

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: PIDA939

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Project Name	Improved Desert Ecosystems and Climate Resilient Oases Project (P128082)
Region	MIDDLE EAST AND NORTH AFRICA
Country	Algeria
Sector(s)	Irrigation and drainage (70%), General water, sanitation and flood protection sector (30%)
Theme(s)	Land administration and management (60%), Environmental policies and institutions (20%), Water resource management (20%)
Lending Instrument	Specific Investment Loan
Project ID	P128082
GEF Focal Area	Land degradation
Borrower(s)	Ministère de l'Aménagement du Territoire et de l'Environnement (MATE)
Implementing Agency	Ministere de l'Agriculture et du Developpement Rural (MADR)
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	11-Jun-2013
Date PID Approved/Disclosed	12-Jun-2013
Estimated Date of Appraisal Completion	00000000
Estimated Date of Board Approval	20-May-2014
Decision	

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I. Project Context

Country Context

1. Algeria is the second largest economy in MENA, with a GDP per capita of US\$4,400 and a population of 35 million. Algeria is the largest country in Africa in terms of land area. Its considerable endowment with oil and gas and the size of its gross domestic product (GDP) (US \$161 billion in 2010) place it as a middle-income economy, second after Egypt. Its GDP per capita is one of the highest among non-GCC countries. The hydrocarbon sector is the main driver of economic development, accounting for 32 percent of GDP in 2009. The country is home to a large population, which is growing at 1.5 percent per year. Algeria is on its way to meet the Millennium Development Goals (MDG) targets and already made good progress in terms of poverty reduction, universal education, and gender equality. In this context, Algeria faces challenges of generating employment and income, and diversifying its economy through non-hydrocarbon exports.

2. Sahara desert covers most of the country's land and includes unique and diverse

ecosystems. Sahara desert covers 87 percent of the country's land and sustains 9 percent of its population. The areas of Sahara – known collectively as “the South” – are affected by hot sub-tropical climate, with rainfalls less than 100 mm. This immense desert offers a variety of landscapes of mountains and sand dunes, with life concentrated around river valleys and moist depressions. It is a unique sanctuary for fauna (e.g. desert antelopes, cheetah, sand cat) and flora containing many endemic species, highly adapted to the arid climate.

3. Despite its uniqueness, Sahara desert faces high poverty and social marginalization. Sahara desert is substantially less developed than the country's coastal areas, primarily due to limited water supply. Moreover, the desert's large size and its different endowments led to an uneven development across the South. Four wilayate (El Oued Biskra, Ouargla, Ghardaia) concentrate 75 percent of the South's population and 80 percent of the wealth. Others, such as Tassili, Hoggar, Tuat, Gourava, suffer from isolation and marginalization. While poverty incidence is high in rural areas (11 percent of the population in 2008), it is highest in South Sahara. Although unemployment steadily decreased from 29 to 10 percent during 2000-2009, it remains quite high among women and the youth. Youth unemployment, which is above 20 percent across the country, is even higher in Saharan rural regions. This encourages youth migration to northern cities, in pursuit for better job opportunities.

4. Environmental degradation imposes a social cost of 3.6 percent of GDP at national level and is a key challenge particularly in Sahara desert. Environmental degradation affects the country's development potential, especially in the desert where ecosystems are most fragile. Moreover, water and agriculture are among the most vulnerable areas to climate change in Algeria. Climate change and variability are likely to accelerate ecosystem degradation, through changes in palm structure, dieback of the most vulnerable species, loss of soil fertility, etc.

5. The oases system is under threat of disappearing because of youth migration. Central to life in Sahara desert is the oases system: unique ecosystems that provide for the vital needs of the inhabiting communities. They include productive systems (including ksours, foggaras, palm groves, agro-forestry, livestock production, etc.) and social organizations developed over centuries that allow human habitation of this area. In the past, oases played an important role through the old continental trade routes (‘route des caravans’) that allowed its development and exchanges with riparian countries. However, many oases are steadily degrading or disappearing. This is primarily because of the: (i) excessive water use and pumping, leading to depletion of the water table, saline intrusion and drying of the foggaras; (ii) inadequate agricultural practices, leading to land degradation; (iii) abandonment of ksours, and (iv) loss of traditional know-how due to youth migration to cities. As a result, young people abandon the desert areas, in favor of better opportunities in northern cities. This is the biggest challenge that Sahara desert communities are facing in Algeria.

