# PROJECT IMPLEMENTATION REPORT

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|---|---|
| Project ID: | 5787 |
| Project Name: | Bizerte Lake Environmental Project Lagoon and Marine de Pollution |
| Countr(ies): | Tunisia |
| Implementing Agency: | EBRD |

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# I. Overview

## A. Description

Project name
Bizerte Lake Environmental Project Lagoon and Marine de Pollution

Country
Tunisia

| GEF ID | Implementing Agency |
|---|---|
| 5787 | EBRD |

Executing Entity
Ministry of Environment

| Trust Fund | Project Type |
|---|---|
| GET | MSP |

| PIR Submission | Fiscal Year , PIR Number |
|---|---|
| 9/11/2026 | FY 2026 , 10th PIR |

Objective

To improve Lake Bizerte's wastewater management, thereby reducing land-based pollution in Lake Bizerte and to the adjacent Mediterranean Sea, through piloting inter-ministerial policy dialogue, supporting foundational capacity building in environmental management and providing access to infrastructure investment finance. Lake Bizerte has been identified as a pollution hotspot connected both to the Mediterranean Sea and to Lake Ichkeul, which is a wetland of international importance designated as a RAMSAR site and UNESCO-MAB reserve.

## B. Ratings and Disbursements

| Implementation Progress | Development Objective |
|---|---|
| Satisfactory | Satisfactory |

Overall risk
Moderate Risk

| Project Financing | Cumulative Disbursement |
|---|---|
| 2,190,000.00 | 2,000,000.00 |

## C. Key Dates

| | |
|---|---|
| CEO Endorsement/Approval<br>6/6/2014 | Agency Approval<br>6/6/2014 |
| Implementation Start<br>6/10/2014 | First Disbursement<br>11/22/2017 |
| Expected MTR<br>7/12/2022 | Actual MTR<br>6/1/2021 |
| Expected Completion<br>3/31/2027 | Actual Completion |

## II. PROGRESS STATUS AND ISSUES

### A. Progress: Information on progress and outcomes of project implementation activities

**2.1 Progress on Implementation Activities**

**Overall progress:** The project implementation has been slower than originally planned due to a difficult political and social context – in particular with component 1 and 2. However, we note good progress with the initial investments in the rehabilitation of the pipeline/network.

**Component 1:**

The implementation of the GEF-financed policy dialogue technical assistance is ongoing, with the consultant continuing to make progress despite several challenges. In particular, data collection remains complex, as the client does not centralise the required information, requiring the consultant to gather and compile data from multiple sources. This is further compounded by the limited responsiveness of the client, which affects the overall pace of implementation. Despite these challenges, the consultant has been able to make significant progress . In particular, they have presented the financial model, along with its financial and economic implications, to the technical working group, and have delivered training sessions to ONAS staff on the use and management of the model. The client and the consultant have been discussing a potential extension of this technical assistance for an additional 12 months, with an estimated budget of EUR 40,000.

The design of the Wastewater Treatment Plants (WWTP) has been completed and the last payment under this TC is pending processing.

The IFRS Transition Support technical assistance : during this reporting period, the consultant has delivered training sessions to the ONAS staff on Key IFRS standards to be implemented in their financial reporting, and has also prepared an action plan to serve as a roadmap for the implementation of IFRS standards at ONAS. With the completion of these activities, the consultant has successfully concluded the technical assistance assignment, with the last payment expected to be processed in the next reporting period.

The GEF SEMED MDF financed ESAP Implementation Support contract was signed with Royal Ingénierie de l'Environnment et Services Généraux in February 2023. The consultant has since delivered eleven quarterly reports four of which in this reporting periodalong with the annual reports of the years 2023,

2024 and 2025. The reports have been assessed and deemed satisfactory. EBRD ESD specialist confirmed that the ESAP implementation support should be extended, the client is currently coordinating with the consultant to obtain cost estimates for this potential extension.

