PROJECT IMPLEMENTATION REPORT

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
9/12/2025	FY 2025 , 9th 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
Moderately Unsatisfactory	Moderately Satisfactory

Overall risk
Moderate Risk

Project Financing	Cumulative Disbursement
2,190,000.00	418,480.00

C. Key Dates

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

II. PROGRESS STATUS AND ISSUES

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

Section 2: Information on progress, challenges and outcomes on project implementation activities

2.1 Progress on Implementation Activities

Overall progress: The project progress has been below expectations / forecasts 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 GEF financed policy dialogue contract was signed on 15/01/2023 instead of the initially expected end of 2022 signing date because of a delay in signing an amendment to the Grant Agreement, to allow payment in local currency with local consultants. The signing of any contract for a technical assistance covered by the Grant Agreement was delayed in order to process the signing of the amendment first. Since signing, the consultant has been actively working on his tasks and has already delivered the inception report, which outlines the workplan, agreed objectives for the dialogue process (both short and long term), and the agreed action plans. He has also submitted the diagnosis report on ONAS's financial position along with the financial model. In addition, he has conducted four working group sessions to present reform proposals to stakeholders and engage them in discussions.

The design of the Wastewater Treatment Plants (WWTP) has almost been completed pending final validation of the last deliverable before processing the last payment under this TC.

After consultation with the Risk department, assessing the client's need and capacity and lessons learned from Energy colleagues on a similar assignment with a Tunisian SOE (STEG), a new scope has been proposed for the IFRS Transition Support as it is not realistic with EUR 100,000 to get ONAS accounting system transferred to IFRS reporting systems. It can only be enough for a diagnostic study. The contract with EY was signed in March 2024. Since then, the consultant has delivered the first report, which identifies and analyses the gaps between the

Tunisian accounting standards applied by ONAS and IFRS standards, and the second report, which reviews ONAS's information systems to ensure the preparation of IFRS-compliant financial statements. He has also provided translated financial statements and financial indicators for 2022 and 2023, and is currently preparing an action plan to serve as a roadmap for the implementation of IFRS standards at ONAS.

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 7 quarterly reports that have been shared with ESD for review.

Component 2:

The GEF financed initial environmental scoping is completed. The outcome provided key baseline input for the main terms of the reference for the Environmental works.

The GEF Financed Environmental monitoring has gone through extensive review. The Consultant has been selected, and the contract negotiation is finalised, the contract was signed together with its relative Grant Agreement on March 2023 and February 2023 respectively. A change in the GA to allow for local currency payment and the change of the counterpart's CEO (designated signatory) has delayed the signing of the GA and subsequently the contract to Q1 2023 instead of the initially expected date of Q3 2022. A kick off workshop meeting took place in June 2023 to discuss the provisional initial report and present the main tasks of the monitoring mission as well as the technical characteristics of the acquisitions planned in the ToRs. Since then, the consultant has procured all the necessary equipment for monitoring the lake, including a vehicle, navigation and diving gear, as well as in-situ measurement instruments at the lake stations and at the three wastewater treatment plants and discharge points. However, to conduct campaigns for sampling water, sediments, and living organisms for analysis and monitoring, both the the client (National Agency for Environmental Protection) needed to obtain authorization from the Advisory Committee on Maritime Activities in Tunisia, which was only granted in June 2024. Since then, the consultant has continued monitoring the lake and reporting to both the client and the Bank. To date, he has submitted four quarterly reports summarizing the results of the bathymetry work conducted in the lake.

During this reporting period, a case of fish asphyxiation occurred in the lake due to an algal bloom triggered by chemical substances released into the water. This case was reported to EBRD Environment and Sustainability Department (ESD) and the consultant addressed this issue in his second quarterly report.

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 almost fully implemented consisting in an emergency rehabilitation of a portion of the sanitation network. The construction works had some administrative issues and were on hold from April and resumed in mid-July. The works were finalised in H1 2023.

The rest of the project scope divides into WWTP rehabilitation and networks rehabilitation and expansion, with EBRD financing the WWTP and EIB the networks rehabilitation and expansion component.

For the WWTP component:

The study for the 3 WWTPs rehabilitation (object of the EBRD loan scope) which include full-fledged designs and tender documents preparation has been finalised for the WWTP of Bizerte and Menzel Bourguiba and is pending last review for Mateur(component 1). Due to several delays, the remaining funds under the EBRD loan are no longer sufficient for the original scope i.e. the rehabilitation and extension of the three WWTPS (Bizerte, Mateur and Menzel Bourguiba) and as such an approach of prioritizing the Bizerte WWTP as the main component was selected, which will be 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, with expect completion by end of 2026.

