

PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE

Report No.: PIDC609

Project Name	TN-Oases Ecosystems and Livelihoods Project (P132157)
Region	MIDDLE EAST AND NORTH AFRICA
Country	Tunisia
Sector(s)	General agriculture, fishing and forestry sector (40%), General water, sanitation and flood protection sector (40%), Other Renewable Energy (20%)
Lending Instrument	Technical Assistance Loan
Project ID	P132157
Borrower(s)	Government of Tunisia
Implementing Agency	General Directorate for the Environment and Quality of Life
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	08-Feb-2013
Estimated Date of Appraisal Completion	13-Mar-2014
Estimated Date of Board Approval	15-Dec-2014
Concept Review Decision	Track II - The review did authorize the preparation to continue
Other Decision (as needed)	

I. Introduction and Context

Country Context

Tunisia was one of the fastest growing economies in the MENA region and had invested substantially in key social sectors before the recent global financing crisis and political revolution unfolded. The country has made progress in poverty reduction, but challenges remain especially in terms of rural poverty, particularly in arid areas. With growth stable at 3 percent, the fiscal deficit down to 1.3 percent and official reserves equivalent to 5 months of imports at the end 2010, the Government began 2011 with the fiscal space to absorb some of the economic shock caused by the January revolution, the spillover from Libya conflict and the sharp downturn in tourism and Foreign Direct Investments (FDI). The economic situation in 2012 remained difficult, with GDP growth only moderately positive. The primary sector represented 8.5% of GDP in 2011, growing by 9.5%, compared to -8.7% in 2010. Favorable weather conditions facilitated a 12% increase in (mostly rainfed) cereal production. Tunisia exported 107,000 tons of olive oil bringing in 430 million Tunisian dinars (TND), or 225 million Euros (EUR). Manufacturing, which represents 18.1% of GDP in 2011, rose in real terms by 3.2%. The sector is characterized by the preponderance of mechanical and electrical industry (30% of manufacturing output) and of textiles, clothing and leather (18%). Non-manufacturing industries fell

back by 5.7% in 2011 compared to an expansion of 4.7% in 2010. This fall is due to a reduction of 40% of value added in mining, which was badly hit by strikes, and to a decline of 6% in oil and gas production. The services sector accounts for 42% GDP and its share could rise to 50% within a few years if restructuring policies for production are put in place. Nevertheless, it contracted by -1.6%, following setbacks in the tourist sector, where income fell by 33% to TND 2.36 billion. On the other hand, the information technology and telecommunications sector, one of the most dynamic (5% of GDP), grew by 12.5% in 2011, thanks to infrastructural consolidation .

Tunisia has made good progress in fighting poverty with the poverty rate decreasing from 32.4% in 2000, to 23.3% in 2005 and 15.5% in 2010 . However strong regional disparities, long hidden, were a contributory cause to the revolution. The social demands came from remote areas where poverty and unemployment rates are high. Figures for extreme poverty are also fairly high in these areas. The interim authorities in 2011 initiated a broad program of emblematic reforms to strengthen governance and social accountability, including more inclusive and participatory approach which is fundamental for shared and sustainable growth and poverty reduction.

The country is among the most advanced countries in Africa in terms of gender equality. The country has been able to provide real protection for women's rights, and give equal access to education and health care. However, women's presence in the workplace is limited (26.7%), putting Tunisia in 132nd place out of 142 in the World Economic Forum rankings.

Tunisia's unemployment rate is relatively high at 18.9 percent in 2011 (or approximately 740,000 people). While the national unemployment rate was 18.9 percent in 2011, it reached 27 percent among women and 35 percent among 15-29 year olds. These figures, clearly on the rise, are swelled by the return of most Tunisian workers from Libya and the loss of jobs following the 2011 recession. Oasis regions in some governorates have similar unemployment levels as the national average (e.g., Gabes and Kébili), while others have significantly higher rates (Tozeur and Gafsa). Date production it is a key source of income for small-scale producers, it is assuring about 70.000 permanent jobs, 100.000 seasonal jobs, without counting jobs provided in the processing, trading and other paths of the value chain.

