (some of them being Djiboutian), others for economic opportunities or to flee difficult situation. In 2017, more than 27,000 refugees, mostly from Somali and Ethiopia as well as from Yemen, were registered in Djibouti, a number that has been growing (22,000 in 2015). In addition, it is estimated that about 94,000 people are also coming to Djibouti as a transit stop from the Horn of Africa towards the Gulf countries. 30,000 Yemeni have also come to the country since the beginning of the conflict in 2015. A part of that foreign population has settled in the 3 refugee camps of the country, Holl Holl et d'Ali Addeh, and Markazi, and the larger part has settled in Djibouti cities. In a 2017 survey conducted in 3 neighborhoods of Djibouti city, 10 to 12% of the population declared to be non-Djiboutian citizen, while an additional 20% could not prove their citizenship.

## Sectoral and Institutional Context

5. **Djibouti's urbanization rate, at 70 percent in 2009, is one of the highest in Africa and is concentrated in the capital city. Urban growth continues steadily at over 3 percent due to high birthrates and migratory pressure.** Traditionally a nomadic country, Djibouti has transitioned to a sedentary territory, with the bulk of its population settling in cities. Rural areas are now mostly uninhabited, as agriculture is very limited due to the arid climate. The capital city of Djibouti-ville is the country's main economic agglomeration, home to over 60 percent of the national population. Some secondary cities exist in other regions, though at a much lower level (the second city being Ali Sabieh with 40,000 inhabitants). Urban growth is fueled by continued inflow



of population from Djibouti's rural areas and neighboring countries, exacerbated by repeated major droughts over the past 30 years<sup>2</sup> and conflicts in neighboring countries.

6. **Urban expansion has mostly happened in an uncontrolled manner, resulting in a large part of the urban population living in a precarious housing environment.** New neighborhoods have developed in a disorderly way, including on the slopes of flood-prone wadis—channels that are dry except in the rainy season. Currently, more than one third of the capital city population lives in the 13 slums<sup>3</sup> that, unlike Quartier 7 which was recently upgraded through Bank financing, are unplanned and unstructured settlements which continue to grow rapidly due to strong internal and external migration and a lack of affordable housing options. This situation is particularly pertinent to Balbala, which is located on the left bank of the Ambouli Wadi. Since 1997, Balbala's population has more than doubled from 126,000 to an estimated 280,000, representing more than 40 percent of the city's population. Its poverty rate is the highest of the city with 37 to 42 percent (respectively in arrondissements 4 and 5), compared to 31 percent for the city as a whole (2012).

7. **In many neighborhoods, particularly in Balbala, access to urban services is low.** Only 15 percent of households in Balbala have a connection to the water network, and even then there are frequent water cuts, low pressure, and poor water quality with high salinity. Access to electricity in urban areas is at 50 percent only and in most of the slums, it is limited to houses at the periphery. Wastewater is often drained in open ditches, while secondary waste collection is left to informal networks. Some neighborhoods are also exposed to flash floods, worsened by the high level of the water table, poor drainage, as well as rising sea levels. There have recently been major investments in trunk infrastructure in water, sewage and solid waste, partially addressing the supply challenges, and distribution networks in low-income areas, such as an ongoing electrification project (financed by the World Bank) aiming to deliver 3,500 new connections in Balbala, but not covering slums where the right of way is too narrow. Social services are also lagging for the growing populations they are serving: schools, for example, are overcrowded and must resort to double sessions. Most housing is informal, involving squatting on state land and building with temporary and scavenged materials, and ignores earthquake-proofing regulations. Lastly, in Balbala, access to jobs, markets and other economic opportunities is highly constrained by poor connectivity to the old part of the city, where economic activities are concentrated. This lack of inclusion can exacerbate economic inequality and potentially create social tensions.

8. **The influx of refugees and internally displaced people puts even greater pressure on already weak services.** Many of the displaced people, including refugees<sup>4</sup>, settle in Djiboutian cities, especially in the slums of Djibouti city, where they can find economic opportunities. While this has some positive micro and macro-economic benefits, such as labor, negative impacts the host population are greater such as higher food prices, higher rents, etc. A study found that forced displacement in the region is not only a humanitarian and security challenge, but also a development challenge and recommends: (a) enhancing social cohesion between displaced and host communities and increasing their self-reliance by building on their human, social, and financial skills and capital; (b) improving the quality of social and economic ties between displaced and host

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<sup>2</sup> The severe drought of 2008 affected 340,000 people in Djibouti and wiped out most of the livestock population.

<sup>3</sup> The literature proposes different concepts and definitions of slums. Here, the project will make a distinction between the underserved neighborhoods, which refer to all urban areas lacking access to one or more urban services, and slums, which refer to one type of underserved neighborhood informally developed without proper urban layout.

<sup>4</sup> About 15,000 refugees are found in the camps and so more than 12,000 refugees live in the Djiboutian cities.



communities; and (c) strengthening the resilience of host communities, while preparing the displaced for durable solutions. Improving service delivery and enhancing economic and livelihood opportunities are part of the solutions.<sup>5</sup> The sole experience in Djibouti so far, funded through the Development Response to the Displacement Impacts Project in the Horn of Africa (P161067), has supported the host communities around the refugee camps, but no intervention has ever targeted Djibouti city.

9. **Although the housing market has seen a recent improvement benefiting from Government efforts, more needs to be done in the low-income segments to keep up with the demand for housing and services for which housing affordability remains a huge challenge.** The two ‘social’ housing operators, the Djiboutian Housing Fund agency (*Fonds de l’Habitat* - FDH) and the Foundation for the Right to Housing (*Fondation Droit au Logement* – FDL, a new Presidential initiative established in 2016), have been recently growing their portfolio of housing and serviced plots targeting the underserved middle class as well as vulnerable groups. Some ad-hoc operations also address urgent circumstances for households impacted by a project or a disaster (flooding or fire). The land regularization program has been a relative success for structured neighborhoods with the production of almost 8,000 titles since 2010. But the pace of housing production is still below the demand of new households<sup>6</sup>, with housing products -even the most basic serviced plots – that are unaffordable to a majority of the population, growing the housing deficit and consequently slums.

