INDEPENDENT REVIEW MECHANISM

SPOT-CHECK ADVISORY REVIEW OF PROJECT COMPLIANCE REPORT

PROJECT: THE SEMI-URBAN DRINKING WATER SUPPLY AND SANITATION (PAEPA-MSU), CAMEROON

June 2019
Acknowledgements

The Members of the Roster of Experts of the Independent Review Mechanism (IRM) and the Director of the Compliance Review and Mediation Unit (BCRM) would like to acknowledge the valuable support they received from the Ministry of Energy and Water Resources (MINEE), the Management and staff of the African Development Bank Group (AfDB), the local authorities, and the local communities in the project area. This support has been invaluable in facilitating the Spot-Check Advisory Review of Project Compliance of the Semi-Urban Drinking Water Supply and Sanitation (PAEPA-MSU) Project, which is the subject of this Report.
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Abbreviations and Acronyms

CURRENCY EQUIVALENTS
(August 2008)
UA 1 = CFAF 681.074
UA 1 = EUR 1.03829
UA 1 = USD 1.62088
FISCAL YEAR
1st January – 31 December

ADF African Development Fund
AfDB African Development Bank Group
AHWS Water Development and Sanitation Department
BCRM Compliance Review and Mediation Unit
CAMWATER Cameroon Water Utilities Corporation
COCM AfDB Country Office in Cameroon
CTG Gender-Sensitive Toilet Complex
DWS Drinking Water and Supply
EIA Environmental Impact Assessment
ESAP Environmental and Social Action Procedures
ESIA Environmental and Social Impact Assessment
ESMP Environmental and Social Management Plan
IRM Independent Review Mechanism
LESIA Limited Environmental and Social Impact Assessment
MDG Millennium Development Goal
MINEE Ministry of Energy and Water Resources
MINEPDED Ministry of Environment, Nature Protection, and Sustainable Development
NGO Non-Governmental Organization
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tr>
<td>PAEPA-MSU</td>
<td>Semi-Urban Drinking Water Supply And Sanitation Project</td>
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<tr>
<td>PAGL</td>
<td>AfDB’s Office of the Auditor General</td>
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<td>PAR</td>
<td>Project Appraisal Report</td>
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<td>PCR</td>
<td>Project Completion Report</td>
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<td>PCU</td>
<td>Project Coordination Unit</td>
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<td>PICU</td>
<td>Infrastructure and Urban Development Department</td>
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<tr>
<td>PIU</td>
<td>Project Implementation Unit</td>
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<tr>
<td>OP</td>
<td>Operations Complex</td>
</tr>
<tr>
<td>RDGC</td>
<td>AfDB’s Central Africa Regional Development and Business Delivery Office</td>
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<tr>
<td>SDPRU</td>
<td>Sustainable Development and Poverty Reduction Unit</td>
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<tr>
<td>SME</td>
<td>Small and Medium Enterprise</td>
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Executive Summary

Introduction

This Spot-Check Advisory Review of Project Compliance (spot-check review) was carried out to determine whether the Semi-Urban Drinking Water Supply and Sanitation (PAEPA-MSU) Project is in compliance with the applicable policies and procedures of the African Development Bank Group (AfDB). The Boards of Directors of the AfDB approved the spot-check review on 9 May 2018. The Independent Review Mechanism (IRM) is mandated to conduct spot-check reviews by the Operating Rules and Procedures of the IRM (IRM Rules). The objective of the review is to draw lessons for the purposes of advising Management on compliance issues associated with high-risk projects with the aim of improving sustainability outcomes of similar projects in the future.

This spot-check review was undertaken in response to the recommendations made by AfDB’s Office of the Auditor General (PAGL) in its Internal Audit Report on AfDB-financed public sector projects in Cameroon in 2016. The findings of the Audit\(^1\) flagged this project as one that is likely to be in breach of applicable Bank Group polices on environmental and social assessments. As a result, the Boards of Directors of the AfDB authorized the IRM to conduct a spot-check review on 9 May 2018.

On 28 January 2009, the Board of Directors of the African Development Fund (ADF) approved a loan of UA 40 million for the implementation of the PAEPA-MSU Project for a duration of 60 months (up to 31 December 2013), which was extended five times until 30 September 2017. In accordance with the Project Appraisal Report (PAR) dated September 2008, the goal of the Project was to reduce poverty among the Cameroonian population through the achievements of the water and sanitation-based Millennium Development Goal (MDG). The objective of the Project was to improve the living environment of the communities through better access to drinking water and sanitation in the 19 Cameroonian Communes covered by the Project (Akono, Bafia, Ngoumot, Kousseri, Loum, Manjo, Mbanga, Nkonsamba, Bafan, Banka, Bana, Banganté, Bangou, Bango, Penka-Michel, Foumban, Ebolowa, Sangmelima, Kumba, and Mamfé). The Project consisted of three components: (a) drinking water supply and sanitation facilities; (b) institutional support for structures involved in the project; and (c) project management and coordination.

The initial total cost of the project was UA 45.58 million, which was financed from an ADF loan of UA 40 million, a government contribution of UA 4.48 million, and beneficiaries’ contributions of UA 1.10 million. The original closing date was 31 December 2013. Of the original ADF loan amount of UA 40 million, an amount of UA 6.23 million was cancelled in April 2016 because this amount was not allocated. It left a balance of UA 33.77 million, of which 29.73 million (88 %) was allocated, leaving at the final closing date of 30 September 2018, a balance of UA 3.91 million (12%). In summary, UA 29.73 million out of the ADF loan of UA 40 million was used (74.3%) during the lifetime of the project of 117 months (9.75 years), including 5 extensions because of numerous

management and technical delays, and involving 5 Bank task managers and 5 counterpart project coordinators.

The Ministry of Energy and Water Resources (MINREE) was the Executing Agency of the Project, through the Project Coordination Unit (PCU), attached to the General Secretariat. The technical implementation was carried out by the Cameroon Water Utilities Corporation (CAMWATER) for the ‘drinking water and supply (DWS)’ component; and the Directorate of Water Resources and Hydrology of MINREE, in conjunction with decentralized local authorities, for the ‘sanitation and capacity-building’ component. The Project’s Steering Committee would ensure the linkage between the Project’s activities and its consistency with prevailing sectoral policies. The Steering Committee comprised all the Ministries and institutions involved in the Project, and was chaired by MINREE and its representatives.

The Project was classified as a Category 2, medium-risk project. It was envisioned to have significant positive impacts on the environment, namely, the health of the population and the cleanliness of the environment. Its temporary negative or easily controllable impacts were listed as noise and dust pollution, the presence of pools of water, which could become potential breeding grounds for mosquitoes, and the contamination of underground water by latrines. The Environmental and Social Management Plans (ESMPs) contained mitigation measures, which would be implemented to minimize the Project’s negative impacts on the environment. The estimated cost of the mitigation measures was UA 0.55 million for the DWS component and UA 0.15 million for the sanitation component.²

Based on the above information, the IRM conducted a field mission to Cameroon from 27 October – 6 November 2018 to assess the state of the Project’s compliance with the applicable Bank Group’s environmental and social policies. Initially, the IRM Expert was supposed to visit the water and sanitation projects in Kumba and Mamfé. However, for security reasons, the IRM Expert in consultation with the Director of the BCRM and the Bank Country Office in Cameroon agreed that the Expert would visit the water and sanitation projects in Ebolowa and Sangmélima.

As stated in the PAR, to enhance the control of the Project, an environmental data sheet was drawn up to monitor the Project from preparation to implementation. The sheet, of which no copy was made available to the IRM Team, was supposed to show the implementation of the mitigation measures and the monitoring of the ESMP, validated by the government and the communes. The PAR also stated that: “The Government and ADF will closely monitor the implementation of the ESMPs”³ and that “the Project will cause no displacement of the population”.⁴

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³ Ibid.
⁴ Ibid.; p.10.
Key Findings and Recommendations of the Spot-Check Review

State of Compliance with the AfDB’s Environmental and Social Assessment Procedures for Public Sector Operations (2001)

The IRM determined that the Project is not in compliance with the Environmental and Social Assessment Procedures for Public Sectors Operations (2001) because of the following reasons:

1) In accordance with the Bank’s Environmental and Social Assessment Procedures for Public Sector Operations (2001), the context section of the ESMP should be more detailed for Category 2 projects. It shall describe and analyze the physical, biological, and human conditions prevailing in the project area, highlighting relevant environmental and social issues. In reviewing the ESMPs, this was not done. There was no data to support any of the issues and the descriptions provided and the mitigating measures were rather qualitative, though the environmental issues in this Project are serious: waste water pollution, discharge of sludge in the rivers, uncontrolled collection and disposal of hospital and municipal waste, and the emissions of dioxins and furans which are carcinogenic upon incinerating medical waste. In view of the adverse impacts, the IRM is of the view that this Project should have been classified as a Category 1 project.

