

Report No : AB2450

DJIBOUTI
Project Information Document (PID)

Country Name	Republic of Djibouti
Project Name	Flood Emergency Rehabilitation Project (Supplemental)
Region	Middle East and North Africa Region
Sector	Multi-sectoral
Project ID	P101454
Borrower	Republic of Djibouti
Implementing Agency	ADETIP
Date draft PID Prepared	June 22, 2006
Projected Appraisal Date	Not required for additional financing due to cost overruns
Projected Board Date	August 1, 2006

Country Overview and Sector Background

Small and poorly endowed country: Djibouti is a small country. Its population is estimated at 500,000, two thirds of which lives in the capital city, Djibouti. The country is poorly endowed in natural resources (limited arable land, rainfall and underground water.) It benefits, however, from its strategic location on the Red Sea's southern entrance for military and regional international shipping purposes. Djibouti's main revenues come from the activities of its port and related transport and logistics business as well as from the rental of military bases to France, since independence in 1977, and most recently to the US. Real GDP per capita was estimated at \$500 in 2004, and income distribution is highly skewed.

High and increasing poverty: Djibouti's social indicators are among the lowest in the world. Recent data show that poverty in Djibouti is both extremely high and increasing. In 2002, about three fourths of the population lived under the relative poverty line and 42 percent in extreme poverty, compared to 45 percent and 10 percent, respectively, in 1996. While the surveys show that the most dramatic poverty incidence is in rural areas (83% of the rural population live in extreme poverty), Djibouti City shelters the largest number of poor people and contributes by itself to 65% and 57% to relative and extreme poverty, respectively. Unemployment, which is estimated at 52%, contributes to about 65% of those living in extreme poverty. UPDATE

A fragile environment and high vulnerability to disasters: Djibouti's natural environment is prone to catastrophic events, ranging from recurring floods due to the proximity to the Ethiopian highlands and the lack of watershed management to periodic draughts that exacerbate the permanent water scarcity. Flooding in particular has a cyclical nature, with an average recurrence of ten years. As Djibouti Ville is built around the estuary delta of the Oued Ambouli and much of it on reclaimed land, it is particularly vulnerable to such recurring episodes. Deforestation in the north of the country is caused by overgrazing and accompanied by soil erosion. Given the porous nature of its borders with Somalia, Ethiopia and Eritrea, periodic influxes of refugees occur whenever one of the neighboring countries is hit by a natural catastrophe or as the consequences of war, putting additional pressure on the scant infrastructure, services and administrative capacities of the country. Disaster preparedness is very weak and has no budgetary allocation yet.

Circumstances of the Disaster

Torrential rains and high winds hit Djibouti between April 11 and 13, 2004. On the night of April 13, 2004, at about 2:00 AM, flash flooding washed away numerous houses located in and on the banks of the Ambouli River Oued, which separates Djibouti City in two parts. An estimated 100 persons died as a result of the floods and a large number of persons were missing. Overall, according to preliminary government estimates, the cost of the flood damages amounts to about DFr 1.76 billion (USD10.1 million, roughly 5% of total annual expenditures as budgeted in FY04). The Djebel and Ambouli quarters were the hardest hit areas, with most casualties occurring among the low-income population who lived in makeshift housing on squatter land on the Ambouli Oued banks in areas known as Ambouli Pompage and Phare d'Ambouli. In addition, many of the streets and houses in Ambouli, Djebel and the neighboring quarters were flooded with about 1-1.5 meters of water, after the flood broke through several parts of the Oued's eastern bank, breaking through a protection dyke erected after the 1994 floods.

According to WHO estimates, some 600-700 houses were entirely destroyed or severely damaged. The government estimates that some 1,500 households lost all their possessions in the flood and their houses sustained damage. Finally, an estimated 100,000 persons—20,000 households—living in the low-lying areas throughout the city were also affected, facing various degrees of losses depending on the height of the water level. Flood water in its course throughout the affected areas carried much debris and scattered solid waste, which rapidly clogged the open and covered stormwater drainage channels and culverts, thereby slowing the drainage process. Floods caused the overflowing of many parts of the drainage network (which is also used to dispose of used water) and also septic tanks in these districts, which created a health hazard.