10. **Institutional fragmentation has further hampered anticipation of urban development.** In the past decades, land and housing policies have not anticipated the growth of the city, even though all land available for urban expansion is State-owned and, in theory, should be easy to plan and allocate. Lack of articulation between land management and urban development, combined to insufficient financial resources, has led to blockages for both public and private housing investment and for implementation of the 1998 Master Plan. In fact, there is no institution charged with coordinating and harmonizing multi-sector investments for anticipation of urban development. Except for spatially limited urban operations, the result is a silo management approach leading to inefficiencies in the use of public financial resources and in urban management. The 2016 Master Plan provides a new strategy for the city extension for the next 10-15 years, and improved coordination seems to be at play in the current urban extension areas through the leadership of the President. But further institutional strengthening will be needed to systematize it.

11. **Recognizing the urgent challenge of rapid slum proliferation, the Government of Djibouti is establishing a Zero Slum Program (*Programme Zéro Bidonville, ZSP*) aimed at tackling the complex slum problem in a systematic and comprehensive way,** by adopting a new institutional approach, clarifying the priorities and principles of the roll out of investments, and creating a platform for sector investments. Preliminary government estimates indicate an overall minimum cost of US\$150 million for city-wide neighborhood upgrading (Djibouti Urban Master Plan, 2016), not including other needs such as resettlement or new demand for housing induced by the continued population growth. Considering the size and complexity of the challenge, the Government intends to work with development partners to coordinate interventions and optimize resources for implementing a comprehensive national program to restructure slums and prevent their proliferation. Already, the Government is preparing a strategy to establish the principles and priorities of the ZSP (financed through the Project Preparation Fund) and adopted laws to

<sup>5</sup> Forced Displacement and Mixed Migration in the HoA study (2015).

<sup>6</sup> A diagnostic of the housing sector in 2013 estimated the new need for housing at 3,000-3,500 units per year in total compared to a formal production of less than 1,000 housing units or land plots. With recent efforts, the production may be between 1,500 and 2,000 units a year.



create two key agencies: the Agency for Urban Rehabilitation and Social Housing (*l'Agence de Réhabilitation Urbaine et du Logement Social – ARULOS*) and the state Real Estate and Land Development Company (*Société Immobilière et d'Aménagement Foncier – SIAF*)<sup>7</sup>, aimed to be the two main operational arms of ZSP implementation and coordinated urban development. The Government has also set up an institutional scheme to oversee ZSP composed of a Ministerial Committee, chaired by the President of the Republic of Djibouti, and a Technical Committee.

12. **Building on its sustained engagement in Djibouti's urban sector, the World Bank is well position to support the GoD with the ZSP and leverage its convening power to attract financing from other development partners.**<sup>8</sup> Two consecutive urban upgrading operations in Quartier 7 financed by the World Bank<sup>9</sup>, as well as past AFD interventions, revealed a strong need for institutional strengthening, common donor procedures, and systematic investment maintenance, while also demonstrating job creation benefits of contextualized labor-intensive techniques and the overarching importance of sustained community participation for project success.<sup>10</sup> Those operations also emphasized implementation challenges due to resettlement. Through ISUP, the Bank seeks to build on those lessons learnt and international experiences to frame the ZSP and speed up interventions across the 13 slums of the capital city and stop the growth of slums by informing a long-term low-income housing policy, including a detailed investment plan and a comprehensive framework for resettlement, which will be critical for slum restructuring, and by strengthening ARULOS capacity to implement that policy. Those building blocks will offer a co-financing platform for systematic and harmonized slum upgrading and prevention at national scale.

### C. Higher Level Objectives to which the Project Contributes

13. The Djibouti Integrated Slum Upgrading Project (ISUP) directly contributes to the World Bank's twin goals of ending extreme poverty and promoting shared prosperity, and to reaching the Sustainable Development Goals associated to cities. By targeting investments toward the city's poor and marginalized residents, the ISUP promotes an equal access to basic urban and social services and an improved access to the job markets through improved mobility. World Bank funding will also contribute to improved targeting and increased efficiency of spending in the housing sector in general. The program-based approach promoted by the project will equip the government to increase investments in slum upgrading beyond this single operation, based on strengthened institutions, more efficient policies and effective operational tools such as safeguards procedures. With that, the ISUP will contribute directly to achieving Goal 11 (sustainable cities and communities) of the Sustainable Development Goals, especially the targets on (i) access to services and slum upgrading and (ii) inclusive urbanization and participatory planning. Lastly, the Project is cognizant of climate change risks in Djibouti, and will focus on introducing appropriate adaptation and mitigation measures in key institutional strengthening interventions under Component 1, and across the eligible menu

<sup>7</sup> Both institutions are created out of the restructuring of two former public institutions by giving them new roles critical to the execution of the ZSP: slum restructuring, "social" land production, and land development, See Communiqué de la 6ème Séance du Conseil des Ministres du Mardi 10/04/2018 <http://www.presidence.dj/conseilministresuite.php?ID=6&ID2=2018-04-10>

<sup>8</sup> Other donors traditionally engaged in Djibouti's urban sector include the French Development Agency (AFD), the African Development Bank (AfDB), and the Islamic Development Bank (IsDB).

<sup>9</sup> The original and Second Djibouti Urban Poverty Reduction projects (DUPREP I & II), the latter of which is currently under implementation, have both focused on Quartier 7—a planned neighborhood in the Boulaos commune of Djibouti-ville which was developed in the fifties in a flood-prone area—and provided some technical assistance for better urban planning. Both DUPREPs have had relatively smaller project envelopes of a combined US\$10-12 million for a roughly 5-year period per project.

<sup>10</sup> See Djibouti Social Development and Public Works Project (P044584), DUPREP (P088876), and DUPREP II (P145848).



of infrastructure investments under Component 2.