2) The infrastructure financed under this Project is not entirely operational. During the visit to the project sites in Ebolowa and Sangmélima, the IRM Team observed that the water towers, the gender-sensitive toilet complexes (CTGs), the latrines, and the incinerators built to treat the hospital waste (centre de santé) were not completed when they were considered by the Bank to have been realized. Furthermore, the construction of the landfill in Sangmélima was considered to have been realized at 85%, though the site was covered by shrubs and trees. A sign posted on the site indicated that it was privately owned (see Figure 10 on page 15). No remedial measures were taken by the Bank Management to ensure that these infrastructure components were in service. The IRM has serious doubt about whether the incinerators it visited are adequate to treat hospital waste.

3) There were no requirements, both in the PAR and the Loan Agreement, that an environmental specialist should be part of the PCU. The reference in the PAR that the government and the ADF will be monitoring the environmental and social aspects of the Project is vague. There was no indication whether national or local institutions have monitored the implementation of mitigation measures contained in the ESMP. The individuals in charge of the Project whom the IRM met said that they had no knowledge of the existence of an ESMP. When asked about the issue, the PCU Director recognized that the environmental and social aspects of the Project had been neglected.

4) The regular quarterly monitoring reports that were to be done were not produced and the Bank Management took no action to remedy the issue during the nine-year life of this Project. Section 3.48 of the Environmental and Social Assessment Procedures for Public Sector Operations (2001) states: “The Borrower reports to OPs (Operations Complexes) on the

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5 Discussion with Mr. Monti, Mayor of Sangmélima.
implementation of the Environmental and Social Management Plan (ESMP) in the regular quarterly reports submitted to the Bank. Results achieved shall be clearly identified.” Section 3.49 states: “Whenever non-compliance to agreed requirements or unexpected impacts are noted, OPs shall request that the Borrower review the ESMP (Categories 1 and 2) in collaboration with relevant stakeholders, as appropriate. “OPs shall clear the proposed changes.”

5) The environmental clauses developed in the ESMP for the civil works for contractors were not included in the tender documents and there was no evidence that these were applied.

6) Project supervision for at least during the last three years (as the IRM could not access any previous records of the Aide Mémoires) showed that the environmental and social performance of the Projects were not addressed, and that the composition of the supervision mission team was limited to the task manager only. Section 3.50 of the Environmental and Social Assessment Procedures for Public Sector Operations (2001) states: “Inclusion of environmental and social expertise in the launching mission and supervision missions led by OPs is highly recommended for Category 1 and strongly recommended for Category 2 projects, especially for mid-term review. OPs shall ensure consultations with affected groups during the launching mission and supervision missions.”

The IRM recommends the following:

1) A full field compliance audit of all the structures and works undertaken under this Project should be conducted by the Bank. This is in compliance with Section 3.52 of the Environmental and Social Assessment Procedures for Public Sector Operations (2001), which states that OPs may carry out a desk or full Compliance Audit for selected Category 1, 2, and 4 projects. OPs may request the assistance of the Sustainable Development and Poverty Reduction Unit (SDPRU) to complete these audits. The IRM strongly believes that this Project merits a full compliance audit.

2) No additional financing for a follow-up/second phase of this Project should be authorized by the AfDB before the Government of Cameroon has carried out all the remediation measures resulting from this audit.

3) The Bank should continue to require the Government of Cameroon to allocate from its budget the capital and maintenance costs of all the structures and equipment financed by this Project. The IRM observed that the objectives of the Project were not achieved at all, at least for the infrastructures built in the cities of Ebolowa and Sangmélima. The overarching goal of safeguards in this Project—that is, the supply of drinking water, accessible and appropriate sanitation service, adequate treatment of hospital wastes, and functioning solid waste management system—has not been met. Yet, the Project has been closed without completing the key infrastructures that were financed. The equipment for solid waste collection has not been put in service, no landfill exists, the water towers (reservoirs) are not operational, and the CTGs are not in service.
4) The badly designed and low-cost brick incinerators, the CTGs, as well as dry latrines in schools are not meeting their objectives of protecting the environment and should therefore be discontinued (see Figures 2, 4, 9 & 11 on pages 13, 14 and 15).

**State of Compliance with the AfDB Involuntary Resettlement Policy (2003)**

The IRM determined that the Project did not comply with the AfDB Involuntary Resettlement Policy (2003). During the IRM mission in Sangmélima, the contractor and the project office pointed out that the water tower (reservoir) was built on a private land belonging to a local church and that arrangements had been made to enable the contractor to access the land. There was a sign posted at the landfill location, indicating that the land belonged to a private owner (see Figure 10 on page 15), when the site was supposed to be located in the forest, i.e., the property of the city. There was no sign of a landfill because there was no access road and the site was covered with bushes and trees. Therefore, the Bank provided financing for a non-existent infrastructure. Furthermore, although the ESMPs indicated the possibility of compensation, there was no survey done subsequently and no information and description was provided regarding the type of compensation.

From the observations made by the IRM and the numerous references made in the ESMPs to the two project sub-components, there are strong indications that economic displacements have taken place. The Bank staff appear to have no knowledge of this and they did not report it in their supervision missions. The IRM argues that the Bank should have been more diligent during supervision in ensuring that all the infrastructure components of this Project were not built on private land.

The IRM recommends that the Bank Management:

1) Inquire about the number of persons that were economically or physically displaced, if any, from MINEE, and ensure that they are compensated; and

2) Provide remedial measures to avoid a recurrence of similar violations with the AfDB Involuntary Resettlement Policy (2003).

**State of Compliance with the Poverty Reduction Policy (2004)**

The IRM concluded that there has been negligence from Bank Staff and Management by not applying the Bank Group Policy on Poverty Reduction (2004). There is thus non-compliance with this Policy.

Contrary to the information reported in the draft Project Completion Report (PCR), the performance ratings stated in the draft PCR should have been assessed as required in the Result-Based Logical Framework of the PAR. Instead, the percentages were estimated on the basis of the work realized. The IRM noted that the document did not indicate that the infrastructure built—at least in Ebolowa and Sangmélima—were not operational at all. In these two cities, none of the infrastructure built were in service while the Project is deemed as closed. The IRM questions seriously whether the communities in these two communes have seen any improvement in their living standards.

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Furthermore, upon review of the project supervision Aide Mémoires of 2015 and 2016, as well the Aide Mémoire of the project completion mission of 2018, there was no reference whatsoever about any result of the performance and impact indicators. All these Aide Mémoires focused primarily on the percentage of work accomplished, the percentage of corresponding disbursements, and the performance of the contractors, which were found most unsatisfactory. The IRM argues that the Bank staff should have conducted a social impact assessment in accordance with the provisions laid out in Section 6.2.2.5 of the Policy. It requires that social impacts of the project on poor and vulnerable groups should be assessed, using participatory techniques and designing mitigation measures in case of negative effects and high risks. Such impact assessments had not been carried out for this Project.

The Poverty Reduction Policy (2004) emphasizes the centrality of poverty alleviation for all Bank operations and activities. However, there is no operational guidance on how Bank staff and Management are expected to implement this Policy. In order to make the Policy operationally relevant, guidelines should have been developed on how and when impact assessments on the poor and vulnerable should be conducted and how risks and impacts should be mitigated.

The IRM recommends that the development of specific guidelines on this issue should be part of the on-going review of the Integrated Safeguards System. Such guidelines should help staff apply the requirements of the Poverty Reduction Policy (2004) with clear poverty reduction indicators, their impacts, and supervision modalities.