The flood's impact was not restricted to Djibouti City; it also affected the country's major infrastructure. The railway line between Addis Ababa and Djibouti City, which carries at least 700 tons of imported food to Djibouti every week, was temporarily closed after flood waters swept away parts of the line. In addition, the road to Ethiopia (RN1) was temporarily cut off after the collapse of a bridge, which interrupted movement of the approximately 1,000 trucks that transport each day imports for Ethiopia from the Port of Djibouti.

Response of the Government and of the International Community

Government agencies, in partnership with the private sector, civil society organizations, donor agencies and the French and US troops stationed in Djibouti, focused their efforts on three objectives: immediate provision of food and non-food assistance to the displaced families, clean up of the damage in the flooded areas, and rehabilitation of critically affected infrastructure.

The Djiboutian armed and police forces undertook a search and rescue effort, relocating hundreds of displaced and distressed families from the flooded areas to Cheikh Osman Camp and later to the Balbala 2 primary school. Food and blankets were subsequently distributed to the displaced families sheltering in the school.

The armed forces also launched a clean up operation in the Oued and city streets to remove the corpses of cattle and organic waste to prevent the spread of disease. The armed forces joined by the US and French troops also undertook to pump flood water out of the city streets and the US troops assisted in the physical rehabilitation of the affected schools.

The Government consulted the World Bank and the European Commission, its two major donors, for help with reconstruction and rehabilitation of the infrastructure, as well as for addressing the fundamental causes of the floods, which have been a cyclical recurrence in the history of Djibouti.

The European Commission provided support in terms of technical assistance for a pre-feasibility study for the integrated watershed management of the Oued Ambouli. This study, initiated shortly after the floods and completed in March 2005, foresees three distinct but complementary interventions: a) the reconstruction of the Ambouli dike, as the main flood protection structure within the city of Djibouti; b) the construction of a multi-purpose dam about 5 km. upstream from the city in the site of Nagad and of a spill-over on the Oued Douda; c) the management of the upstream watershed with numerous small rural water retention dikes and the installation of an alert system. The EC has also committed to finance the Nagad dam and is currently pursuing its technical design.

The Flood Emergency Rehabilitation Project (FERP)

The World Bank fielded an urgent identification-appraisal mission in June 2004 which took stock of the damages and through consultations with the various public departments agreed on the key objectives for an emergency rehabilitation operation. This was rapidly prepared and approved by the Board of Directors on July 20, 2004. The Djibouti Flood Emergency Rehabilitation Project Financial Agreement was signed on October 2, 2004. The credit component is of US\$ 3.23m equivalent, and the grant component is of US\$ 3.23m equivalent, for a total of US\$ 6.46m equivalent. The project became effective January 25, 2005.

The development objective of the FERP is to carry out the rehabilitation and recovery of the economic and social assets damaged by the April 2004 floods. The FERP project also aims to improve living conditions in the resettlement zone to which government has relocated the families whose housing has been destroyed in the flood-prone area through delivery of basic infrastructure services. Finally, the FERP project plans to build the capacity for long-term disaster prevention and management, and support employment generation for the low-income population, especially from the affected areas through reliance, where feasible, on labor intensive works. The project comprises the following four components:

- (i) Rehabilitation of economic and social infrastructure, as follows:
 - a) Rehabilitation of flood protection structures: including 1) rebuilding the destroyed flood protection dyke protecting the Ambouli quarter; and 2) rehabilitating/widening the Oued river bed near Ambouli quarter that have been narrowed as a result of sedimentation and encroachments;
 - b) Rehabilitation of roads and drainage infrastructure: including 1) reconstruction and repairs to the segments of the inner-city roads that were destroyed or partially damaged as a result of the floods; 2) reconstruction and repairs to the segments of the regional/inter-city highways that were destroyed or partially damaged as a result of the floods; and 3) repairing and cleaning up the stormwater drainage channels that were damaged and/or clogged in the aftermath of the floods;
 - c) Rehabilitation of schools: including replacement of damaged furniture, equipment and teaching material damaged by the floods;