14. The ISUP is also aligned with the current Country Partnership Strategy (CPS) for Djibouti, which is anchored in the Government’s Vision Djibouti 2035. The project directly addresses both Pillar 1 – Reducing Vulnerability, and Pillar 2- Strengthening Public and Private Sector Capacity for Service Delivery, by providing a comprehensive strategy and operational plan for slum upgrading, and improving access to services in one of the country’s largest slums (Balbala). ISUP also aligns with the World Bank’s Middle East and North Africa Regional Strategy, particularly with pillars on Renewing the social contract (by improving the quality of service delivery for poor and marginalized groups and hence building trust between citizens and local/national authorities), and Resilience to IDP/refugee shocks (as Djibouti generally, and Balbala in particular, host significant refugee flows from neighboring countries). The Project integrates citizen engagement as a cross-cutting theme, and includes community engagement activities that aim to boost institutional capacity for participatory approaches and increased social accountability in urban development, which further support the renewal of the social contract. Additionally, the Systematic Country Diagnostic in preparation highlights the spatial imbalance in access to urban and social services in Djibouti and in particular the social exclusion of slum dwellers.

15. **Djibouti has an adequate protection framework for refugees, and the ISUP will contribute to sustaining this framework and addressing key protection challenges.** The activities to be implemented will directly contribute to improving some of the protection issues highlighted by the UNHCR Protection Note. For example, the participatory nature of the prioritization process for infrastructure investments is expected to enhance social coherence and continued peaceful co-existence in refugee host communities. Also, the infrastructure investments that will be implemented will help ease the pressure on social services in Djibouti-city and facilitate a gradual shift from parallel to integrated service provision targeting both refugees and host communities.

#### D. Proposed Development Objective(s)

Development Objective(s) (From PAD)

16. The proposed development objective is to (i) improve the living conditions for slum dwellers in selected urban areas and (ii) strengthen the capacity of public institutions in charge of implementing the Zero Slum Program.

#### Key Results

17. The following indicators are included in the results framework to measure achievement of the PDO:

- People provided with improved urban living conditions<sup>11</sup> (Number), of which female (Percentage) (Core)
- Refugees provided with improved urban living conditions (Number)
- Beneficiaries who feel project investments reflected their needs (Percentage)

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<sup>11</sup> “Living conditions” refers to improved access to a series of urban services. The indicator will be disaggregated by the main services improved, which are access to all seasoned road and water.



- ARULOS has established an organization and procedures enabling it to produce 1000 affordable serviced land plots.

#### D. Project Description

18. **The Government of Djibouti has launched the ZSP that defines a new approach to meet the complex challenge of slum prevention.** A strategy for low-income housing and slum upgrading, coupled with an investment plan, will provide the regulatory, institutional, and operational framework for the ZSP, which donors will be invited to support. The strategy is currently under preparation by the Government, with support from the World Bank through the ISUP Project Preparation Advance. The ZSP transforms the way slum prevention is done, as it proposes a comprehensive approach along three interrelated pillars: (i) Slum Prevention; (ii) Slum Restructuring and Upgrading; and (iii) Home Improvement. For each pillar, the strategy will establish operational principles – such as service standards, investment prioritization, community engagement and consultations, and resettlement standards – that will apply to the entire program in order to make the investments in each neighborhood more transparent, systematic, and efficient, and sequence interventions to address the most pressing and urgent needs first. The preliminary draft strategy gives the highest priority to improve access to basic and social services - in particular all-season roads, water, electricity, and public lighting, as well as climate and disaster risk prevention (such as reduction of exposure to flooding, collapsing, earthquake, and heat waves) - for the 140,000 slum dwellers and the flow of new low-income households seeking to settle in Djibouti. Additionally, it emphasizes access to public transport and land tenure security, as well as improved access to jobs for women and youth and better integration of migrants from neighboring countries. The successful integration of all these elements into the ZSP promises to transform the way the GoD addresses slum prevention and urban development more broadly.

19. **Theory of change.** Through ISUP, the Bank will (i) support the GoD in the elaboration of its strategic framework for the ZSP, including formulating its vision and implementation principles; (ii) build capacity of institutions for slum upgrading, in particular the nascent central institution (ARULOS); and (iii) be the first donor assisting in the implementation of the program in priority slums. The ISUP focuses its intervention on two pillars of the ZSP. The first pillar – Prevention – is the most urgent priority to slow down the growth of slums, and primarily needs capacity strengthening since beneficiaries are expected to pay for the land product. The Project will play a key role in accompanying the transformative approach taken by the Government in addressing slum prevention, by helping define main policy instruments and institutional structure to implement the ZSP, providing an intervention platform for all donors,<sup>12</sup> and rolling out an operational plan to coordinate financing in a programmatic approach. The second pillar – Slum upgrading – is the immediate social priority to improve living conditions. The third pillar of ZSP, which is based on the development of housing microfinance, would require adopting a broader approach to the highly constrained microfinance sector, which lies outside the scope of this Project. For both Prevention and Slum Upgrading pillars, policy instruments will be produced to facilitate and coordinate interventions, and the capacity of the institutions involved in the ZSP will be strengthened to cope with their mandates as well as the scale of the program. In addition, for the second pillar, selected neighborhoods will be restructured and upgraded with access to basic services, along the development of a resettlement area. This is expected to contribute to reducing the extent of slums and, by implementing the ZSP in the first selected neighborhood of Balbala