**General Conclusions**

The IRM is of the view that this Project has put more emphasis on the brick-and-mortar aspect by focusing on the construction of infrastructure components with bricks and cement, rather than ensuring that the infrastructure is well-designed, maintained, and made operational in order to produce positive impacts and outcomes for poor communities and their living standards. Moreover, this Project poses a serious reputational risk for the AfDB. The ESMPs were of poor quality and not implemented. The infrastructure visited by the IRM was far from “state-of-the-art” as quoted in project documents. The performance of the implementing agency and the contractors was poor. The IRM did not see any evidence that the Bank staff had taken any action to reduce such risks by providing remedial measures during the nine years of project implementation. This is despite the fact that there was a total of UA 10.27 million that was not used. This amount could have been used to mitigate all the negative aspects that had arisen during the project implementation phase. The IRM strongly believes that the overall “satisfactory” rating given in the draft PCR is hardly justified and should be downgraded to at least “marginally unsatisfactory”, given the total disregard of the environmental and social performance; and the poverty aspects of this Project. One of the purposes of the spot-check advisory review of project compliance is to draw lessons for future operations. Therefore, the IRM recommends that the Bank Management should develop a case study on this project for training task teams on the challenges and pitfalls of the design, implementation, as well as compliance with Bank safeguards standards in water and sanitation projects financed by the AfDB.
1. BACKGROUND AND OBJECTIVES OF THE SPOT-CHECK REVIEW

The Operating Rules and Procedures of the Independent Review Mechanism (IRM) of 2015 mandates the IRM to undertake an advisory role, which is divided into two activities: (1) the spot-check advisory review of project compliance (spot-check review), carried out by one of the IRM Experts; and (2) advisory services provided by the Director of the Compliance Review and Mediation Unit (BCRM). The scope of these advisory services is to enhance institutional learning by providing independent opinions on systemic issues, and technical advice on any projects and programs financed by the AfDB, so as to strengthen their positive social and environmental impacts. The services are carried out when: (a) the BCRM receives a request for such advice or technical opinion from the President and/or the Boards of Directors; or (b) the President and/or the Boards approve a proposal by the BCRM to undertake similar services.

The specific objective of the spot-check review is to draw lessons from the experience of the IRM for the purpose of advising the Bank Management on compliance issues associated with high-risk projects. The spot-check review examines whether or not there has been an infringement of any Bank Group operational policies or procedures in respect of a project’s design, appraisal, and/or implementation.

This Spot-Check Review Report focuses on the Semi-Urban Drinking Water Supply and Sanitation (PAEPA-MSU) Project in Cameroon. The spot-check review was a response to the recommendations made by the Office of the Auditor General (PAGL) of the AfDB. Among the findings of the Audit Report issued in March 2017, the PAGL flagged the following two road sector projects and one water supply and sanitation sector project in Cameroon, which it found may be in breach of the applicable Bank Group policies and procedures:


(ii) The Ketta-Djoum Road Development Project - Phase 1.

(iii) The Kumba-Mamfé Road Development Project.

The Audit Report recommended that the Bank’s Water Development and Sanitation Department (AHWS) and Infrastructure and Urban Development Department (PICU), in conjunction with the Bank’s Country Office in Cameroon (COCM), “should ensure that the ESMPs of all the projects concerned are updated and implemented effectively, and monitored to achieve the expected objectives; the circumstances surrounding these projects should be verified by BCRM; in this case, the shortcomings identified in the disposal of sewage from treatment stations so that CAMWATER (Cameroon Water Utilities Corporation) can take urgent measures to remedy them without delay...” (Paragraph 2.1 of Audit Report).

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7 IRM Operating Rules and Procedures, 2015, para. 1b).
8 Ibid., para. 73.
The recommendations of the Audit Report were considered by the BCRM and Management alongside suggestions about several other projects. Considering the aim of the spot-check advisory review as an institutional learning-oriented exercise, the BCRM and the Bank Management agreed that the projects recommended by the Audit Report should be proposed for the IRM spot-check review of 2018. The key factor that the selection team considered was the usefulness of the spot-check review recommendations to the relevant operations departments. The proposal was approved by the Board of Directors on 9 May 2018.

However, at the time of the site visit, the IRM mission was not in the position to travel to the northwest of Cameroon because of security concerns. The initial plan was therefore revised and, after consultations with the COCM, the IRM chose to do its fieldwork where security was guaranteed. The two projects considered were: the PAEPA-MSU Project in Ebolowa and Sangmélima, and the Ketta-Djoum Road Development Project - Phase 1.

The IRM carried out a desk review of the documents relating to this Project and organized a field mission to Cameroon from 27 October – 6 November 2018. The mission was conducted by the IRM Expert, Mr. Sherif Arif; Mr. Sekou Touré, Director of the BCRM; and Mr. Birima Fall, Senior Communication, Outreach and knowledge management Officer in BCRM. They visited two project sites in Ebolowa and Sangmélima, and interviewed the project sponsor, MINEE; its partners—Cameroon Water Utilities Corporation (CAMWATER) and one major contractor, Pfeiffer; the local authorities in the project area; the Bank staff responsible for the Project; and other stakeholders.

The IRM would like to emphasize that the findings of this Report are based on information made available by the Management at the time of the spot-check exercise, and that the factual issues have already been verified with the Management. The IRM received factual comments from Management on 16 April 2019 and considered them in preparing this Final Report. Accordingly, this Report is submitted to the Boards of Directors for consideration.

2. PROJECT DESCRIPTION

On 28 January 2009, the Board of Directors of the ADF approved a loan of UA 40 million for the implementation of the PAEPA-MSU Project for a duration of 60 months (up to 31 December 2013), which was extended five times until 30 September 2017. In accordance with the Project Appraisal Report (PAR) dated September 2008, the goal of the Project was to reduce poverty among the Cameroonian population through the achievement of the water and sanitation-based Millennium Development Goal (MDG). The objective of the Project was to improve the living environment of the communities through better access to drinking water and sanitation in the 19 Cameroonian communes (Akono, Bafia, Ngoumou, Kousseri, Loum, Manjo, Mbanga, Nkonsamba, Bafan, Banka, Bana, Banganté, Bangou, Bansoa Penka-Michel, Foumban, Ebolowa, Sangmélima, Kumba, and Mamfé) that were covered by the Project.

The Project was to benefit the 1.15 million inhabitants of these communes, 51% of whom are women. It was also to benefit CAMWATER, the decentralized structures of the Directorate of Water Resources and Hydrology, the municipalities, small and medium enterprises (SMEs),
women’s associations, and other non-governmental organizations (NGOs) that would be involved in its implementation. The Project was to improve the living environment of the inhabitants of the 19 Communes, and contribute significantly to reducing the outbreak and spread of waterborne diseases as well as the infant and maternal mortality rates. Financing by the Project of social connections was to enable poor households to access drinking water at affordable prices. The Project was also to permit the creation of jobs through local private micro-enterprises.

**Figure 1: Map of the Project Area**

The Project consisted of three components (Table 1) that are summarized as follows:

a) Component 1: Drinking Water Supply and Sanitation Facilities, which had 2 subcomponents: water supply facilities in 16 centers, and sanitation facilities in 19 communes.

b) Component 2: Institutional Support for structures involved in the Project.

c) Component 3: Project Management and Coordination.\(^{10}\)

In consideration of the above, and to meet the expectations of the population, the government considered that the rehabilitation and extension of the existing drinking water supply systems then was a better option than the construction of new networks. Furthermore, the building of latrines was preferred to that of more costly sewage systems that are not guaranteed to be self-cleaning.

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\(^{10}\) Project Appraisal Report (PAR) – PAEPA-MSU Project, p 3.
Finally, the option of separating hospital waste from the other waste of the communes was considered more suitable for preserving the health of the population.