- d) Rehabilitation of health centers: including 1) repair of physical damages to buildings; and 2) replacement of damaged furniture and medical equipment; and
 - e) Rehabilitation of water supply infrastructure: including 1) purchase of spare parts and products needed to replace damaged critical components of the water production and distribution systems, and 2) purchase of spare parts and products needed to provide urgent O&M activities, such as the chlorination of water, the repair of leaks, etc.
- (ii) Delivery of basic infrastructure services to the resettlement zone in PK12: including: 1) providing basic access to potable water through the delivery of several appropriately located public standpipes; 2) is the construction of septic tanks for the houses of the resettled population to improve sanitary conditions.
 - (iii) Technical assistance and consultancy services for disaster prevention and management in the short and long-term: including a) consultancy services for construction supervision of rehabilitation activities, and b) training and capacity building of the “Disaster Management Unit,” a newly established yet poorly equipped department under the Ministry of Interior whose mandate encompasses the important tasks of preventive and curative disaster management efforts.
 - (iv) Project management and implementation assistance: ADETIP will be remunerated for project administration.

As of June 2006, the implementation of the FERP is progressing satisfactorily and the project is likely to achieve its stated development objectives. Many reconstruction activities have already been completed (schools, health care centers) and critical supplies and equipment for the water sector have been delivered. Road and drainage reconstruction work is on-going. The studies for the creation of a national disaster management department have been carried out. Efforts by the government to provide compensation and accommodation to the families victims of the April 2004 floods are on-going, and include the construction of pit latrines in the resettlement area, the supply of drinking water, as well as the construction of housing units and of community facilities nearby (under separate financing).

Socio-economic, resettlement, environmental and engineering studies have been carried out for the reconstruction of the Ambouli dike, the main infrastructure to be rehabilitated under the project, but the current financial allocation is insufficient for its reconstruction. The request for a supplemental credit to compensate for these costs over-runs, estimated at US\$ 2m has been submitted by the Government and approved in principle by Bank management, pending Board presentation and approval.

Project objective of the Supplemental Credit

The main objective of the proposed project is to enable the reconstruction of the Ambouli flood protection dike under the Flood Emergency Rehabilitation Project (FERP), which is currently unfeasible due to cost overruns. While the proposed Supplemental Credit would be exclusively devoted to financing the complete reconstruction of the Ambouli Dike, it indirectly supports the other FERP objectives as well.

Project description

The project would be implemented over an eighteen month period, and thus the closing date of the FERP would be extended by one year, to March 31, 2008. The project would provide supplemental financing to the first component of the on-going FERP project, for the rehabilitation of the flood protection structures. On the basis of the detailed engineering design carried out, works would consist of: a) the reconstruction of the Ambouli Dike so as to withhold a flood of 1,500 cubic meters per second, with an overall length of 2,500 meters; b) the clearing of the openings under the bridge downstream from the dike, which are partially clogged with debris and sediment; and c) ancillary work for the passage of vehicles and people across the dike.

Project financing

The total project cost, including contingencies, is estimated at US\$2.0 million equivalent. IDA credit financing covers 100% of total project cost. Costs are net of taxes.

Project implementation

The project would be implemented by the *Agence Djiboutienne d'Exécution des Travaux d'Intérêt Public* (ADETIP), which is currently implementing the Flood Emergency Rehabilitation Project. ADETIP is an autonomous agency which receives support from IDA and other donors, and which has demonstrated a strong capacity for project implementation and management of small local contracts. ADETIP is familiar with Bank procedures including sound environmental management practices and its staff received training in sound environmental management procedures. The organization's capacities to satisfactorily implement sound environmental measures have been demonstrated in past/ongoing IDA and other donor-funded projects and are reflected in its Operation Manual.