Sectoral and Institutional Context

Oases cover 40,803 ha of Tunisia's land area and are home to 10% of total Tunisian population. According to their geographic location, three types of oases can be found in Tunisia: littoral oases (17.3% of total oasis area), mountain oasis (5.8% of total oases area), and Saharan oases (76.8% of total oasis area), each type includes "traditional" and "modern" oases. The traditional oases (about 47% of total oases area), on which this project will focus, are characterized by old plantations, 3 layers vegetated surface (soil-vegetation-fruit-trees and palm-trees), high tree density (400 trees/ha), very fragmented and small average size of individual plantation, as well as low yields. They are mainly irrigated from water tables whose levels are under considerable decrease. During last decades, oasis area was extended by the creation of new private irrigated perimeters dedicated mainly to the date palm cultivation. These new irrigated perimeters, called 'modern oases' represent actually about 50% of total oases area, are characterized by a much lower tree density (100 to 125 trees/ha), higher yields, and higher average size of individual plots, as well as by only one vegetation layer dominated by mono-varietal and monoculture of Deglet Nour date palm. In general, modern oases are illegal and uncontrolled extension which compete and impact negatively traditional oases. They are usually found downstream of traditional oases, their water consumption is very high and they are mainly irrigated from deep aquifer and fossil water.

Tunisian traditional oases play an important social and economic role. They are home to about 950 000 people and represent the main source of employment and income, mainly in southern Tunisia. They are the most productive environment by providing high value agricultural products market, including dates, which ranks third in food products nationwide. Located in four Governorates (Tozeur, Kebili, Gabes and Gafsa), they are about 210 oases, representing 9% of the total irrigated lands, 0.8%

of the country agricultural lands, 30% of the irrigated tree area, 25% of irrigated fodder crops and 10% of irrigated vegetable crops. They are spread over 54 152 plots, an average area per plot of 0.75 ha. Oasis areas increased from 16 720 ha in 1974 to 41 710 ha in 2010, and are expected to triple in coming years due to substantial water resource development programs of the Tunisian government and private oasis promoters.

Date production is a key source of income in Tunisia's oasis region (with no industry and little tourism). The positioning of the oasis zones in the national economy is largely determined by the production of dates. The date palm production accounts not only for the bulk of the agriculture production, but also for most of the manufacturing (storage and packaging dates) and a good portion of the merchant services (trade, transport, etc.). The number of palms has rapidly increased since the 1980s (as a consequence of state subsidies and financial contribution of emigrants from abroad). However, between the 1977-1991 and the 1992-2006 periods, the culture of dates has become particularly vulnerable (being subject to significant losses of agricultural and natural biodiversity, land degradation, lack of water, and to devastating effects of date palm fungal diseases), and the annual growth rates of date producer prices decreased from 14.5% to -0.7%. This is the main cause of a significant and continuing deterioration of the positioning of oasis zones. The development of the oasis tourism, supposedly to support the sustainability of oasis zones does not seem to be able to achieve this goal. Occupancy rates are low and the average length of stay is limited to 1.5 days. This tourism remains primarily transit tourism with low impact of the economy of oases. Oasis area receives about 10% of the migrants transfers estimated at US\$ 2 billion at national level in 2010.

Unsustainable extraction of the deep aquifers of Saharan oases is of great concern. These aquifers represent 46% of total underground water resources of the country –mainly from two fossil groundwater systems, the 'Complexes Terminal' (CT) and the 'Continental Intercalaire' (CI). Increasing pressures on groundwater resources has become a major concern in most oasis regions, and the increased groundwater extraction (Mainly for modern oases) is threatening the sustainability of the traditional oases ecosystems. In the governorate of Kebili, the two main fossil aquifer systems are currently operated at 205% and 228% of their capacity. In the governorate of Tozeur, irrigation is largely based on the pumping of non-renewable fossil aquifers, with a decrease in the quantity and quality of water resources. Overall, 88% of aquifers have a salinity level greater than 3 g / l and in some governorates such as Medenine, salinity exceeds 5 g / l average in most water resources (68%), thus decreasing the soil and water quality.