Table 1: The PAEPA-MSU Project Components

<table>
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<tr>
<th>Component</th>
<th>Cost of Component</th>
<th>Description of Components</th>
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| A1 Drinking Water Supply (DWS) Facilities | UA 33.32 million | **Drinking Water Supply:**  
- Construction of one borehole with a flow rate of 935 m³/d, two mains with a capacity of 6,500 m³/d, two treatment plants with 6,500 m³/d capacity, seven 8,000 m³ reservoirs, 25,810 m of pipelines for the primary network, 95,146 m of pipelines for the secondary and tertiary networks, 16 store/workshops and 14 000 private social connections;  
- Rehabilitation of 256,500 m of existing water supply networks, 205 standpipes and 9,782 private connections;  
- Supervision and control of DWS works;  
- Behaviour change communication (BCC) campaigns for school teachers, women’s associations, community advisors and urban dwellers on health and hygiene, cleanliness and maintenance of water points, clean water at the consumption point, prevention of diarrhoea, typhoid and HIV/AIDS; and  
- Environmental and social monitoring of works; |
| A2 Sanitation Facilities | UA 7.58 million | **Collective Sanitation in Urban Communities and Public Buildings:**  
- Construction of:  
  - 20 gender-sensitive washroom complexes;  
  - 18 sump sites, 36 ha with 11,800 m of fencing;  
  - 45 incinerators in 45 hospitals and community health centers;  
  - 42 septic tanks in 42 hospitals and community health centers;  
  - 42 sanitation facilities for 42 community health centres  
- 94 latrines in 79 public schools;  
- 100 communal latrines in other public places;  
- 33 tractors;  
- 161 tipper trucks;  
- 18 kits of waste collecting tools;  
- 18 motor cycles;  
- 36 km of access road to rubbish dumps;  
- Supervision and control of sanitation works;  
- Behaviour Change Communication (BCC) campaigns for school teachers, women’s associations, community advisors and urban dwellers on health and hygiene, cleanliness and maintenance of water points, clean water at the consumption point, prevention of diarrhoea, typhoid and HIV/AIDS; and  
- Environmental and social monitoring of sanitation works; |
| B Institutional Support for Structures Involved in the Project | UA 2.25 million | **Capacity Building for Structures Involved in the Project:**  
- Procurement of laboratory and workshop equipment kits, 4x4 vehicles for the DHMs branch offices and generators for the 19 Communes;  
- Procurement of field equipment (water analysis kit, GPS equipment and photometric probes) for CAMWATER’s 16 offices;  
- Procurement of 20 computers and 20 printers for DHM and the 19 Communes;  
- **Capacity Building for Beneficiaries and Private Operators:**  
  - Training of 190 community advisors, and 50 OM technical staff;  
  - Training of 150 artisanal masons and 320 school teachers;  
  - Establishment and training of associations of case-takers of standpipes and gender-sensitive washrooms;  
  - Training of MINPROFF staff in the towns involved.  
- **Water Resources Assessment Study:**  
  - Comparative analysis of river flow rates and daily samples and assessment of climate change parameters and effects on water resource renewal |
| C Project Management and Coordination | UA 1.86 million | **General project coordination** (allowances, per diems and operating costs of the Project Coordination Unit);  
- Audit of project accounts (financial audit, audit of procurements and technical audit to reconcile physical outputs and expenditure) |

2.1. Cost of the Project

The initial total cost of the project was UA 45.58 million, financed from an ADF loan of UA 40 million, a government contribution of UA 4.48 million, and UA 1.10 million from beneficiaries of the Project.11

2.2. Implementation Aspects

The Ministry of Energy and Water Resources (MINEE) was the Executing Agency of the Project, through the Project Coordination Unit (PCU), attached to the General Secretariat. The technical implementation was carried out by CAMWATER for the ‘drinking water and supply (DWS)’ component; and the Directorate of Water Resources and Hydrology of MINEE, in conjunction with the decentralized local authorities, for the ‘sanitation and capacity-building’ component. A

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2.3. Environmental Aspects

The Project was classified as a Category 2, medium-risk project as per the PAR. It was anticipated to have major positive impacts on the environment; namely, the health of the population and cleanliness of the environment. It was anticipated to have temporary negative or easily controllable impacts; namely, noise and dust pollution, and the presence of pools of water as potential breeding grounds for mosquitoes, and contamination of underground water by the latrines. The Environmental and Social Management Plans (ESMPs) proposed mitigation measures, which would be taken to minimize the Project’s negative impacts on the environment. The cost of these measures was estimated at UA 0.55 million for the DWS component, and UA 0.15 million for the sanitation component. To enhance control, an environmental data sheet was been drawn up to monitor the Project from preparation to implementation. The sheet showed the implementation of the mitigation measures and monitoring of the ESMPs, validated by the government and the communes. The government and ADF would closely monitor the implementation of the ESMPs.\(^\text{12}\)

2.4. Social Aspects

The Project would help to improve the living environment of the population of the 19 Communes, by affording them better access to safe drinking water and proper sanitation services. It would contribute to significantly reduce (i) the risk of outbreaks and spread of waterborne diseases (at least 50% of typhoid, cholera, dysentery, amoebic dysentery and diarrhea cases); (ii) the malaria incidence rate (from 11% currently to 3% by 2015); (iii) the infant mortality rate (from 40% to 10% by 2015); and (iv) the maternal mortality rate (from 430 to 107.5 per 100,000 live births by 2015).\(^\text{13}\)

The financing of 14,000 private social connections by the Project, under a revolving credit system, would eventually benefit many poor households, which would receive direct water supply at affordable prices (from CFAF 1,000/m\(^3\) in 2009 to an average CFAF 368/m\(^3\) in 2013). The Project would assist local private businesses (including 15 SMEs to be created), associations, artisanal masons (150 people to undergo training), and national NGOs through works, services and goods supply contracts. The Project would further encourage new behavior, better living conditions through social mobilization, and awareness campaigns in hygiene and sanitation, which would focus on themes such as hygiene and health, the benefits of drinking safe water, and waste management.\(^\text{14}\)

The construction of 20 complexes equipped with washrooms known as ‘gender-sensitive toilet complexes (CTGs)’—complete with day-care centers, restaurants, and hair salons—would create temporary jobs during project implementation, and permanent jobs during the use of the facilities;

\(^\text{12}\) Ibid., p. 8.
\(^\text{13}\) Ibid., p. 9.
\(^\text{14}\) Ibid.
with at least 50% of such permanent jobs going to women and the youth. It would help to curb the unemployment rate, which affected about 8% of the working population in 2009. The women and youth associations that would run these CTGs could generate significant excess income, which could be ploughed back into the Project to (i) create new income-creating activities (petty trading, market gardening, small-scale livestock rearing, cottage industry, etc.) and jobs in the target towns; and (ii) build new socio-economic infrastructure that would contribute to improving the living conditions of women and the youth in the communes concerned.\textsuperscript{15}

2.5. Forced Resettlement Aspect

The Project would cause no displacement of the population. The network to be rehabilitated already existed and the extension would be to the new neighborhoods with allotted but nonserviced plots. The water harvesting sources would be isolated and situated outside the towns, far from houses. No production plant or social infrastructure would be destroyed.

3. THE AUDIT REPORT

In 2016, the PAGL conducted an internal audit of 6 out of 16 public-sector projects financed by the AfDB in Cameroon, and covered the project management activities of the AfDB and the Borrower between 1 January 2015 and 30 June 2016. The PAEPA-MSU Project was one of the projects that were audited.

The major findings of the audit of the Project were as follows, as noted by excerpts from the Audit Report:

1) In general, the PAGL rated the PAEPA-MSU Project as ineffective.\textsuperscript{16} The audit revealed that the objectives set out in the terms of reference of the PAEPA-MSU Project may not have been achieved by the closure of the Project.

2) The analysis of the implementation of the ESMP showed that the Kumba and Mamfé water treatment plants have significant deficiencies with concerns for the environment. The PAGL noted that wastewater from water treatment and filter washing was full of chemicals and was being discharged into the environment without any precautions. This situation was caused by the inaction of the environment service at CAMWATER—which is essentially responsible for monitoring all environmental issues in the corporation but played no active role in monitoring the ESMP implementation. AHWS, in conjunction with COCM, should ensure that the ESMPs of all the projects concerned (which include the PAEPA-MSU Project) are updated and implemented effectively and monitored to achieve the expected objectives; and the circumstances surrounding these projects should be verified by the BCRM. In this case, the shortcomings identified in the disposal of sewage from treatment stations should be verified, so that CAMWATER can take urgent measures to remedy them without delay.

\textsuperscript{15} Ibid., p. 9.
\textsuperscript{16} PAGL Report, Section 1.5.
3) PAEPA-MSU was approved and became effective in 2009. Its last disbursement date previously scheduled for 31 December 2013 had been extended several times and was set for 31 December 2016 due to the major coordination challenges and delays at its commencement. However, this date does not appear realistic for several reasons: (i) many drinking water, and especially sanitation, facilities had been commenced but have not yet been completed in spite of the regular meetings that COCM holds with the DIR and the project’s PIU to find solutions to the difficulties arising. These close monitoring meetings between COCM, DIR, the PIU, and sometimes the contractors whose work is in difficulty have not addressed all the issues even if they have improved the level of implementation of certain works.

4) The PAGL visited sanitation and water treatment centers in several areas covered by the Project, including Sangmélima, Mamfé, Kumba, and Bangangté. These are public latrines built in hospitals, stadiums, schools, high schools, and prefectures. For many projects, work has not been completed and others have been abandoned for several months. At the date of the IRM visit, there were several incomplete structures that could not be completed before the date of the last disbursement scheduled for 31 December 2016. For example, the public toilets built in front of the Bangangté prefecture were reportedly abandoned at the beginning of works following conflicts between different local administrative officials without any solution found by DIR or COCM.