**Component 2:**

The GEF Financed Environmental monitoring technical assistance implementation is ongoing the consultant has been continuing to monitor the lake and reporting to both the client and the Bank. To date, he has submitted seven quarterly reports, three of which during this reporting period, summarizing the results of the bathymetry work conducted in the lake, and an annual report covering the period of Mai 2024 to April 2025 They have also prepared an Emergency Alert and Intervention Guide, a strategic document designed to address a critical need: providing local and institutional stakeholders with an operational framework to anticipate, identify, and effectively manage episodic pollution events, such as accidental discharges, oil spills, and harmful algal blooms, whose impacts can be devastating for aquatic ecosystems and lake users. The deliverables were assessed and deemed satisfactory.

**Component 3:**

On the main construction works - In order to speed up the implementation of the construction works, ONAS has defined an emergency plan of c. € 2.8 million (with EUR 2m EBRD Loan disbursed), focused on the rehabilitation of 15km of the wastewater network/pipelines - which is currently fully implemented consisting in an emergency rehabilitation of a portion of the sanitation network. The works were finalised in H1 2023.

The rest of the project scope divides into EBRD financed WWTP rehabilitation and EIB financed networks rehabilitation and expansion.

<u>WWTP rehabilitation :</u>

The Bizerte WWTP is the only component financed by the EBRD loan together with the emergency works. The consultant finalised the design and tenders were issued in October 2023. Contract was awarded in December 2024, and Order of service was issued in January 2025, so far the progress on the rehabilitation work is estimated at around 50% and purchase of equipment around 40% with expect completion by end of 2026.

<u>Network expansion and rehabilitation:</u> For the same reasons listed above, and due to cost escalations during the delays, the Bizerte WWTP network component was transferred to EIB and is no longer part of the EBRD loan scope. The network expansion and rehabilitation are expected to conclude in June 2026.

While this component is no longer financed by the EBRD, the programme will still deliver its expected impacts, as these components are still within the scope of the whole programme and will be financed by EIB.

As a summary, the following is an overview of the TA assignments & work (both GEF and Co-financed):

| Component | Beneficiary | Short Description | Use of GEF Funds | Status |
|---|---|---|---|---|
| **Component 1 – Policy Dialogue and Capacity Building** | | | | |
| Policy Dialogue (EUR 500,000 / USD 565,000) | ONAS | Dialogue Process Towards Operational and Financial Sustainability of the Wastewater Sector. ONAS and the other Dialogue Partners will be the main beneficiaries of the assignment and the consultant will work directly with them in the dialogue process. | Yes | Partially Completed |
| Wastewater Treatment Plant Design (EUR 400,000 / USD 452,000) | ONAS | ONAS is the main beneficiary of the assignment, and the consultant will work directly with ONAS to Design the WWTPs. This component has two phases: 1. The Studies (now finished); and 2. The development of TORs for the physical implementation (still underway) | N/A (co-financed) | Completed |
| Diagnosis of the transition to IFRS and reinforcement of Capacity (EUR 100,000 / USD 113,000) | ONAS | ONAS is the main beneficiary of the assignment and the consultant will work directly with ONAS to assist ONAS in preparing for a potential transition to IFRS and to meet the reporting obligations imposed by its contract.<br>transition to IFRS, and to meet the reporting obligations imposed by its loan agreement loan agreement with the EBRD | N/A (co-financed) | Partially Completed |
| ESAP implementation support (EUR 100,000/ USD 113,000) | ONAS | ESAP Implementation support to the Client | N/A (co-financed by SEMED MDF) | Partially Completed |
| **Component 2 – Environment Monitoring** | | | | |
| Environmental Scoping (EUR 50,000) | ANPE | Initial scoping | Yes | Completed |
| Environmental Monitoring (EUR 850,000 / TND 2,074,641) | ANPE | The main assignment of the project consists in helping ANPE in elaborating and implementing a whole environmental monitoring for all project scope | Yes | Partially Completed |
| **Component 3 – Construction Works** | | | | |
| Emergency Rehabilitation works (EUR 2,800,000) | Multiple | Rehabilitate key works (expedited) | N/A (EBRD Loan) | Completed |
| Main Construction Work | Multiple | The Bizerte WWTP rehabilitation contract has been signed in December 2024, and works started in January 2025 with a progress of around 50% on the rehabilitation work and 40% on the purchase of equipment.<br>The Bizerte WWTP Network rehabilitation and expansion is well underway, with a significant progress of around 50% and is expected to conclude in Q4 of 2026. | EBRD / other co-financing | Underway |