Tunisian traditional oases are home to locally adapted cultivars and land races of crops. They constitute a natural heritage of plants: annuals, biennials or perennials for multiple uses: forage, condiment, medicinal and aromatic. Similarly, the terrestrial fauna of the oasis is rich and has biological and ecological roles in other biological components of the oasis ecosystem (complementarity and symbiosis) and in the production of manure on site, in addition to its economic function. The date palm is the keystone species of the oases agro-ecosystem providing soil stabilization, humidity, shade and shelter from high wind, effectively contributing to the prevention of desertification within oases, and the preservation of locally adapted landraces and cultivars growing there, including a diversity of local varieties of olive trees (*Olea europea*), almond trees (*Prunus amygdalis*), fig trees (*Ficus carica*), apricot trees (*Prunus americana*), pomegranate trees (*Prunica granatum*), grape vines (*Vitis vinifera*), alfalfa (*Medicago* spp), beans (*Dolichos* spp), okra (*Abdelmoschus esculentus*), millet (*Pennisetum typhoides*), sorghum (*Sorghum bicolor*), soft wheat (*Triticum aestivum*), barley (*Hordeum vulgare*), henna (*Lawsonia inermis*) and false saffron (*Carthamus tinctorius*). The National Bank of Genoa, founded in 2007, has a total of 25 781 accessions of which 1 945 come from oasis zones encompassing mainly cereals and forage crops. Nearly all local varieties of bread wheat (*T. aestivum*) have been lost and only a small proportion of the regions' durum wheat (*T. durum*) is still based on local varieties. Alfalfa is one of the principal cultivated forage crops in traditional oases, the local cultivars of this very ancient crop (introduced to North African oases before 100 AD) are threatened by desertification. In a century, the percentage of Deglet

Nour increased from 3% to almost 70%, this trend towards monoculture of Deglet Nour is a threat to biodiversity (progressive loss of other varieties) and a risk to sustainability (dependence on this crop is a problem if the Deglet Nour is affected by disease). Loss of this genetic diversity would have both local and global impact in three main areas:

- loss of unique crop and livestock diversity and their associated diversity, pollinators and below ground organisms, adapted to the extreme climate of the traditional oasis system,
- breakdown in ecosystem services, including nutrient cycling, decomposition and soil respiration, water and soil retention, together with reduced biomass for CO₂ sequestration and regulation of gases, and
- collapse of a resilient productive food base for local and global communities.

Major programs implemented in recent decades focused on water mobilization, while land and water degradation, including threat to biodiversity increased. Most of these projects were undertaken within the framework of the APIOS program with the objective to renovate and rehabilitate the traditional oasis and create new modern ones. Significant water resources (mainly from not renewable sources) were mobilized improving the distribution network efficiency (25 to 30%), and consultation mechanisms for water distribution were established through the GDAs, this helped to promote the Tunisian dates widely. Nevertheless, considerable water amounts are still lost within the parcels due to low water application efficiency in the parcels, inappropriate soil and water management combined to a low farmers' commitment to modernize surface irrigation method. Overexploitation and unsustainable land and water management practices have led to severe degradation of natural resources. Moreover, intense autumn rains increase desertification, soil erosion, while the absence of vegetation limits water runoff. It is predicted that, with climate change, rainfall may drop by about 10% by 2030, increasing risks of droughts and floods. The cultivation of dates has become particularly vulnerable, due to significant losses of agricultural and natural biodiversity, land degradation and poor water management.

An emergency plan of US\$ 1.5 billion to tackle unemployment and promote regional development has been established. Recently, the transitional Government announced a plan which is expected to be accompanied by structural reforms that encourage social inclusion and a more dynamic private sector capable of playing a role in job creation. Plans are currently being considered to diversify the tourism industry in all the regions, beyond the prevailing single model of 'mass seaside tourism', by defining a more appropriate institutional and legal framework. The Five Year Development Plan (2010-2014), which aims, among others, at creating employment by radically transforming the Tunisian economy and its added value, proposes a comprehensive development approach for sustainable growth and harmonious balance between economic, social and environmental priorities. Furthermore, the 'National Action Plan to combat Desertification' (PAN/LCD) is currently being revised to align with the UNCCD ten-year strategy for 2008-2018. Also, discussions have been held in Tunisia to establish « the foundations of a new development model based on a green economy», to reduce existing pressures on the environment and ensure environmental sustainability through improved ecological efficiency and economic growth.