5) There is need to stabilize this Project before it is cancelled. To do this, AfDB’s Central Africa Regional Development and Business Delivery Office (RDGC) should work with COCM to establish a multidisciplinary team that will evaluate the Project in a comprehensive manner in collaboration with the government in order to find the appropriate concerted solutions.

6) The Loan Agreement stipulates in Article IV, Section IV, that "Quarterly reports on the implementation of ESMP shall be prepared and submitted to the Bank and the Implementation Unit." The IRM did not receive any proof that this obligation had been met.

7) Failure to monitor ESMPs could negatively impact the populations living in the vicinity of project implementation sites and could pose a reputational risk to the Bank.

8) The situations described above result from the instability in the project coordination and could explain the significant delays observed in the implementation of the Project. For example, the Project reportedly had 5 coordinators, with an average duration of less than 12 months for each of the first 6 years between November 2010 and November 2016. During the same period, the Project reportedly had 5 task managers.
The major recommendations and the Management Action Plan are summarized below (Table 2).

<table>
<thead>
<tr>
<th>Recommendations of the Audit</th>
<th>Management Action Plan</th>
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<tbody>
<tr>
<td>(2016/01 / 2.1.2) AHWS in concert with COCM should ensure that the PAEPA-MSU ESMPs are updated and implemented effectively and monitored to achieve the expected objectives. ESMP implementation should be one of the key criteria for evaluating PIU performance and future disbursements should be predicated on the proper implementation of the ESMP.</td>
<td>The Discussion continues with the Ministry and CAMWATER to comply with the requirements of the Environmental and Social Management. COCM will write to these two entities to ask them to set up a pre-treatment system for water used to washing the of filters before it is released into the environment (Kumba and Mamfe treatment plants). <strong>Target implementation date: September 30, 2017</strong></td>
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<td>(2016/01 / 2.1.3) The circumstances surrounding these projects should be verified by BCRM, in this case, the inadequacies identified in the disposal of sewage from treatment plants so that CAMWATER can take urgent measures to remedy them without delay.</td>
<td>Additionally to dialogue of COCM with the authorities, BCRM will carry out a mission to assess the identified shortcomings in the evacuation of wastewater from the processing station so that CAMWATER takes urgent measures to remedy them without delay. <strong>Target implementation date: October 31, 2017</strong></td>
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<tr>
<td>There is need to stabilize this project before it is cancelled. To do this, RDGC should work with COCM to establish a multidisciplinary team that will evaluate the project in a comprehensive manner in collaboration with the government in order to find the appropriate concerted solution.</td>
<td>The final project disbursement deadline has been extended to September 30, 2017. Constant monitoring was carried out by COCM with all stakeholders (Ministry, executing agency, construction companies, and control office) in order to speed up the completion of the work. COCM conducted a supervision mission from 26 to 30 June 2017, composed of several experts to review the work carried out and the payments to be made. Currently, the completion rate is over 80% and the disbursement rate is 78%. <strong>Target implementation date: September 29, 2017</strong></td>
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4. THE DRAFT PROJECT COMPLETION REPORT (PCR)\textsuperscript{17}

A draft PCR was prepared by the Bank Management on 14 September 2018 and awaits approval by the Boards of Directors. The draft PCR has assessed the performance of this Project from its pertinence, effectiveness, efficiency, and sustainability aspects, as well as Bank and Borrower performance.

The draft PCR states that out of the loan of UA 40 million, an amount of UA 6.23 million was cancelled in April 2016 because this amount was unallocated, leaving a balance of UA 33.77 million. Out of the latter, 29.73 million (88\%) was allocated, leaving a final balance of UA 3.907 million (12\%) at the final closing date of 30 September 2018. In summary, of the total ADF loan UA 40 million, UA 29.73 million (74.3\%) was used during the project lifetime of 117 months (9.75 years), including 5 extensions and involving 5 Bank task managers and 5 counterpart project coordinators.

In the environment section, the draft PCR states: “The project is of environmental Category 2. The drinking water supply component took place on the already existing sites. The environmental and social management plans that had been developed had prescribed quarterly monitoring reports and the construction of filter pre-treatment facilities at some sites (Mamfe and Kumba) prior to their release to nature. Until the end of the Project, these structures had not yet been built despite the Bank’s constant reminders. Similarly, the frequency of transmission of environmental and social monitoring reports was not respected during the course of the Project.”\textsuperscript{18}

The draft PCR notes that “with regard to the sanitation component, it should be recalled that an ESMP was also carried out in August 2009 for each of the 19 centers and concluded at a level of ‘low’ to ‘non-existent’ negative impacts. All prescribed mitigation measures were observed. The construction and use of sanitation facilities such as dumps, public latrine blocks and septic tanks in health centers have contributed to a cleaner environment in the public places concerned. Providing the 19 municipalities with solid waste removal equipment will also help maintain this healthy environment. In addition, the project has made it possible to better inform, raise awareness, educate and train people to improve hygiene, sanitation and environmental behavior. It can be concluded that the impacts of the project are therefore generally positive on the environment and the living environment of the beneficiaries. The environmental and social sustainability of the project is considered ‘SATISFACTORY.’”\textsuperscript{19}

As explained below, the IRM Team respectfully DISAGREES with the assessment made by the Bank Management.

Needless to state that the draft PCR states: “The water and sanitation work were carried out according to the state of art under the control of experienced independent consultants for the vast majority.”\textsuperscript{20} However, the consulting firm, Louis Berger International—which was responsible for the studies and supervisory engineering for the sanitation component—was assessed to be VERY

\textsuperscript{17} Draft Project Completion Report (PCR), September 2018.
\textsuperscript{18} Draft Project Completion Report (PCR), September 2018, p. 13.
\textsuperscript{19} Ibid., pp 13-14.
UNSATISFACTORY, because of the poor quality of its studies and the inadequacy of these with the nature of the structures to be built and their immediate environment, which led to several modifications and displacements. In addition, of the eleven contractors involved in the implementation of this Project,\textsuperscript{20} two of them were assessed to have provided SATISFACTORY performance, and the other nine were judged to be VERY UNSATISFACTORY due to non-compliance with contractual deadlines, poor workmanship, and non-completion of their contracts. Furthermore, the performance of the project counterparts, namely CAMWATER and the PCU was UNSATISFACTORY, but the Bank performance was VERY SATISFACTORY.\textsuperscript{21} Against such a bleak assessment, the Bank Management has determined that the overall performance of this project was SATISFACTORY as shown in Table 3 below.\textsuperscript{22}

Table 3: Global Assessment of the Project Performance

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>NOTATION*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A : PERTINENCE</strong></td>
<td></td>
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<tr>
<td>Pertinence of the development objective</td>
<td>4</td>
</tr>
<tr>
<td>Pertinence of the project concept</td>
<td>4</td>
</tr>
<tr>
<td><strong>B : EFFECTIVENESS</strong></td>
<td>3.7</td>
</tr>
<tr>
<td>Development objective</td>
<td>3.7</td>
</tr>
<tr>
<td><strong>C : EFFICIENCY</strong></td>
<td></td>
</tr>
<tr>
<td>Adherence to the time table</td>
<td>2</td>
</tr>
<tr>
<td>Resources efficiency</td>
<td>4</td>
</tr>
<tr>
<td>Cost benefit</td>
<td>4</td>
</tr>
<tr>
<td>Status of the progress in the implementation</td>
<td>2</td>
</tr>
<tr>
<td><strong>D : Sustainability</strong></td>
<td>3.5</td>
</tr>
<tr>
<td>Financial viability</td>
<td>4</td>
</tr>
<tr>
<td>Institutional sustainability and strengthening capacities</td>
<td>3.5</td>
</tr>
<tr>
<td>Ownership and sustainability of partners</td>
<td>3.5</td>
</tr>
<tr>
<td>Environmental and social sustainability</td>
<td>3</td>
</tr>
<tr>
<td><strong>AVERAGE</strong></td>
<td>3.55</td>
</tr>
<tr>
<td><strong>PERFORMANCE OF THE PROJECT</strong></td>
<td>SATISFACTORY</td>
</tr>
</tbody>
</table>

\textsuperscript{20} Aide Mémoire de la Mission d’Achèvement de la BAD, 9-22 April 2018, p. 5.
\textsuperscript{21} Rapport d’Achèvement de Projet, Septembre 2018, p. 15.
\textsuperscript{22} Table Extracted from page 17 of the draft Project Completion Report, September 2018.
5. THE SPOT-CHECK ADVISORY REVIEW OF PROJECT COMPLIANCE

5.1. State of Compliance with the AfDB Environmental and Social Assessment Procedures for Public Sector Operations (2001)

5.1.1. The Facts

The PAEPA-MSU Project was classified as a Category 2 project, which—in accordance with the Environmental and Social Assessment Procedures for Public Sector Operations (2001)—it is likely to have detrimental and site-specific environmental and/or social impacts that are less adverse than those of Category 1, as their scale of intervention is less significant. By definition, Category 2 projects include projects that can be improved by the application of mitigation measures or the incorporation of internationally recognized design criteria and standards.23 This category of projects requires the preparation of an ESMP; and some may also require detailed studies on certain environmental or social dimensions in order to prepare a comprehensive ESMP. Some projects initially classified in Category 2 can be upgraded to Category 1 when they demonstrate a potential to negatively affect environmentally sensitive areas or socially sensitive issues. The ESMP should clearly define the impact and indicate the level of importance in this regard.