For the network expansion and rehabilitation: For the same reasons listed above, and due to cost escalations during the delays, the whole network component was transferred to EIB and is no longer part of the EBRD loan scope. 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	Underway

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)	Partially Completed / Underway
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. transition to IFRS, and to meet the reporting obligations imposed by its loan agreement loan agreement with the EBRD	N/A (co-financed)	Underway
ESAP implementation support (EUR 100,000/ USD 113,000)	ONAS	ESAP Implementation support to the Client	N/A (co-financed by SEMED MDF)	Underway
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	Underway
Component 3 – Construction Works				
Emergency Rehabilitation	Multiple	Rehabilitate key works (expedited)	N/A (EBRD Loan)	Completed

works (EUR 2,800,000)				
Main Construction Work	Multiple	The Bizerte WWTP rehabilitation contract has been signed in December 2024, and works started in January 2025. The Menzel Bourguiba WWTP rehabilitation will be tendered by end of Q3 under the EIB loan while Mateur WWTP has been descoped from the programme due to insufficient funds. The Network rehabilitation and expansion is well underway, with more than 50% of the contracts being signed.	EBRD / other co-financing	Underway

Key progress during the reporting period:

The tender process for rehabilitation and upgrade of the WWTP in Bizerte has been finalized and the constructor has started works in January 2025. Due to cost increases and the known delays on the project, the available loan amount is not sufficient to cover the remaining two WWTPs rehabilitations (Menzel Bourguiba and Mateur). The WWTP of Menzel Bourguiba will be financed under the EIB loan, while the Mateur WWTP is postponed, 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 will only achieve 87.5% of the set target.

Key Areas of Work for next year:

At this stage, the main works (outside of the emergency plan work) have already started and are expected to be completed by end of the next year. The table below summarizes key next steps with an estimated timeline.

Description	Expected completion date
Implementation of technical assistance assignments	Q1 2027
Selection of a Consultant for the IFRS diagnostic	Completed
Finalisation of the WWTP tender documents	Completed (Pending last review for Mateur's WWTP)

Emergency Plan (initial prioritised construction works)	Completed
Bizerte WWTP contract award and signing	Completed
IW learn – establish key lessons	TBD with the GEF
Policy Dialogue / Inter-ministerial SC	Consultant is on-board and continue to progress

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

Explanation of DO (impact) Rating:

Whilst the project has been delayed, and despite postponing the rehabilitation of the WWTP of Mateur, the overall expected impact and outcomes remain consistent with the original objectives. We rate the project as Moderately 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 delay, the realisation of the outcomes and impact have been pushed back, hence the rating had been Moderately Satisfactory.

Explanation of IP Rating:

The primary cause of delays in the project's physical implementation was the lack of a completed study at the time of signing, coupled with the post-signing recruitment of a consultant to prepare the RfP documents for the main works. The recruitment of this consultant was itself delayed, and significant further delays occurred in the consultant's work. Since the physical implementation of the entire project depends on the consultant's deliverables, delays in these directly impact the project's timeline, with the consultant delivering the final tender documents for the Bizerte WWTP three years after the contract was signed. Despite this, the tendering and evaluation process for the Bizerte WWTP proceeded relatively smoothly, the contract has been signed in December 2024 and contractor started working in January 2025. Additionally, progress is being made on TCs not directly related to physical implementation. As a result, implementation progress is now rated as moderately satisfactory.

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 as originally identified remain accurate; this is in part due to the overall delay which has not changed the fundamental micro-related risks. However, the UGPO in charge of the programme implementation and monitoring is now effective and is being assisted by an international consultant to help them implementing the programme components. This is expected to be a catalyst to speed up progress.			

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. 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	7.1 Changes to Project Timeline: The procurement for public market and operations have been delayed because of: • COVID-19 sanitary crisis • State Control agencies are not working in an efficient way and slowing down the TA procurement. • Snowball effect: Delays in procurement and tender launches, combined with high inflation during the postponement

	period, caused the project scope to exceed the available funds. This triggered multiple rounds of rescoping and reprioritization among the EBRD, EIB, the EU, and the recipients, which in turn generated substantial additional delays. EIB, ONAS and EBRD have upgraded the project procurement plan accordingly and have extended the project timeline till 2029. Therefore, to accommodate the updated project implementation timeline, and taking into account the end dates for the GEF-funded TA assignments, the GEF project end date is proposed to be extended until March 2027. That being said, please note that related physical works of the whole programme are expected to be completed by mid-2029 while the EBRD component completion is expected by end of 2026.
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	The rehabilitation of the WWTP of Mateur (part of Component 3) has been postponed and is no longer part of the programme.

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_2025_EBRD_GEF PIR TUN final