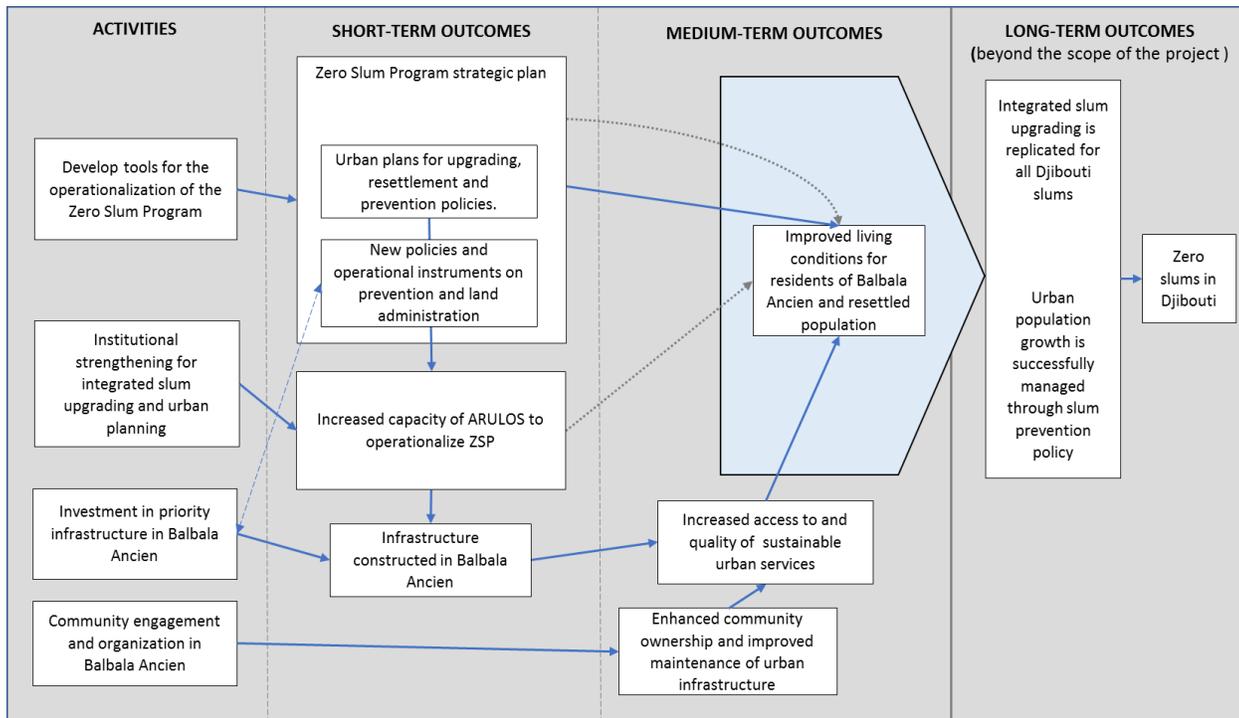
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<sup>12</sup> International donors who have already expressed support for the Project include: the French Development Agency (AFD), the African Development Bank (AfDB), the Islamic Development Bank (IsDB), and the Japanese Cooperation Development Agency (JICA).



Ancien, help test policy instruments for later replication in other upgrading interventions. Priority investments for slum upgrading are envisioned to be in alignment with the ZSP strategy, and will be launched early in implementation to help bring lessons to the ZSP. As shown in Figure 1 (Theory of Change), these activities seek to contribute to the long-term outcomes of successfully managing population growth through slum prevention policy, and replicating integrated slum upgrading across the country.

Figure 1: Theory of change framework



20. **Coordination of sectors for investments in urban infrastructure and basic social services will be essential for the success of the ZSP.** This is an opportunity to better address the financing needs for infrastructure and socio-economic facilities in these neighborhoods, and will require to explore synergies across sector projects and programs of sector ministries. Such coordination platform will be operationalized through the institutional framework of the ZSP and the priority investment programs that will come out of the various slum restructuring and urban plans produced through the ZSP. It will improve operational coordination and favor rapid implementation of restructuring plans. In fact, through the strategy, sector ministries and agencies are responsible for investments in their respective sectors, while ARULOS is responsible for road and public space investments only. The Technical Committee will be responsible to oversee investment coordination. The present operation, as a first financial instrument for implementing the ZSP, will put emphasis on this coordination among the various ministries involved in the ZSP, as well as with donors. In this regard, ISUP interventions are also envisioned to explore synergies with ongoing Bank operations to improve efficiencies such as around land administration, access to electricity, skills development, unique identification, as well as entrepreneurship support for youth and women.<sup>13</sup>

<sup>13</sup> See, e.g., Public Administration Modernization Project (P162904), Djibouti Sustainable Electrification Program (P158505), Djibouti Support for Women and Youth Entrepreneurship (P165558), Enhancing income opportunities in DJ (P148586).



## A. Project Components

21. ISUP **components** draw upon two mutually reinforcing elements. They will (i) provide the most critical institutional, regulatory, planning, and operational instruments that will facilitate the implementation of the ZSP's comprehensive long-term policy on the first two pillars – prevention and slum upgrading. They will also (ii) kick-off the execution of the ZSP program, by supporting the upgrading and restructuring of one neighborhood in Balbala, in order to test and strengthen the slum upgrading instruments and concretize the elements of the ZSP policy. This parallel approach has proved to be a success factor in other international experiences.

### **Component 1: Support to the elaboration of the ZSP strategic framework and investment plan (US\$2.55 million, of which US\$0.8 million as part of the Project Preparation Advance)**

22. The objective of this component is to provide the Government with requisite planning, regulatory, institutional, and operational tools to implement the ZSP. There are two subcomponents targeting different levels of support:

23. Subcomponent 1.1: Key strategy, planning and management tools. This subcomponent will finance key studies and technical assistance for implementation of the ZSP program as identified by the strategy, including urban plans, aiming at improving the readiness of the two pillars of the strategy supported by the Project. It will consist of support to the activities described below.

24. **Overall strategic framework of ZSP.** This subcomponent supports the Government to formulate and implement its strategic framework for ZSP. It includes the preparation of the slum upgrading strategy and accompanying investment plan to guide interventions by the Government and its development partners. At the end of this activity, a donor conference will be held to present the scope and principles of the ZSP, and to solicit potential financing. The institutions in charge of ZSP oversight – the Ministerial Committee and its Technical Committee – will also receive support through definition of their administrative procedures, design and implementation of a monitoring and evaluation (M&E) scheme for the ZSP (including the acquisition of needed computer-related equipment to support the ZSP M&E), and execution of a communication plan for the ZSP – already established as part of the PPA.