For Category 2 projects, the context section of the ESMP should be detailed. It should describe and analyze the physical, biological, and human conditions prevailing in the project area, and highlight relevant environmental and social issues. The types of environmental and social issues related to this project24 include, in particular, water supply facilities (such as open wells, distribution systems, etc.), water quality, waste and sanitation, management practices, facilities (such as sewage, disposal site etc.), and air emissions of carcinogenic dioxins and furans from low-cost incinerators.

The ESMP’s scope and level of detail should be proportional to the number and complexity of the measures required to ensure the project’s environmental and social sustainability. In addition, the ESMP format should permit adjustments and revisions to reflect new developments and findings along project implementation and operational phases.25 The ESMP Summary should be released to the public at least 30 days prior to the Board presentation, and the ESMP should be incorporated into the Loan Agreement.

The PAR of PAEPA-MSU Project stated that the Project had temporary negative or easily controllable impacts, namely, noise and dust pollution, the presence of pools of water as potential breeding grounds for mosquitoes, and contamination of underground water by the latrines. The PAR stated that an environmental data sheet had been drawn up to monitor the Project from preparation to implementation. The sheet showed the implementation of the mitigation measures and monitoring of the ESMP, validated by the government and the communes. The government

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24 Ibid., Annex 2.
25 Ibid., Annex 11.
and the ADF would closely monitor the implementation of the ESMP. Neither a copy of the ESMP nor the data sheet could be made available to the IRM Team despite repetitive requests.

The only available document received by the IRM was an ESMP Summary, which was attached to the Preparation Report dated March 2008. The Summary Report was very brief and stated that most of the mitigation measures are education and awareness campaigns, especially for women. It also stated that the ESMP would include guidelines, requiring that the companies involved in the infrastructure construction/rehabilitation contracts to first carry out an environmental assessment, the results of which would be taken into account in the design and construction of such works with the participation of women and disadvantaged groups.

The Preparation Report added that the environmentalist from the PCU would be responsible for the implementation of the mitigation and monitoring measures described in the ESMP and ensure compliance with applicable regulations. The environmentalist would work in close collaboration with the monitoring mission and the Permanent Environment Secretariat of the Ministry of Environment, Nature Protection, and Sustainable Development (MINEDP). The implementation of environmental and social measures would last throughout the project cycle. The PCU would prepare quarterly progress reports on the project implementation and communicate them to the Bank. These reports would include the physical achievements of the works, the effectiveness of the environmental and social measures, the problems encountered, as well as the envisaged solutions.

In May 2013, four years after the project approval and in order to comply with the Framework Law on Environmental Management in Cameroon (Law No. 96/12 of 5 August 1996), CAMWATER entrusted to the group of firms Trust Engineering/GES Consulting the task of carrying out an Environmental Impact Assessment (EIA) in the cities of Kumba and Mambé. In order to see in detail the application of mitigation measures, or even compensation or optimization of the impacts and risks associated with this Project at the level of each of the two cities, the firm BTD Eduinter decided to carry out a detailed ESMP for the two cities. Both ESMPs are identical word for word. The ESMP included the description of the water component, namely: the installation of a water network and construction of a semi-buried tank of 1,500 m³; the rehabilitation of filters to improve the process of water treatment by flocculation, filtration, and chlorination before distribution; and the construction of public fountains. It also provided an analysis of the impacts in a detailed ESMP as well as the environmental clauses that should be included in the tender documents for the contractors. The ESMP stated that not all the mitigating measures can be financially estimated, as some mitigating costs depend on the nature of these measures, the choice to be taken by the contracting authority, or the complexity of the measures.

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In August 2013, the consulting firm, Louis Berger, prepared an updated ESMP for the project component on the sanitation facilities for the 19 communes\(^{28}\) in order to comply with the national EIA decree 213/0171/PM, which requires the preparation of the Limited Environmental and Social Impact Assessment (LESIA), including an ESMP. The LESIA includes the following:

(a) A review of the institutional and legal framework;

(b) The project description composed of CTGs equipped with septic tanks, small-scale brick incinerators of the De Montfort type,\(^{29}\) and rehabilitated dump sites with a capacity of 2.5-12.5 tons per day;

(c) A description of the biophysical, human, hygiene, and safety aspects of each the 19 communes;

(d) Alternatives and options;

(e) The analysis of the impacts and mitigating measures;

(f) The ESMP and the ESMP cost, which was estimated at CFAF 220.39 million, and additional costs of special environmental conditions for the enterprises in the amount of CFAF 38.5 million. The ESIA has determined that the sanitation component has more positive impacts than negative impacts from the environmental and social point of view.

### 5.1.2. The Findings

In Ebolowa, the investments financed by the Project included two CTGs, five latrine blocks in schools and markets, an incinerator, the rehabilitation of the water treatment plant, the construction of a new water tower with a flow rate of 2000 m\(^3\)/day, as well as tipper trucks to remove the garbage.

The mission visited the water treatment station as well as the water tower. The water tower was not in service (Figure 3 below). The representative of the contractor Pfeiffer told the IRM Team that the tower could not be put in service because it had no inside lining. He said that they stopped work because the government had not paid the company its dues from the government contribution of this Project. At the water treatment plant, the operator, a CAMWATER staff, told the mission that he adds aluminum sulfate and other chemicals to the coagulation tank to treat the water manually and without any protection. He complained about his hands, which he claimed were worn out because of the prolonged contact with the chemicals. He demonstrated no basic technical understanding of operating a treatment plant. He also uses a rudimentary burette to measure the PH. The sludge produced in the coagulation and sedimentation process is discharged directly and


without any treatment to the nearby river at the site of the water intake for the plant (Figure 7 on page 14). The equipment installed to add the chemicals mechanically to the tanks was idle. None of the infrastructure components and equipment visited were in service and functional. The public and school latrines and the CTGs were closed. The buildings seemed abandoned, neglected, and dirty. The incinerator at the health center was an outdated, unfinished, and unused furnace with a stone chimney of the same height as the surrounding buildings and not built in accordance with the Montfort specifications (Figure 2 below). In accordance with the Bank’s Aide Mémoire and the draft PCR, all the equipment and infrastructure were considered completed at 86% when, in reality, none was functional. Furthermore, the contractors (Pfeiffer and ANZAO) have suspended their work because they have not been paid by the Cameroonian counterpart funds. The IRM learned that one contractor (Equipi) went bankrupt. The pictures below show the reality of these investments in the field.

Figure 2: Unused Incinerator in Ebolowa

Figure 3: Unused Water Reservoir in Ebolowa

Figure 4: Dirty Toilet at the Adventist Health Center

Figure 5: Empty Gender-Sensitive Toilet Complex (CTG) in Ebolowa
In Sangmélima, the structures built were not in a better state than those in Ebolowa. The water tower of 750 m$^3$/day also lacks the inside lining and it was not in service (Figure 8 below). Here, the water tower is built on land that belongs to a local church. The CTG was built near a military camp. It was abandoned at the time of the visit and surrounded by goats (Figure 11 on page 15). The incinerator is pitiful with an unusable furnace (Figure 9 below). The trucks for waste collection were parked unused and yet to be transferred to the officials of the municipalities. The 2 ha landfill site, 8 kms from town and inside a forest, was covered with bushes, and there was no indication of any work done. A sign posted on the site indicated that it was a private property (Figure 10 page 15). Despite these shortcomings, the draft PCR prepared by MINEE reported that work was 85.1% completed. All these structures were classified by Bank Management as “realized,” though they are in fact “non-functional” and not in service. Some of them are completely abandoned and, in the case of the landfill, “non-existent.”