| | | | | |
|---|---|---|---|---|
| | | According to the client, the Menzel Bourguiba WWTP rehabilitation has been awarded in June 2026 and is expected to take place over a period of 12 months under the EIB loan while Mateur WWTP has been descoped from the programme due to insufficient funds. | | |

**Key progress during the reporting period:**
The constructor has started works in January 2025for rehabilitation and upgrade of the WWTP in Bizerte . The Menzel Bourguiba WWTP rehabilitation has been awarded in June 2026 and is expected to take place over a period of 12 months under the EIB loan, while the Mateur WWTP is descoped, and is no longer part of this program. This will impact the target of population benefitting from improved access to wastewater originally set at 400,000, in fact at the time of setting this impact goal, the Mateur WWTP served a population of 50,000. I.e. the programme is set to achieve around 87.5% of the set target, however the population is continuously increasing, and could potentially reach a higher percentage of the set target.

**Key Areas of Work for next year:**

The table below summarizes key next steps with an estimated timeline.

| Description | Expected completion date |
|---|---|
| Implementation of technical assistance assignments | Q1 2027 |
| Finalisation of the Bizerte WWTP rehabilitation work | Q4 2026 |
| IW learn – establish key lessons | TBD with the GEF |
| Policy Dialogue / Inter-ministerial SC | The completion date is projected to be in Q1 2027, an estimated cost extension of EUR 40,000 to assist the client with implementing the outputs of the TC, for an additional 12 months of this TC is still under discussion between the client and the consultant and to be confirmed. |
| Implementation of the Environmental Monitoring technical assistance | As of now: Q4 2026 |
| ESAP Implementation | The current completion date is Q4 2026, a cost extension of this TC using the remaining funds under components 1 and 2 up until the projected completion date of construction(estimated as of now in Q4 of 2028) is needed. This will ensure covenant compliance under the loan agreement as confirmed with EBRD ESD expert. This extension remains under discussion with the client and to be confirmed. |

| 2.2 Outcomes of Implementation | | | |
|---|---|---|---|
| ***Current FY Development Objective (DO) Rating*** | Satisfactory | **Previous FY Development Objective (DO) Rating** | Moderately Satisfactory |

| | | | |
|---|---|---|---|
| ***Current FY Implementation Progress (IP) Rating*** | Satisfactory | ***Previous FY Implementation Progress (IP) Rating*** | Moderately Satisfactory |

***Explanation of DO (impact) Rating:***
Whilst the project has been delayed, and despite descoping the rehabilitation of the WWTP of Mateur, the overall expected impact and outcomes remain consistent with the original objectives. We rate the project as Satisfactory

The design of the project and outcomes remains overall in line with what was initially conceptualised, and preparation work have been finalised to ensure the project achieves the intended impact.

Due to the progress made over this reporting year, which has laid a solid foundation for achieving the project's outcomes and impacts, hence the rating had been Satisfactory.

***Explanation of IP Rating:***

As Bizerte WWTP rehabilitation contract has been signed in December 2024 and the contractor started working in January 2025, we now have a clearer understanding of the progress made on the works, as implementation is being closely monitored. To date, no significant delays have been recorded, and the project remains on track for completion within the revised timeline. However, it is important to recognize that unforeseen circumstances may arise as the project progresses, which could result in minor delays to the finalization of the works. Such risks have been considered in the project planning and implementation process, and appropriate mitigation measures are in place to minimize their potential impact on the overall schedule.
Additionally, IFRS and the design of the three WWTPs technical assistances have been concluded, and significant progress is being made on the remaining TAs. As a result, implementation progress is now rated as satisfactory.