25. **Operational and urban studies for slum prevention and slum restructuring.** The subcomponent will support a series of studies to help prepare short and medium-term investments on the 2 pillars of the strategy support by the project. It includes the following five activities: (i) An environmental and social safeguards framework as well as a resettlement policy specific to the ZSP, which were already developed as part of project preparation; (ii) A 5-year operational and financial plan for slum prevention, including a land market and low-income housing assessment; (iii) Restructuring and upgrading plans for a limited number of slum neighborhoods, starting with the neighborhood of Balbala Ancien, which is targeted for upgrading investments in the ISUP (see Component 2);<sup>14</sup> (iv) An urban plan for the 110-hectare first urban area

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<sup>14</sup> These plans will be developed based on a) the technical standards and priorities established by the strategy, b) a stocktaking and inventory of each site, and c) a thorough and inclusive consultation with the local population, with a special attention to some groups such as women, youth, and refugees and displaced populations, to better identify and assess their particular needs. A broader urban study for Balbala North will also be conducted to



dedicated to prevention and resettlement as part of the ZSP, which will seek to integrate the area within the city, with consideration to transportation and economic development, and at mitigating climate and disaster risk (the area located in Balbala South has been allocated to ARULOS and is estimated to cover about 4-5 years of the prevention policy in addition to receiving households resettled as part of the slum restructuring operations, including the Balbala Ancien restructuring supported by ISUP plan); (v) A land information system (LIS) to be created at the Land Directorate, compiling the different tenure security types and populated for Balbala Ancien, which will facilitate land regularization and will be designed to be extended to other neighborhoods. Other studies may also be considered in the course of the project to help refine the policy and operational approach of the ZSP.

26. Subcomponent 1.2: Institutional reform and capacity building. This subcomponent will finance: (i) studies required for the restructuring of the Housing Fund into the new Agency for Slum Upgrading and Social Housing (ARULOS), the main institution in charge of the ZSP execution, to help it cope with a large increase in investment activities (support would include an organization and financial study of ARULOS); and (ii) capacity building of the main institutions involved in the ZSP program at national and municipal levels, starting with ARULOS and including in particular the Land Directorate, the Urban Planning Directorate, the municipality, and the neighborhood committees. This subcomponent will strengthen institutions to undertake upgrading programs and slum prevention operations as part of Component 2 and beyond the ISUP. Capacity building, delivered in the form of training and south-south exchanges, will cover inter alia urban development and investment, urban and housing planning, climate mitigation and adaptation and disaster risk reduction, community participation, and citizen engagement.

**Component 2: Participatory upgrading investments in selected urban areas (US\$16.2 million, of which US\$0.5 million as part of the Project Preparation Advance)**

27. The objective of this component is to improve access to services in slums included in the ZSP. The neighborhood selected for the first series of investments is Balbala Ancien, one of the most disadvantaged, oldest and largest slums of Balbala, with an estimated population of 20,000 inhabitants. It is also one of the city's densest slums, and features sparse pathways that penetrate an extremely tight and small-plot urban pattern. Consequently, the introduction of water and electricity networks in the neighborhood has so far been limited to just a few of the largest pathways. A second neighborhood will be selected in the first year of the project for another series of investments. There are two sub-components designed as a combination of infrastructure and social development activities aimed at mainstreaming participatory approaches to prioritize, facilitate ownership, and improve the sustainability of investments within the neighborhood community.

28. Subcomponent 2.1: Priority infrastructure investments. This subcomponent will be implemented in a sequence of actions to deliver a comprehensive set of priority investments to support inclusive restructuring of the neighborhood and improve access to services<sup>15</sup>. A resettlement area and housing construction will also

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provide clear urban plans for transportation, economic development, and secondary urban centers, which will help improve integration of slums into the urban fabric.

<sup>15</sup> This is equivalent to about \$375 infrastructure investment per person, which compare to \$650 for the restructuring of Layableh-Moustiquaire (thought the neighborhood is likely to keep densifying), for which AFD secured funding for 25% of the program, or \$385 for combined PREPUD 1 & 2. International experiences show a wide spread from \$50 in Ghana to \$785 in Brazil and up.



be financed to facilitate the implementation of the neighborhood restructuring by offering a timely resettlement solution to impacted households. Options for use of labor intensive methods will be considered, especially the use of cobblestones for road paving, which has been experimented within the Urban Poverty Reduction Projects (DUPREP I&II) and has proved to be adequate for this urban environment.

29. **Priority Investment Program (PIP) in slums.** Priority investments will begin with an access road of 1.2 kilometers penetrating Balbala Ancien and crossing the main commercial area of the neighborhood. The road – currently the main one within the slum – has been identified as a priority intervention considering its potential to improve access for residents inside the neighborhood and promote economic development in the adjacent market area, and has received full support from the population during consultation meetings. The road already exists – though not paved and narrow in some areas. These investments will demonstrate rapid and visible results which are anticipated to help strengthen support from the population for ISUP interventions in that neighborhood. Other priority investments will be guided by a restructuring plan for Balbala Ancien; and a restructuring plan for a second slum (see Component 1), based on priorities established during consultations with neighborhood residents and other partners. Selection of priority investments will aim at addressing the most pressing needs of the population in terms of access to services, including those of the refugees and displaced populations. These might include the following non-exhaustive list of eligible interventions: i) roads and bus stops, ii) drainage, iii) water supply, iv) electricity distribution and street lighting using energy efficient technologies, v) internet connection, vi) health units, vii) primary schools, viii) community and youth facilities (such as community centers and sport facilities), ix) commercial facilities, and x) public spaces. Tree planting will also be favored to help reduce the incidence of heat waves on the neighborhood. Additionally, these interventions will seek to benefit employability projects by facilitating access to affordable commercial space for their beneficiaries. As per the ZSP strategy, the ISUP will leverage other sector investment projects whenever possible, such as the Bank electrification and education projects (*Sustainable Electrification Program* and *Inclusive Quality Education Project*), to maximize the financing potential and reinforce the impacts of the project on the living conditions of the population. If a sector cannot provide the financing needed, the Technical Committee may agree for ISUP to finance those priority investments.