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The IRM mission reviewed the Aide Mémoires and reports available and found the following:

1) The progress report submitted by MINEE for the activities of May 2015 indicated that the ESMP as well as the program for the prevention of health and safety for the drinking water supply component were prepared for each of the 11 communes (including Ngoumou, Akono, Bafia, Sangmélima, Ebolowa, and Kousséri) and were provided to the respective contractors. Concerning the sanitation component, the report indicated that a revised ESMP was prepared by Louis Berger. However, the report did not provide any information on the progress made in the implementation of each of the ESMP. The IRM did not have access to any of the ESMPs quoted in the report.

2) The quarterly Progress Report submitted by MINEE in July 2015 is similar to the previous report, except that the percentage of achievement of work is sensibly higher than the number indicated in the Progress Report of May 2015. Still, there was no information on the implementation of the ESMP.

3) On 16 December 2015, the consulting firm Louis Berger provided its comments to the Director General of MINEE on the ESMP for the sanitation components before it was validated. The IRM did not receive any evidence that these comments were taken into consideration.

4) The two supervision Aide Mémoires from 29 October – 10 November 2015, and from 29 August – 7 September 2016, as well as the final Aide Mémoire of the project completion from 9 – 21 April 2018 did not at all mention the environment, nor did they provide information on the status of implementation of the ESMPs. There was no environmental and social specialist in the Bank supervision mission teams for at least three years or more.

5) The final completion report dated July 2018 submitted by the Water and Energy Department did not refer to either the ESMPs or their implementation.
5.1.3. Conclusions

The IRM has concluded that the environmental and social component of the PAEPA-MSU Project did not receive adequate diligence. Neither the PCU, the MINEPDED, nor the Bank followed up on the implementation of the ESMPs prepared by the consulting firms. The IRM’s conclusion is fully consistent with the findings of the Auditor General’s Report. The IRM does not agree with the conclusions made by the Bank Management in its draft PCR about the achievements on the environmental component of the project. The draft PCR recognizes that the filters at the water treatment facilities at some sites (Mamfé and Kumba) were not built despite assurances from MINEE\(^{31}\) and constant reminders by Bank Management,\(^{32}\) and the frequency of transmissions of environmental and social monitoring reports were not met during the course of the project. However, it gives the impression that these are gaps that can be overlooked. As such, the performance rating of “3” was given for the environmental and social component, without any justification. The IRM disagrees with such ratings and feels that the performance should have been rated unsatisfactory for the following reasons:

1) In accordance with the AfDB’s Environmental and Social Assessment Procedures for Public Sector Operations (2001), the context section of the ESMP should be more detailed for Category 2 projects. It should describe and analyze the physical, biological, and human conditions prevailing in the project area, and highlight relevant environmental and social issues. In reviewing the ESMPs of this Project, this was not done: No data was provided to support any of the issues raised and descriptions reported. Mitigation measures were rather qualitative, though the environmental issues in this Project are serious: waste water pollution, discharge of sludge in the rivers, and unregulated collection and disposal of hospital and municipal waste. Considering the cumulative and adverse impacts, this Project should have been classified as a Category 1 and not Category 2 project.

2) There were no requirements, both in the PAR and the Loan Agreement, that an environmental specialist should be part of the PCU. The reference in the PAR that the government and the Bank will be monitoring the environmental and social components is vague. No national or local institutions monitored the implementation of the mitigation measures.\(^{33}\) The IRM Team, in its discussions with the stakeholders, noted that personnel in charge of the Project at the local (municipal) level had no knowledge of the existence of an ESMP. In fact, during the IRM mission, the PCU Director recognized that the environmental and social aspects of the project were neglected.

3) There were no regular quarterly monitoring reports submitted to the Bank and no actions were taken by Bank Management to address this issue during the nine-year life of this Project. Section 3.48 of the Environmental and Social Assessment Procedures for Public Sector Operations (2001) states that: “The Borrower reports to OPs (Operations Complexes) on the implementation of the Environmental and Social Management Plan

\(^{31}\) Letter from the Minister of MINEE to the Resident Country Manager, 13 September 2017.

\(^{32}\) For example, the Letter from the Director General of Central Africa Regional Development and Business Delivery Office (RDGCO) to the Director General of CAMWATER dated 25 August 2017

\(^{33}\) Discussion with Mr. Monti, Mayor of Sangmélima.
(ESMP) in the regular quarterly reports submitted to the Bank. Results achieved shall be clearly identified.” Section 3.49 states: “Whenever non-compliance to agreed requirements or unexpected impacts are noted, OPs shall request that the Borrower to review the ESMP (Categories 1 and 2) in collaboration with relevant stakeholders, as appropriate. OPs shall clear the proposed change.”

4) The environmental clauses developed in the ESMP for the civil works contractors were not included in the tender documents and there was no evidence that these were implemented. The proof is that the structures that the IRM mission and the Auditor General team visited are not functional.

5) The Project supervision for at least during the last three years (as the IRM could not have access to any previous records of the Aide Mémoires) showed that the environmental and social issues were not adequately addressed. The composition of the supervision mission was limited to the task manager only, whereas Section 3.50 of the Environmental and Social Assessment Procedures for Public Sector Operations (2001) states: “Inclusion of environmental and social expertise in the launching mission and supervision missions led by OPs is highly recommended for Category 1 and strongly recommended for Category 2 projects, especially for mid-term review. OPs shall ensure consultations with affected groups during the launching mission and supervision missions.” This did not happen for this Project.

The information provided by Management to the Board of Directors of the ADF did not reflect fully the reality on the ground. The Environmental and Social Assessment Procedures for Public Sector Operations (2001) states: “The project implementation phase involves that the Borrowers ensure the implementation of ESMPs and monitor project impacts and results. OPs shall supervise the Borrowers’ work and verify compliance through supervision missions and/or environmental and social audits, whenever necessary. Audits undertaken during the completion phase and post-evaluations also aim to assess environmental and social results.”

The IRM finds that the supervisions conducted did not adequately review and monitor the Project’s compliance with the AfDB’s environmental and social safeguards requirements as prescribed under the policy. There is thus non-compliance with the AfDB’s Environmental and Social Assessment Procedures for Public Sector Operations (2001).

5.1.4. Recommendations

The IRM recommends the following:

1) A full field compliance audit of all the structures and works undertaken under this Project should be conducted by the Bank. This is in compliance with the Section 3.51 of the Environmental and Social Assessment Procedures for Public Sector Operations (2001), which states that for selected Category 1, 2, and 4 projects, OPs may carry out a desk or full Compliance Audit. OPs may request the assistance of the Sustainable Development and Poverty Reduction Unit (SDPRU) to complete these audits. The IRM strongly believes...
that this Project merits a full compliance audit, as stated in Section 3.51 and described in Annex 9 of the same policy.

2) No additional financing for a follow-on project/second phase or a new project should be authorized by the Board before the Government of Cameroon carries out all the remedial measures resulting from this audit. The Bank Management should request that the government to implement mitigation measures to ensure that the environment is protected and the expected social benefits are realized.

3) The Bank should continue to require the Government of Cameroon to allocate from its budget the capital and maintenance costs of all the structures and equipment financed by this Project. The IRM observed that the objectives of the Project were not achieved at all, at least for the infrastructures built in the cities of Ebolowa and Sangmélima. The overarching goal of safeguards in this Project—that is, the supply of drinking water, accessible and appropriate sanitation service, adequate treatment of hospital wastes, and functioning solid waste management system—has not been met. Yet, the Project has been closed without completing the key infrastructures that were financed. The equipment for solid waste collection has not been put in service, no landfill exists, the water towers (reservoirs) are not operational, and the CTGs are not in service. The government should ensure that the equipment and installations are in service and operational.

4) The badly designed and low-cost brick incinerators, the CTGs, as well as the dry toilets in schools are not meeting their objectives of protecting the environment and should therefore be discontinued.


5.2.1. The Facts

The relevant section of the AfDB Involuntary Resettlement Policy (2003) states: “The Bank Group Involuntary Resettlement Policy has been developed to cover involuntary displacement and resettlement of people caused by a Bank financed project.”34 The policy furthermore states that the AfDB Involuntary Resettlement Policy (2003) applies “when a project results in relocation or loss of shelter by the persons residing in the project area, assets being lost or livelihoods being affected.”35 Paragraph 3.4.1 (b) and (c) state: “This policy covers economic and social impacts associated with Bank financed projects …. Which result in (b) loss of assets … (c) loss of income sources or means of livelihood as a result of the project.”