There is a significant potential associated with the traditional production systems but also underlying threats. These oases have significant potential for: i) more intensive development which could include a longer and more diverse value chain leading to job creation; ii) support important biodiversity (e.g. date varieties, drought-resistant plants, wildlife); iii) support culturally important links to natural resources developed over centuries of survival in a harsh environment (e.g. ksours, artisanal products and handicrafts); and iv) develop tourism based on an exceptional natural beauty in the South. Despite this potential, Tunisia oases are threatened by the expansion of farmland surface, the high density of groundwater abstract, high degree of land parceling, modification of traditional management practices (traditional farming systems with low water input, water multipurpose for multilayer vegetation system), sand silting, industrialization incompatible with the oases environment, uncontrolled

urbanization, lack of appropriate governance, lack of innovative economic activities, and the associated social and economic problems causing environmental degradation, rural abandonment and the loss of traditional knowledge. Today, people's livelihood and their farming systems are under heavy pressure from a number of interlinked biophysical and socio-economic factors affecting the fragile sustainability of the oasis socio-ecosystems.

Relationship to CAS

The proposed project is fully consistent with the Bank's support to Tunisia as it is outlined in the Interim Strategy Note (ISN, FY13-14) aimed at reinforcing governance and inclusion and fostering economic growth based on the creation of sustainable jobs in the medium-term. The three priority areas for the ISN are: (i) Laying the foundations for renewed sustainable growth and job creation, (ii) Promoting social and economic inclusion, and (iii) strengthening governance: Voice, Transparency and Accountability.

More specifically, the project will contribute to meeting the strategic objectives of the Bank's regional MENA project 'Desert ecosystems and livelihoods knowledge sharing and coordination Project (MENA-DELP)', whose development objective is to promote knowledge and experience sharing on opportunities for enhancing desert ecosystems and livelihoods.

In general, the project is based on key strategies defined by the Bank and GEF in the MENA region. It will mainly contribute to:

- GEF-5 Objectives: BD-2: "Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes and Sectors"; LD-1 "Agriculture and Rangeland Systems".
- Policies and strategies of the MENARID Program (GEF 'Integrated Natural Resources Management in the Middle East and North Africa Region Program'), whose objective is to promote the integrated management of natural resources and to increase the economic and social well-being of targeted communities through the restoration and maintenance of ecosystems.
- The overall Bank's strategy in MENA region, particularly in terms of: (i) Rapid investment response to support the required poverty interventions; (ii) Help with employment generation and special areas programs; (iii) Advisory support; (iv) Strengthening of institutional capacities; and (v) Provision of entrepreneurship and other training programs.
- The Bank's environment agenda, which intersects with the much larger job creation agenda ('green' jobs and new jobs for ecotourism and 'cultural tourism').
- The objectives of the forthcoming World Development Report 2013, which explains and analyzes the connection between jobs and important dimensions of economic and social development (particularly stressing the discontent of young graduates of Arab countries, who cannot find jobs worthy of their expectations).
- The key elements of a new Bank's report on 'Inclusive Green Growth' (prepared for the 2012 Rio Conference), stressing the importance of an environment-friendly economic growth'

II. Proposed Global Environmental Objective(s) (Display Only - Pulled from PCN)

Proposed Global Environmental Objective(s) (From PCN)

The Project Development Objective/Global Environmental Objective is to improve sustainable natural resources management and promote livelihoods diversification in targeted traditional oases in Tunisia. While previous initiatives have focused on the sustainability of water management (APIOS 2), the proposed project will support broader NRM and sustainable economic diversification by establishing an integrated and bottom-up development process through a range of institutional measures and investments. By targeting traditional and fragile oasis ecosystems, specific outcomes will include: (a) conserving and promoting biodiversity and reducing the severity of land degradation through piloting participatory approach for sustainable oases management at the local level; (b) increasing the efficiency of water management for agriculture; (c) improving the livelihoods of local people,

especially women and youth, by diversifying economic activities; and (d) establishing, with the government, an effective strategy for sustainable development of the country oases.