30. **Resettlement zone and housing reconstruction.** Based on a robust urban plan for the restructuring of the neighborhood prepared as part of Component 1 and considering the density of slums in Djibouti city, the ISUP will free up land needed for implementation of the PIP. To facilitate that phase, this subcomponent will finance the development of a resettlement zone to house the affected population of the operation. It will serve to accommodate resettled people, and as an important demonstration effort for safe and equitable resettlement under the broader ZSP, including for refugees and displaced populations. The resettlement zone will be developed in the first 18 months of the project to allow enough time for completion of the priority investments. It is estimated that the Bank's restructuring investments for Balbala Ancien could result in the resettlement of about 252 households.<sup>16</sup> For that, an area with a similar capacity will be selected in the course of the urban study (Component 1) within the urban extension of Balbala-South on State-owned land that will be allocated to ARULOS. This area will be used primarily to relocate households impacted by the PIP of Balbala Ancien, and if, at the end of that process, some land plots remain available, they will serve to resettle households impacted by other investments of the ZSP. Based on the resettlement needs of the second slum

<sup>16</sup> The resettlement policy framework (RPF) estimates this figure at an equivalent of 1260 persons to potentially be resettled as a result of Bank investments, though investments from other donors might increase this number to an estimated 450 households based on GoD estimates.



as identified by the restructuring plan, this zone could be further extended. The design of the zone will reflect the needs of the population and respond to the criteria and norms of resettlement that are defined within the national slum upgrading strategy and the Project Resettlement Policy Framework. Trunk infrastructures to connect the zone will be provided by the government as part of its overall urban development program of Balbala South. Additionally, this sub-component will finance a part of housing reconstruction efforts for Project Affected People (PAP) in order to facilitate project implementation, within the standards established by the strategy and in accordance with the Bank's social safeguards procedures. The rest of the financial needs for reconstruction will be provided by the GoD in counterpart financing (estimated at US\$5 million), potentially through other housing programs. The Government will fund the costs for cash compensation, while in-kind compensation in the form of civil works will be covered by Bank funds.

31. Subcomponent 2.2: Community Engagement and Youth Employability. The Project adopts an overarching inclusive participatory approach to slum upgrading by aiming to engage targeted communities, particularly women and youth, in the full cycle of designing and maintaining various investments. In addition to the participatory mechanisms established by the national strategy and priority-setting processes, the Project will streamline and formalize participatory approaches and grievance redress in their routine operations for a bottom-up approach to citizen engagement. Through consultation, particular attention will be given to vulnerable groups and refugees and displaced populations to assess their needs and propose appropriate coping measures as part of the upgrading investments and social support. As such, this sub-component will support: i) the stationing of community facilitators at the level of the slums being restructured as part of Subcomponent 2.1 to coordinate neighborhood participation at different project stages; ii) training of community representatives and municipal officials on community engagement, and iii) the establishment of a Community Development Fund (CDF), aimed to reinforce the impact of project investments on the community. The CDF will be earmarked with two priority windows for select micro-projects: a *youth innovation window* to support direct educational activities for youth and facilitate access to youth employability and training initiatives, as well as a *public space and facility management window* to reinforce civil society's role in community development initiatives to improve the overall living environment, such as initiatives promoting safe water supply or sanitation facility, tree planting, or solid waste collection. Administration of the Community Development Fund will emphasize a key role for community representatives and municipal officials. A central role is also envisioned for women in the decision-making processes of the Fund, together with gender-sensitive training on fund management for both women representatives and other fund management members.

### **Component 3: Project management (US\$1.25 million, including US\$0.3 million of the Project Preparation Advance)**

32. This component will ensure smooth implementation of all Project activities in accordance with the Bank's policies and guidelines. It will support the implementing agency in the areas of project coordination, supervision, FM and audits, procurement, monitoring and evaluation (M&E), communication, as well as supervision of implementation of the safeguards instruments, including the provision of training, operating costs, goods and services for the required purposes. ARULOS will pay the main costs related to its staffing dedicated to the ISUP as well as some other operating costs, which are not part of the component amount.

## **E. Implementation**



## Institutional and Implementation Arrangements

33. The project is integrated within the institutional framework of the Zero Slum Program (ZSP), placed under the responsibility of the Ministry Delegated for Housing as mandated by the Government. The institutional arrangements and modes of implementation of the ISUP are conceived in a manner that will facilitate the execution of a long-term vision and reinforce the capacity of the Ministry to serve lower-income housing needs, as well as undertake future upgrading and urban development activities in a sustainable manner.

34. **ISUP oversight.** A Ministerial Committee, chaired by the President, supported by a Technical Committee has been created to oversee the ZSP, and is responsible for taking strategic and policy decisions regarding the program. The Technical Committee, chaired by the Minister of Economy and Finance, and made up the Minister of Interior, the Minister of Budget, the Minister delegated for Housing, and the Secretary of State for Social affairs, will act as the Steering Committee for ISUP. The Steering Committee will be in charge of project monitoring, approval of work programs and annual budgets, review of annual reports, and support for project implementation.

35. **Project coordination situated within ARULOS.** To reinforce government structures, the project will not rely on a classic project management unit. Rather, Government administrative structures will be utilized so that capacities can be strengthened. The Minister delegated for Housing will oversee project execution, which will be conferred operationally to the new Agency for Urban Renovation and Social Housing (ARULOS). ARULOS is not an entirely new structure, but rather stems from the restructuring of the Housing Fund (FDH) by adding the additional mandate of slum upgrading. The staff of the FDH will be systematically transferred to ARULOS, allowing continuity of operation. ARULOS will be responsible for managing the Project at the central level, coordinating overall project implementation, ensuring the timely availability of funds transfers, maintaining Project accounts and producing financial reports, M&E program implementation and impacts, and reporting results to various stakeholders, as well as managing relations with the World Bank.

36. As needed, ARULOS may delegate the execution of certain tasks to other institutions according to their competencies (such as DATUH, the Land Directorate, and municipal institutions) through technical assistance agreements; though fiduciary responsibility will be retained by ARULOS. With respect to the Community Development Fund (CDF), a Selection Committee will be established within the community and the municipal institutions. Only formally registered local associations will be eligible to CDF grants and will enter into grant agreements with ARULOS for execution of those grants. The Project Implementation Manual (PIM) will define in detail the responsibilities and obligations of each party, as well as the relationships between these parties, and these will be monitored during Bank missions.

37. **An implementation team** entirely dedicated to the Project will be established within ARULOS, composed of a seasoned civil engineer, a social development/safeguards specialist, an environmentalist, a monitoring and evaluation officer, a procurement specialist, and a financial management specialist; and will be reinforced as needed by a communications officer, an urban planner, and international experts. Project coordination will remain with the ARULOS Director. In line with the Government decision to reinforce public institutions, team members will be selected among existing ARULOS staff whose skills are deemed acceptable by the Bank, or otherwise through external hiring based on Bank-approved terms of reference.