6. There is strong need for an integrated approach to desert management, focusing on oases. Since the late 1990s, there has been growing awareness of the need for a more integrated desert ecosystem management. The policy of territorial planning initiated by the Government of Algeria (GoA) in 2001 provides an appropriate framework for the implementation of a strategy of integrated desert management. A new approach that supports biodiversity conservation as well as improved livelihoods of Saharan communities is required. But most importantly, participation of all stakeholders from the outset is crucial to promote sustainability and to ensure the long-term

integration of social, economic and environmental considerations. The implementation of this new approach is the main focus of the proposed project.

Sectoral and institutional Context

7. The GoA adopted a series of policies aiming at developing the potential of desert ecosystem services in Sahara. The GoA recognized the need to urgently address economic stagnation in the South. The National Territorial Planning Scheme (Schéma National d'Aménagement du Territoire, SNAT) is the country's national strategy for land planning for the period 2010-2030. It focuses on integrated desert management through three Territorial Programs of Action: (1) Option Développement du Sud; (2) Ecosystèmes; and (3) Ouverture à l'international.

8. The Policy of Agricultural and Rural Renewal (Politique de Renouveau Agricole et Rural), implemented through the Five Year Agricultural Plan, promotes an integrated desert management. The policy was launched in 2009. In the Saharan context, 'rural renewal' uses an innovative approach to rural development, through projects to rejuvenate palm oases, rehabilitate foggaras and ksours, and support women in handicraft making. 'Agricultural renewal' promotes improving food self-sufficiency by modernizing traditional oases, intensifying horticultural production in greenhouses and improving agro-forestry practices in the oases. The Five Year Agricultural Plan (FYAP) adopted by the Algerian Government (2010-2014, automatically renewable) provides US\$1 billion per year to implement the Policy of Agricultural and Rural Renewal and addresses basic needs, such as creating jobs for desert communities. The FYAP will serve as the major national policy and financial framework for the proposed project. It will thus help to sustain and scale up the good practice generated through the implementation of the integrated desert management approach.

9. Several National Action Plans promote sustainable development of deserts by combating desertification and protecting biodiversity. The National Environmental Action Plan for Sustainable Development (Plan National d'Action pour l'Environnement et le Développement Durable, PNAE-DD), adopted with the World Bank's assistance in 2002, forms the basis for policy making in the environment and sustainable development. It also sets the framework for specific policies that are actively promoted in desert areas. The National Action Plan to Fight against Desertification (Plan d'Action National de Lutte contre la Desertification, PAN-LCD), adopted in 2004, aims at preserving biodiversity of drylands, fighting against desertification and protecting the oasis ecosystems. The National Biodiversity Action Plan adopted in 2005 aims at protecting biodiversity, including endemic species found in the desert.

10. As a country highly vulnerable to climate change, Algeria took steps in promoting adaptation and mitigation initiatives. The GoA adopted in 2003 a National Plan of Action and Adaptation to Climate Change (Plan National d'Action et d'Adaptation aux Changements Climatiques, PNA-ACC). It promotes projects in several areas relevant to deserts, such as renewable (wind and solar) energy, adaptation of agriculture to climate change, as well as reforestation and expansion of green belts to fight against desertification. In addition, the country submitted in 2010 its Second National Communication on Climate Change to the United Nations Framework Convention on Climate Change (UNFCCC), which includes an inventory of greenhouse gas emissions at national level for the year 2000.

11. Despite the available strategies towards sustainable development of desert, their implementation had little impact in the South. Presently, existing sectoral strategies are implemented in a top-down fashion, with ineffective local participation. Thus, the investments had limited impacts in the South.

In addition, visions for environmental and social sustainability can vary from a sector to another. The situation is similar in the private sector, where little formal development planning is currently directed at leveraging and supporting national and local-level entrepreneurs in the South. Existing government and community systems necessary to support a program of integrated desert management are in place, but there is a strong need for capacity building, particularly in support of spatial planning at the local level and on specific management methodologies.

12. The ALG-DELP will improve coordination among different stakeholders, by using an approach focused on local level. Implementation of the current GoA strategies is not sufficient to address the environmental, social and development issues in the South over the long run. Through its pilot investments, the ALG-DELP will demonstrate real examples of benefits of implementing an approach focused on local level. For each pilot area, the ALG-DELP will use local stakeholders input to decide which available option – as identified in the FYAP – is appropriate.