Key Results (From PCN)

The project main expected outcomes and related indicators are presented in the table below which underline the linkage with the outcomes of the MENA-DELP program:

PROJECT EXPECTED KEY OUTCOMES

- Mainstream Biodiversity Conservation: Measures to conserve and sustainably use biodiversity and improve land and water management
- Land degradation: Increased investments in SLM
- Improved and diversified livelihoods of populations living in traditional oases

PROJECT KEY INDICATORS

- Biodiversity conservation mainstreamed in national strategy on oasis management.
- Number of oasis participatory plans that incorporate biodiversity conservation and improved land and water management objectives
- Number of SLM sub projects implemented
- Area (hectares) of oasis under SLWM
- Number of households of traditional oases having directly benefited from income generating activities (supported by the project)

This project will contribute to achieve the MENA-Desert Ecosystems and Livelihoods Program (MENA-DELP), whose objective is to contribute to the enhancement of livelihoods in desert ecosystems by harnessing their value in an environmentally and socially sustainable manner so that the flow of desert goods and services can be optimized. The program consists of five projects: the four participating country projects and the regional project. Proposed projects in Algeria, Egypt, Jordan and Morocco would focus on investments to optimize the provision of desert goods and services for enhanced livelihoods. The regional umbrella project, designed for a budget of \$1 million (at the recommendation of GEFSEC), will aim to enhance knowledge and experience sharing on opportunities for enhancing desert livelihoods among the participating pilot countries. The proposed project will benefit from MENA DLP regional project activities.

Furthermore, the proposed project will also establish strong partnership and capitalize upon the experience acquired and the institutional arrangements of other on-going Bank-funded projects, including: (i) the 'Desert Ecotourism and Biodiversity Project' (whose objective is to contribute to desert biodiversity conservation in three targeted national parks), (ii) 'The Second Natural Resource Management Project' (whose objective is the improvement of the livelihoods of rural communities in three governorates), and (iii) the 'APIOS2 (whose objective is the preservation of water resources in the oases of the three governorates of Gabes, Kebili et Tozeur), (iv) the national program of planting and reforestation in Tozeur and Kebeli ' (whose objective is to fight desertification and protect oases).

The project total cost is US\$ 5,760,730 million. It is a specific Investment Loan financed through a GEF Grant (of which US\$ 4,611,872 million for the 'land degradation' window, and US\$ 1,148,858 million for the 'biodiversity' window) to be implemented over a 4 years period. The total amount of co-financing is US\$ 57.5 million from the following sources: (i) a cash contribution from the Government estimated at of US\$ 0.320 million, (ii) a parallel financing through the APIOS2 project (\$US 52 million), (iii) a parallel financing from the National program of planting and reforestation in Tozeur and Kebeli (\$US 4.5 million); and (iv) an in kind Government contribution estimated at \$US 0.68 million.

III. Preliminary Description

Concept Description

Today, Tunisian oases are suffering from a common set of problems resulting in increasing impoverishment of farmers and of large sections of the communities and increasing damage to the traditional oasis ecosystem. While some of these are common to other rural societies some are specific to the oasis system in the ways that they interact in the impact that they have. Poor marketing opportunities, limited credit, inheritance practices that continually subdivided land holdings and resulted in poor land management, and inappropriate tourist development have increased the over use of natural resources, especially water. This coupled with the breakdown of land management practices has helped to increase salinization, loss of soil fertility, and encroachment of sand. Access to crop and livestock resources to cope with these conditions and the increased pest and disease problems associated with loss of biodiversity are affecting the survival of the oasis farmers. Limited opportunities within the oasis for capacity development, the existence of a number of inappropriate policies and legislative instruments, the low involvement of local population and women in decision process, and the continuing loss of traditional knowledge combined with the absence of a clear strategic vision providing a common framework for traditional oases conservation and sustainable management, constitute the key environmental, economic and social problems faced by traditional oasis.

The proposed project seeks to support the development of a coherent and comprehensive national strategy for sustainable management of traditional oasis ecosystems, which would be conducive to a set of initiatives aimed at supporting and improving the specific ecosystem services that these systems provides, the conservation and enhancement use of the genetic diversity and improving livelihoods of people living in traditional oases. These initiatives will be implemented through a participatory approach aiming at establishing new niches for growth and employment. Local stakeholders will be effectively included in planning and implementation processes to support livelihood improvement. The aim will be to develop and pilot new dynamic participatory approach that enhances the resilience of the traditional oasis ecosystem.