**F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

Balbala, the largest slum area which houses most of the population living in slums in Djibouti’s Capital, is the project location. The Balbala municipality is located on top of a hill overlooking Djibouti Ville. The area has shops, mosques, schools, colleges, clinics, etc. There is also a market for sheep and goats. Safeguards instruments are required for sub-component 2.1 Priority infrastructure investments in Balbala Ancien which include the financing of some investments that will be identified during preparation as priority or strategic (such as trunk infrastructure, creation of bus stations, or public street lighting). The major environmental impacts and risks of this Project are likely to be small scale and site-specific, and would be related to construction works for infrastructures, housing, creation of new public transport lines, and public lighting systems. Since the site specific civil works area of the Project are yet to be defined for the activities to be financed under subcomponent 2.1, an ESMF has been prepared with a screening checklist, and was disclosed in country and on the World Bank external website, prior to appraisal. Likewise, a resettlement policy framework (RPF) has been prepared and disclosed in country and on the World Bank external website, prior to appraisal. Resettlement Action Plans (RAPs) will be prepared, prior to commencement of civil works and be disclosed in line with OP 4.12. During implementation, site specific ESIA or ESMPs will be prepared, approved, and disclosed (in-country and on the World Bank external website) before the commencement of civil works. An access road of 1.2 kilometers traversing the neighborhood Balbala Ancient, and serving the main commercial area of the neighborhood has been identified as a priority investment considering its readiness and important development impact. The road already exists – though not paved and narrow in some areas. An environment and social impact assessment (ESIA) of the road has been prepared, likewise resettlement action plan (RAP). Both instruments were disclosed in country and on the World Bank external website, prior to appraisal.

**G. Environmental and Social Safeguards Specialists on the Team**

Antoine V. Lema, Social Safeguards Specialist  
Mohamed Adnene Bezzaouia, Environmental Safeguards Specialist

**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Given the nature of the activities to be carried out in areas with high urban concentrations, the program has been classified in category A.



As the exact geographical distribution of the intervention areas of the national Program Zero Slum, funded by the ISUP as well as beyond, has not yet been identified, an ESMF has been prepared to define the type of environmental and social assessments needed to be done before the start of work (complete ESIA, simplified ESIA or ESMP). The Terms of Reference for the realization of this ESMF were subject to a public consultation. Although the program is large, it is not envisaged that its activities could generate irreversible or difficult environmental impacts. The impacts identified relate mainly to risks and nuisances related to construction and site work (health and safety of workers, waste management, management of releases, atmospheric emissions, noise), the risk of off-site accidents for the population and the creation of wetlands in case of poor collection of wastewater with the risk of malaria proliferation.

The potential social risks of the project will be primarily related to the activities of the following sub-project components: Subcomponent 1.1: Key Strategy, Planning and Management Tools; and Sub-Component 2.1: Priority Infrastructure Investments. These activities will result in three potential social risks besides involuntary resettlement induced by land acquisition: i) social exclusion; ii) labor influx and gender-based violence; and iii) elite capture. Mitigation measures for these risks have been identified and are mainstreamed in the program planning and management tools, as well as the safeguards instruments of the Project as summarized below.

i) Social exclusion is the main social risk of Sub-Component 1.1: Key Strategy, Planning and Management Tools. Activities under this subcomponent will support the development of regulatory and strategic tools for the implementation of the zero-slum strategy. These tools for planning and managing the program will, among others, lead to a definition of rights holders, in relation to the rights of citizens and non-citizens to own land, and in relation to the plots of land to be provided land titles. Thus, the planning and



management tools of the program could induce the exclusion of the poorest, who normally have the smallest plots, and non-Djiboutians, immigrants, and refugees living in slums. To mitigate these impacts, the project will establish, in the planning tools (e.g. project operational manuals) and the other program planning and management tools of the zero-slum strategy, that beneficiaries or targeted beneficiaries of social housing should in no case be relocated unless the financial resources, and institutional and organizational arrangements for their relocation, have been confirmed by the affected persons and by the various stakeholders of the program. Infrastructure investments under sub-component 2.1 might also engender rent increase by homeowners in rehabilitated neighborhoods, potentially causing tenants who can no longer afford rising rents to move out of these areas, at the risk of creating new slums. The ZSP strategy will include provisions to periodically assess the status and causes of new slum formation, with tools to assist such tenants in finding affordable housing.

ii) Local labor from Balbala and from Djibouti Ville will be given priority into investments. To this end, the civil works financed under this project will aim at providing job opportunities to residents, especially young people. The total number of labor to be directly hired in the construction of the 1.2 km road is estimated at 20-30 people. The hiring of some selected skilled workers from outside Djibouti Ville cannot be excluded, for technical or financial reasons. That influx, although estimated to be minor, could induce social conflicts, and gender-based violence. To minimize such negative impacts, various mitigation measures will be taken, depending on the risk level. Among them, the project will: a) establish a citizen engagement program engaging local residents, especially youth, b) sensitize contractors and labor on gender based violence (GBV); c) incorporate contract clauses on worker conditions and management, child protection and GBV prevention, and a code of conduct in all civil works contracts; d) set up an accessible and accountable GRM system to ensure that any incident related to labor influx and GBV will



be addressed in an effective manner with sufficient social sensibility. A project level GRM, has been established to serve individuals and communities who believe that they are adversely affected by the World Bank (WB) investments in the zero-slum program. The GRM includes both neighborhood councils of elders, customary law tribunal, city council mediator and the modern legal system, following the local GRM system, which will be strengthened by project support.

iii) Elite capture is a potential risk in the implementation of Sub-Component 1.1: Key Strategy, Planning and Management Tools. The design of program planning instruments such as (rules, urban norms, laws) could induce elite capture. Eligibility criteria for social housing will be made transparent and defined in program planning and management tools. Potential beneficiaries, or targeted beneficiaries of social housing should in no case be relocated unless they have been provided financial resources and institutional and organizational arrangements, confirmed by the beneficiaries and various stakeholders of the program in order not to impoverish social housing beneficiaries.

A focal point in FDH will be designated to manage all E & S aspects. This focal point will be assisted at the beginning of the program by an external consultant. The ESMF provides a capacity building program for all stakeholders. The ESMF provide also a grievance mechanism.