II. Proposed Development Objectives

To increase adoption of climate resilient approaches for desert ecosystem management and improve access to alternative livelihoods in selected pilot oases.

III. Project Description

Component Name

Component 1. Strengthening capacity for integrated management of desert ecosystems (IMDE) (GEF and SCCF: US\$1.3 million, including US\$0.7 million for knowledge exchange)

Comments (optional)

Component Name

Component 2. Piloting the IMDE approach through investments (GEF and SCCF: US\$5.7 million).

Comments (optional)

Component Name

Component 3. Project management (GEF and SCCF: US\$400,000).

Comments (optional)

IV. Financing (in USD Million)

Total Project Cost:	31.40	Total Bank Financing:	0.00
Total Cofinancing:		Financing Gap:	0.00
For Loans/Credits/Others			Amount
BORROWER/RECIPIENT			24.00
Global Environment Facility (GEF)			7.40
Total			31.40

V. Implementation

The MATEV will be the Government agency responsible for the general coordination and implementation of the project. The project will be implemented through the following

implementation mechanism: (i) a Project Coordination Unit (PCU) established within MATEV; and (ii) a Project Management Unit (PMU) set up within MADR. Both PCU and PMU will have local project management teams, located in each project site. The project will use facilitators (local based personnel of MADR, outreaching technicians) to work directly with local populations and associations for the project implementation at local level. The project will also benefit from the following advisory bodies: (i) a Steering Committee (SC), established at national level, to provide strategic guidance; (ii) a Local Committees (LC) established at each project site, to provide advice at regional and local levels. The paragraphs below summarize the responsibilities of each entity.

Implementation mechanism

Project Coordination Unit (PCU), established within the MATEV, will have the overall responsibility for project coordination and implementation including: reporting, M&E, procurement, financial management (FM), audit and disbursements and compliance with environmental and social safeguards. The PCU will also be responsible for project implementation in Tinerkouk as well as for overseeing the PMU's implementation of project activities in Tamentit, In Guezzam and Taghit. Under the direct responsibility of the PCU, a local project management team based in Tinerkouk will be in charge with the actual implementation of project activities in this site.

Project Management Unit (PMU) will be set up within the MADR under the overall coordination of the PCU. The major raison d'être of the PMU is to facilitate the local focus of the implementation and timely disbursement in Tamentit, Taghit and In Guezzam under the MADR, within the context of FYAP. The PMU will report to the PCU on all aspects related to M&E, procurement and FM concerning the three sites. Under the direct responsibility of the PMU, three local project management teams based in Tamentit, Taghit and In Guezzam will effectively implement the project in these sites.

Steering and Advisory bodies

Steering Committee, which has been established by a ministerial order (March 12, 2013) for the ALG-DELP under the leadership of the MATEV, will provide strategic guidance to the project implementation, approve annual work plans and associated budgets, ensure coordination at the national level, and advise on corrective measures where needed. The Steering Committee consists of representatives of the ministries concerned by the project, i.e. MATEV, MARD, MRE, MOF, Ministry of Interior, Ministry of Foreign Affairs, Ministry of Culture, Ministry of Energy and Mines and Ministry of Tourism and Handicrafts, relevant scientific and education institutions, and local leaders of civil society.

Four Local Committees (LCs) will be established under the leadership of the walis. Within the overall guidance of the national Steering Committee and in coherence with its orientations, the LCs will be responsible for i) monitoring the progress of project implementation in related pilot sites; ii) facilitating coordination for project implementation and removing barriers; iii) providing advice and guidance on project implementation at the regional and local levels; and iv) promoting participation of beneficiaries particularly women and youth, and private initiatives. Representatives of all relevant sectors (agriculture, environment, water, forestry, tourism, energy, culture, relevant scientific and education institutions, etc) and civil societies in the wilaya will be members of the LC.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	x	
Natural Habitats OP/BP 4.04	x	
Forests OP/BP 4.36		x
Pest Management OP 4.09		x
Physical Cultural Resources OP/BP 4.11	x	
Indigenous Peoples OP/BP 4.10		x
Involuntary Resettlement OP/BP 4.12		x
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50	x	
Projects in Disputed Areas OP/BP 7.60		x

Comments (optional)**VII. Contact point****World Bank**

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