The PAR stated: “The Project will cause no displacement of the population. The network to be rehabilitated exists already and the extension will be to the new neighborhoods with allotted but

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35 Ibid.
un-serviced plots. The water harvesting sources are isolated and situated outside the towns, far from houses. No production plant or social infrastructure will be destroyed.”

However, in the two ESMPs for the water supply sub-component prepared by BTD Eduinter for the communes of Mamfé and Kumba (that are identical), there are numerous references to compensations, in accordance with national decrees, for loss of crops, loss of lands, and loss of housing which were not surveyed during the construction of the water facilities.

In the revised ESMP for the sanitation services component prepared by Louis Berger in 2013,37 the impact analysis in Section 7.1 stated that “for the infrastructure of the sanitation services, there is land expropriation during the construction phase.” Also, the mitigation measures of the socio-economic impacts in Section 7.6 anticipated that some of the population could be subject to expropriation, especially if these expropriated lands include crops that will be destroyed. This impact was rated strong in the communes of the West, on the coast, and in the extreme North where agricultural lands are scarce. The ESMP proposed, in page 52, measures for compensation concerning crop destruction, provision of other pieces of land, and—in the case of non-availability of land—financial compensation to be provided for the loss of land.

5.2.2. The Findings

During the IRM mission in Sangmélima, the contractor informed the IRM Team that the water tower was built on a private land belonging to a local church and that they had to make some form of arrangements to access the site. A sign posted at the site where the landfill was to be built indicated that the land belongs to a private owner (Figure 10 on page15). The IRM Team saw a piece of land covered with bushes and trees, with no indication of work carried out and no access road built. The Bank seems to have provided financing for a non-existent infrastructure. The task manager said that the land was initially cleared of bushes and tree to pave the way for landfilling, but because the site was not put to use it was covered by the vegetation. Furthermore, although the ESMPs indicated the possibility of compensations, there was no survey made subsequently and no description of any type of compensation.

From the observations made by the IRM mission and the numerous references made in the ESMPs of the two project subcomponents, there are strong indications that economic displacements have taken place with no knowledge from the Bank staff, which did not supervise this aspect. The IRM argues that the Bank should have been more diligent during supervision in verifying whether or not private land was used and compensations were paid for lost crops, as stated in the ESMPs. The IRM visit showed that, for the landfill in Sangmélima, the land was clearly disputed and the site of the water towers, which belonged to a church was provided under a form of arrangement that could not be clarified.

36 PAR, p. 10, para. 3.27.
37 Louis Berger, Implementation Studies.
5.2.3. Conclusion

The IRM determines that there is *prima facie* evidence that, unless all the infrastructures are surveyed by the Bank supervision team and the ESMPs are fully verified, the AfDB Involuntary Resettlement Policy (2003) was not complied with.

5.2.4. Recommendations

The IRM recommends that the Bank Management should:

1) Inquire about the number of persons that were economically or physically displaced from MINEE, and what type and level of compensations (if any) were paid to them;

2) Provide remedial measures to avoid recurrence of similar violations with the AfDB Involuntary Resettlement policy (2003).


5.3.1. The Facts

The Bank Group adopted a Policy on Poverty Reduction in 2004. This Policy affirmed the AfDB’s commitment to its overarching goal of poverty reduction and the integration of poverty perspectives throughout Bank activities and the development of appropriate operational mechanisms and institutional arrangements. The Policy on Poverty Reduction (2004) is applicable to all Bank Group projects, and especially to the PAEPA-MSU Project, whose goal is to reduce poverty among the Cameroonian population through the achievement of the water- and sanitation-based MDG. The objective of the Project is to improve the living environment of the communities through better access to drinking water and sanitation in the 19 Cameroonian communes.

The Bank Group’s Policy on Poverty Reduction (2004) lays out the relevance of poverty reduction for the different Bank activities. The policy states: “At the implementation stage, the Bank will take additional measures to enhance greater involvement of community-based organizations and NGOs. When monitoring and evaluating projects, emphasis will be placed on outcomes and impact assessments will be conducted with greater frequency. Furthermore, participatory techniques of project monitoring and impact evaluation will be used extensively.”

The draft PCR states (page 10) that the Project's effects and impact surveys have shown that the economic benefits derived from these achievements are the following:

1) Higher rate of access to drinking water in all 19 municipalities and to sanitation in schools and health centers.

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39 Ibid, para. 6.2.2.5.
2) Reduction of waterborne diseases as a result of improved access to services and behavioral change through IEC. Indeed, the prevalence rate of malaria should decrease from 10 to 5% (estimate at appraisal) or a 50% drop. It should be noted that it was not possible to evaluate rates through a survey. However, with reference to the level of achievement of water supply and sanitation works, it was estimated that the average effect realization would be 87.5%.

5.3.2. The Findings

Contrary to what is stated in the draft PCR, the ratings for the indicators should have been assessed as required in the Result-Based Logical Framework of the PAR. Instead, the percentages were estimated based on the work realized. Regardless, the IRM found that the infrastructure components were not operational. In the case of Ebolowa and Sangélima, where none of the infrastructure was operational, the IRM questions whether the communities saw any improvement in their living standards.

Furthermore, upon review of the project supervision Aide Mémoires of 2015 and 2016, as well the Aide Mémoire of the project completion mission of 2018, there was no reference whatsoever made about any result of the performance and impact indicators. All these Aide Mémoires focused primarily on the percentage of work accomplished, the percentage of corresponding disbursement, and the performance of the contractors, which were found most unsatisfactory.

The IRM is of the opinion that Bank staff should have conducted a social impact assessment in accordance with the provisions laid out in Para. 6.2.2.5 of the Policy on Poverty Reduction (2004). It requires that social impacts of the project be assessed on the poor and vulnerable groups, using participatory techniques; and design mitigation measures in case of negative effects and high risks. Such impact assessments have not been carried out. If the AfDB staff had conducted a social impact assessment, a solid database would have been available to make an assessment of wellbeing and vulnerability of the residents. In the absence of a social assessment, the IRM draws its conclusions in light of the information available. On this basis, there is no supporting evidence that the communities of Ebolowa and Sangméléima that were visited by the IRM Team, nor the communities of Kumba, Mamfé, and Bangangté that were visited by the Auditor General staff, were positively impacted by the Project. The question remains why the Bank Management did not insist that these baseline and impact indicators be measured and assessed.

5.3.3. Conclusion

The IRM concludes that Staff and Management did not apply the Bank Group’s Policy on Poverty Reduction (2004). There is thus non-compliance with this Policy.
5.3.4. Recommendations

The IRM recommends that the development of specific guidelines on this issue should be part of the ongoing review of the Integrated Safeguards System. Such guidelines should help staff apply the requirements of poverty reduction with clear poverty reduction indicators, their impacts, and supervision modalities.

6. GENERAL CONCLUSIONS

The IRM is of the view that this Project put more emphasis on the ‘bricks-and-mortar’ aspects of this project by focusing on the construction of infrastructure components with bricks and cement, rather than ensuring that these infrastructure components are well-designed, maintained, and made operational so as to positively affect the poor communities and their living standards. In addition, this Project poses a serious reputational risk for the Bank Group. The ESMPs were of poor quality and not implemented. The infrastructure components visited by the IRM Team were far from ‘state-of-the art’ as quoted in the project documents. The performance of the implementing agency and the contractors was poor. The IRM did not see any evidence that Bank staff took measures to reduce such risks by providing remedial measures during the nine-year lifetime of project implementation. This is despite the fact that there was a total of UA 10.27 million that was not used. This amount could have been used to mitigate all the negative aspects during project implementation. The IRM strongly believes that the overall ‘satisfactory’ rating given in the draft PCR is hardly justified and should be downgraded to at least ‘marginally unsatisfactory’, given the total disregard of the environmental and social performance, and the poverty aspects of this Project.

One of the purposes of the Spot-Check Advisory Review of Project Compliance is to draw lessons for the purpose of improving future operations financed by the AfDB. Therefore, the IRM recommends that the Bank Management should develop a case study on this Project for training task teams on the challenges and pitfalls of the design, implementation, as well as compliance with Bank safeguards standards in water and sanitation projects financed by the AfDB.