The ESMF has been consulted on April 17th 2018, all the relevant remarks have been integrated in its final version which have been approved by the WB and published on the website of the FDH and on the external website of the WB on July 8, 2018.

Considering the screening mechanism developed in the ESMF, a simplified ESIA has been prepared for the realization of the 1.2 km access road in Balbala Ancien. This ESIA was consulted with the population concerned by project on March 5, 2018. The final version of the ESIA considering the relevant



comments of the populations as well as the comments of the WB have been published on the website of the FDH on July 8, 2018. An understandable summary presenting the main risks identified in the ESIA as well as the proposed mitigation measures will be made available to the public by local display.

Performance Standards for Private Sector Activities OP/BP 4.03 No

Natural Habitats OP/BP 4.04 No

This policy is not triggered as the Project will not involve work in natural habitats or protected areas.

Forests OP/BP 4.36 No

This policy is not triggered as the Project will not involve work in forests or their rehabilitation nor will support other investments which rely on services of forests.

Pest Management OP 4.09 No

The Project will not imply the use of pesticides or other related products.

Physical Cultural Resources OP/BP 4.11 No

The ESMF have analyzed the project zones and confirmed that the proposed operation is not expected to pose risks of damaging the existing community cultural property. Nevertheless, ESMF proposed measures to be followed if such properties are discovered during Project implementation. Cultural property and chance find procedures will be applied and appropriate mitigation measures for both the identification and protection (from theft, mistreatment of discovered artifacts) of cultural property.

Indigenous Peoples OP/BP 4.10 No

Project will not affect indigenous people. Djibouti has no population that would qualify as indigenous people, as defined by OP 4.10. Project activities will therefore not affect areas inhabited by indigenous people.

Involuntary Resettlement OP/BP 4.12 Yes

The project will induce land acquisition and involuntary resettlement, particularly project Sub-component 2.1 Priority infrastructure investments. This component will finance civil works identified as priority or strategic investments, such as trunk infrastructure, creation of bus stations, or public street lighting. A Resettlement Policy Framework (RPF) has been prepared to address the overall land acquisition for the program and a Resettlement Actions Plan (RAP) has been prepared for the 1.2km access road in Balbala Ancien to mitigate potential



adverse impacts, as need be. Future technical studies to be funded by the project, will include a social impact assessment to address the non-land take related impacts/risks. Other donors investing in the ZSP will be recommended to do the same, in line with the RPF. Additional RAPs, will also be prepared as needed.

Safety of Dams OP/BP 4.37	No	The Project will not construct or rely on dams
Projects on International Waterways OP/BP 7.50	No	The Project will not affect international waterways
Projects in Disputed Areas OP/BP 7.60	No	The Project is not located in a disputed area

**KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT**

**A. Summary of Key Safeguard Issues**

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

Although the program is large, it is not envisaged that its activities could generate irreversible or difficult environmental impacts. The impacts identified relate mainly to risks and nuisances related to construction and site work (health and safety of workers, waste management, management of releases, atmospheric emissions, noise), the risk of off-site accidents for the population and the creation of wetlands in case of poor collection of wastewater with the risk of malaria proliferation. Social impacts and risks include: i) land acquisition and involuntary resettlement; ii) labor influx and gender violence; iii) social exclusion and elite capture. The resettlement action plan (RAP) for the 1,2 km road to be rehabilitated as priority investment, identified 169 households to be partially affected, that is, 909 project-affected persons (PAPs), no physical displacement. The resettlement policy framework (RPF) estimated about 252 households (1260 PAPs) to be affected by the restructuring of Balbala Ancien, and 7,644 households (38,220 PAPs) by the zero-slum program. Potential labor influx and gender violence are likely, likewise social exclusion and elite capture, in the implementation process of the zero-slum program.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: The long term impacts is rather positive. The living conditions of the project affected persons (PAPs), will improve as they will have improved access to basic services; water, electricity, including street lights, garbage collection, public facilities (health clinics; schools, community houses).

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. The urban upgrading studies will use the reduction of involuntary resettlement as one of the criteria for technical proposals of upgrading.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described. The borrower has prepared the required safeguards instruments. Borrowers capacity to implement and monitor E&S safeguards requirements is, however, weak. The borrower has yet to acquire safeguards capacity. The head of the



monitoring and evaluation unit has been assigned as safeguards focal point and will be provided formal and hands on training. The Bank will support the hiring of a seasoned international consultant to support the project in the implementation of the safeguards instruments, for the first year work program. Additional staff will be trained in safeguards as need be, through Bank support. The ESMF has taken into account those requirements.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The design and preparation of the project has been consultative at several levels. Key stakeholders during the preparation of the project included: national government, city authorities, local government officials, local community leaders, neighborhood organizations, project affected persons including women and youth, and civil society. Subsequent safeguards instruments needed to be done before the start of work will be consulted with the population concerned by the project. Safeguards documents will be disclosed on the websites of the ministry of housing and hard copies will be disseminated to the offices of the municipality and the neighborhood offices. A summary presenting the main risks identified in the EA as well as the proposed mitigation measures will be made available to the public by local display. A citizen engagement program will be prepared to; i) engage local residents, especially youth, ii) sensitize contractors and labor on gender based violence; iii) incorporate contract clauses on worker conditions and management, child protection and GBV prevention, a code of conduct in all civil works contracts. A grievance redress mechanism (GRM) has been prepared to serve individuals and communities who believe that they are adversely affected by the World Bank (WB) investments in the zero-slum program.

**B. Disclosure Requirements**

**Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
20-Apr-2018	10-Jul-2018	23-Jul-2018

**"In country" Disclosure**

Djibouti  
10-Jul-2018

Comments

**Resettlement Action Plan/Framework/Policy Process**

Date of receipt by the Bank	Date of submission for disclosure
20-Apr-2018	10-Jul-2018

**"In country" Disclosure**

Djibouti  
10-Jul-2018



Comments

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)**

**OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

**OP/BP 4.12 - Involuntary Resettlement**

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

**The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes



### All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

### CONTACT POINT

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**APPROVAL**

Task Team Leader(s):	Alexandra Le Courtois Mahine Diop
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**Approved By**

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Practice Manager/Manager:	Ellen Hamilton	24-Aug-2018
Country Director:	Atou Seck	31-Aug-2018