**Table 1: Outcomes & Outputs - Kindly note that the table can be found in the PIR attachment as the platform freezes and doesn't support it being incorporated in this section as continuation**

## B. Challenges: Information on challenges of project implementation activities

| **2.3 Challenges in Implementation & Risks** | | | |
|---|---|---|---|
| ***Current FY Risk Rating*** | Moderate Risk | ***Previous FY Risk Rating*** | Moderate Risk |

***General Comment on Challenges:***

The risks originally identified remain valid, as the overall implementation delay has not altered the underlying project-related risks. However, the UGPO responsible for programme implementation and monitoring is now fully operational and is being supported by an international consultant to strengthen implementation capacity and facilitate the delivery of programme components. This additional support has been contributing to faster and more effective progress on project execution.
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**Table 3: Risk Table**

| Risks | Original Rating | Rating in current year | Actions taken to manage risks |
|---|---|---|---|
| Construction risk | Low | Low | EBRD and EIB are monitoring closely the ongoing rehabilitation work of the hired contractors to ensure that they can deliver the work as planned. In addition, ONAS has experience in implementing IFI-financed projects. |
| Operation and Maintenance Risk | Low/ Moderate | Low/Moderate | Tailored technical assistance is improving operational capacity. |
| Implementation and Procurement Risk | Low | Low | The project is implemented based on EIB's procurement rules for the works. |
| Creditworthiness | Low | Low | The project is guaranteed by the Republic of Tunisia. |
| Political risk | Low | High | The project has been designed with all stakeholders, including the local authorities and communities. However current political crisis in Tunisia can delay the implementation of the project. |
| Regulatory risk | Low/ Moderate | Moderate | Historically, the wastewater tariffs have been insufficient and below cost-recovery. No increase in tariffs took place from 2003-2010 despite ONAS's increase in operations. Following this long freeze, tariffs were increased by the Government in 2010, 2011, 2013, 2014 and 2015. Going forward, ONAS reached an agreement with the Government whereby tariffs will be increased by 7% until 2021. The risk of insufficient tariff increases is mitigated by the implementation of the Policy Dialogue between ONAS and key stakeholders. |
| Environmental risk | Low | Low | ONAS committed to implement a thorough Environmental and social action plan, which was designed with the support of EBRD experts. In addition, technical assistance is provided to ANPE for the implementation of the integrated project. |
| Technical risk | Low | Moderate / High | EBRD has mobilized technical assistance to finance feasibility studies, which ensures the project is technically well prepared. However, significant delays occurred in hiring the consultant to carry out the task. |
| Social risk related (especially women) | Low/ Moderate | Moderate | ONAS committed to implement a thorough Environmental and social action plan, which was designed with the support of EBRD experts and includes gender aspects. |
| Financing risk | Low/ Moderate | High | The GoT has secured financing from EIB, EBRD and NIF for this programme. Costs will be closely monitored by the different development institutions. Due to the delays incurred in physical implementation and costs increases, the available amount does not cover the original scope. Several modifications to the overall program scope are being made on the side of the EIB envelope in order to meet the budget for the sanitation component. |

| | | | |
|---|---|---|---|
| Political risk | Moderate | High | While the project has been discussed with all national and local stakeholders, the process of regional development in Tunisia is still subject to policy incoherence across sectors. As a mitigant, a Steering Committee was set to ensure mutual consistency between the project objectives and the evolving regional strategy. |
| Climate change risk | Low | Low | The Programme was subject to a Climate Proofing analysis by GIZ, which indicated its positive impacts in terms of adaptation for the region and also identified additional actions that could be considered to increase the resilience of the Programme to future climate variability and climate change. TA for these activities is now being considered under the Programme |

## C. Stakeholder Engagement

**Section 3: Information on Stakeholder Engagement**

The project is engaging proactively with relevant national entities and international partner organisations: Key progress in the reporting year continues to be focused on engaging extensively with ONAS and ANPE.