Project sustainability

The maintenance of the Ambouli Dike will be the responsibility of the Ministry of Public Works. A budget for its maintenance has been identified by the consulting engineers in charge of the design of the reconstruction works, which have also specified the routine maintenance tasks to be carried out on a yearly basis once the dike will be in operation.

Lessons learned from past operations in the country/sector

In designing its response to the emergency, the team drew on advice from other Bank teams that have responded to similar emergencies in various regions and developing similar projects. Importance was attached to learning from the experience of projects with similarities in the nature of the disaster, the level of poverty, and the size and nature of the economy. The team also took into consideration key lessons learnt from post-disaster recovery projects from the Bank's Disaster Management Facility and publications.¹

¹ "Learning from the World Bank's Experience of Natural Disaster Related Assistance", by Gilbert, Roy and Kreimer, Aleira: Urban Development Division, World Bank, May 1999

Social and Environmental aspects

As the Flood Emergency Rehabilitation Project is primarily geared towards the rehabilitation of existing social and economic infrastructure, its negative environmental and social impacts were considered by definition minimal. Given the emergency nature of the operation and the need of a rapid intervention, an Environmental Assessment as well as the determination of the applicability of OP 4.12 (Involuntary Resettlement), were not undertaken prior to Board presentation. In accordance with OP 4.01 section 13 on emergency recovery projects, a waiver to this effect was approved on July 2, 2004, by the Managing Director. An ISDS with the description of the potential environmental and social impacts, to be eventually identified and addressed during project implementation, was filed in July 2004 prior to Board presentation.

The first supervision mission, which took place in October 2004 prior to effectiveness, found that a significant number of households who had vacated the Oued Ambouli riverbanks right after the floods, and whose makeshift shelters had been destroyed, returned to the Ambouli Pompage site while waiting for compensation from the Government as promised, and for lack of a better alternative. It thus became apparent that the reconstruction of the Ambouli dike under the project would have entailed involuntary resettlement and thus triggered OP 4.12.

Since then and until June 2006, three studies have been carried out to address the social and environmental aspects of the project:

- a) Census and socio-economic study of the communities to be resettled. These tasks were contracted by ADETIP to DISED, the national statistical agency, which carries out social research and statistical work on demand. The Census and socio-economic study were carried out in the Ambouli Pompage neighborhood as well as in the PK12 neighborhood where the Government was planning to relocate the families that had been victim of the floods. The studies were carried out between May and October 2005, and the results were officially validated in November by the relevant departments and by the FERP Steering Committee. A total of 360 households were found to be either victims of the floods, or slated for resettlement on account of the impending reconstruction of the dike, or both. At the Bank's request, each head of household was individually assigned legal rights to occupy a parcel of land in the PK12 neighborhood.
- b) Resettlement Action Plan. On the basis of the detailed data concerning the 127 households to be relocated from the site of the dike, obtained from the census and socio-economic study, the FERP Steering Committee created a working group for the preparation of the Resettlement Action Plan, with technical support and guidance from the Bank team. The preparation of the RAP started in November 2005 and was completed in June 2006. Compensation measures include the allocation of serviced plots at no cost in the PK12 neighborhood, or alternatively the allocation of two-room housing units and access to services against moderate payment. The transport of personal belongings and of makeshift shelter materials to the site will also take place.
- c) Environmental Management Plan. The engineering firm BCEOM, responsible for the preparation of the watershed management pre-feasibility study financed by the European Commission, was retained for the preparation of the engineering studies for the reconstruction of the Ambouli Dike. These studies included the preparation of an Environmental Management Plan according to Bank guidelines provide by the Regional Safeguards Coordinator. The EMP was prepared in parallel to the engineering work, and was submitted at the completion of the detailed design phase in June 2006. It identifies minor negative environmental impacts of the dike, and recommends some mitigation measures which will be built into the scope of work for the reconstruction of the Ambouli Dike.

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Note: This is information on an evolving project. Certain components may not necessarily be included in the final project.

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