Overall, the following should be noted for stakeholder engagement.

- Programme for Bizerte, the EIB's umbrella project, is strongly supported by the Tunisian authorities and in particular by the Ministry of Environment.

- The project, which is promoted and commissioned by the Ministry of Local Affairs and Environment, takes an integrated approach involving various public companies and agencies. The UGPO (project PIU), is coordinating actions between stakeholders by enhancing the synergies among the different competent bodies and initiatives.

- As part of the quarterly meeting of the steering committee representatives from different stakeholders involved in the project present an update of the project advancement regarding their respective components and interact with the audience by providing further information on the project implementation and current issues. The involved stakeholders are the Ministry of Environment, the Ministry of Economy and Planning, the Ministry of Finance, EBRD, EIB, ONAS and ANPE in order to accelerate the global project's progress.

- EBRD, which is financing the sanitation component, has been working closely with ONAS and ANPE towards the implementation of the GEF financed technical assistances, whilst the European Investment Bank (EIB) is supporting the feasibility studies related to the sanitation network extension part of the sanitation component.

- Several senior high-level discussions took place between EBRD management and the Minister of Local Affairs and Environment and the Minister of International cooperation to address the issues delaying the project implementation.

- In addition, a group of EBRD board members visited the project site in 2017 and meet with the UGPO staff as well as ONAS counterparts to raise awareness about the need for concerted action.

- National stakeholder engagements take place on an annual basis with project proponents.

Please note that the EBRD's engagement as part of the wider programme should not be viewed in isolation, with activities also being undertaken with the EU Institutions. As part of the planned MTR, these stakeholders and their wider efforts should also be taken into account.

### D. Gender Equality

| Section 4: Information on Progress on gender-responsive measures as documented at CEO Endorsement/Approval in the gender action plan or equivalent |
|---|
| Although the project does not include a gender-specific component, consultations carried out among beneficiary population have involved a good balance between women and men. Also, the expected enhancement of the environmental standards from the project will positively impact sources of livelihoods for woman and men. The gender dimension is also reflected at the level of the UGPO where most of the team, including the president, are women. |

### E. Knowledge Management

| Section 5: Knowledge activities / products (when applicable), as outlined in knowledge management approved at CEO Endorsement / Approval |
|---|
| No public facing knowledge products have been produced to date as part of this portion of the overall project.<br><br>However, as highlighted in the stakeholder engagement section, as part of the quarterly meeting of the steering committee representatives from different stakeholders involved in the project present an update of the project advancement with regard to their respective components and interact with the audience by providing further information on the project implementation and current issues. This helps to disseminate knowledge across relevant stakeholders and ensure project findings and views are shared. |

## III: Minor Amendments

| CONTEXT | |
|---|---|
| Result Framework | |
| Components and Cost | |
| Institutional And Implementation Arrangements | |
| Financial Management | |
| Implementation Schedule | Extension Request for completion until 31 Dec 2027 |

| | |
|---|---|
| Executing Entity | |
| Executing Entity Category | |
| Minor Project Objective Change | |
| Safeguards | |
| Risk Analysis | |
| Increase of GEF Financing up to 5% | |
| Co-Financing | |
| Location of Project Activity | |
| others | |

## IV: Geographic Coordinates of Project Activities

| Location Name | Latitude | Longitude | GeoName ID |
|---|---|---|---|
| Tunisia, Lake Bizerte | 37.08333 | 9.58333 | |

Location Description:

Activity Description:

## V. ANNEX

Uploaded Document

| Document Category | Title |
|---|---|
| M and E Document | 5787_2026_EBRD_GEF PIR Bizerte Lake Final |