The proposed project builds on existing experiences gained from other projects operating in similar ecosystems (in MENA region, in general, and in Tunisia, in particular). It would mainly complement, on one hand, the activities of the Water-Saving Agriculture Project in Southern Oasis Area (APIOS2) whose objective is to secure stable irrigation water, by developing tertiary irrigation and drainage channels in the oases in South Tunisia; and in another hand, the activities of the National program of planting and reforestation in Tozeur and Kebeli, which aims to protect these governorates oases and infrastructure by mechanical and biological control activities against sand and land degradation.

The project will concentrate on selected oasis sites which will be chosen during the project preparatory phase according to set of criteria such as bio-physical risks, food insecurity, poverty, environmental degradation, and vulnerability to severe weather conditions and the willingness and adherence of local population to promote Sustainable Land and Water Management Practices (SLWM) and innovative economic activities.

The project will consider the specific roles and needs of men and women at all stages of project design and execution, setting forth clear objectives concerning the integration and participation of women, and young people, in local development dynamics, especially with reference to access to extension, advisory and support services, training, sources of financing, and participation in rural organizations and local cooperation agencies. An overall strategy for integrating women and young people will be adopted to allow them to participate in projects on an equal footing and where necessary - to overcome constraints that are specific to them.

The proposed project would consist of the following three components:

- Component 1: Strengthening capacities for sustainable management of oasis ecosystems
- Component 2: Making investments to support SLWM practices and promote livelihoods diversification
- Component 3: Project coordination and management

Component 1: Strengthening capacities for sustainable management of oasis ecosystems (US\$ 500,000)

This component will support institutional strengthening, improving enabling environments to scale up sustainable land and water management in oasis ecosystems, elaborate national strategy for sustainable management of oasis ecosystems, and build national and local level capacities to implement, harmonize and coordinate investments and policies sustaining oasis natural capital and livelihoods of local communities. The expected set of activities to be financed under this component are as follow:

Sub-component 1.1: Development of a national strategy for sustainable management of oasis ecosystems including Participative Development Plans (PDP) of selected oasis: the strategy and the PDPs will be elaborated based on several analytical works focusing on: (i) acquired knowledge on oasis development; (ii) Social analysis of oasis; (iii) Ecological and natural capital evaluation of oasis ecosystems; (iv) Institutional and Governance analysis including land tenure and water access; (v) Economic situation and potential of oasis production systems in term of diversification, promotion of innovative activities and jobs creation. Based on the results and findings of the above analytical studies, an integrated national strategy for sustainable management of oasis ecosystems will be elaborated by spelling out the conditions concerning its implementation. In parallel, for each selected oasis, a Participative Development Plan (PDPs) will be developed. A Communication plan for the dissemination and the implementation of these tools will be developed. Several workshops will be organized at national, regional and local levels to present main results of research and studies undertaken and adopt the national strategy for sustainable management of oasis ecosystems as well as the PDPs of the selected oasis.

Sub-component 1.2: Strengthening the capacities of all stakeholders to ensure the sustainable management of oasis ecosystems: (i) Strengthen the capacities of the national institutions (DGEQV, DGF, CRDAs) involved in the management/coordination of the project and the implementation of its various components; (ii) Strengthen the capacities of local governments (Governorates and Delegations) in mainstreaming SLWM and alternative livelihoods into their respective development plans and investment budgets, (iii) Building the capacities and skills of local stakeholders (local communities, including douar organizations, professional groups, producer groups and civil society organizations, particularly women's groups and youth associations) in developing and implementing the PDPs including diversified livelihoods activities (handicraft, manufacturing of jams (dates and oasis fruits); packaging for dates (with traceability of production); implementation of innovative nursery techniques; shredding system for palm waste, etc.); (v) Organization of general sensitization, social mobilization and information activities for oasis populations (including members of joint interest groups, farmers' groups, civil society associations and national NGO).

Sub-component 1.3: Monitoring and evaluation. This sub-component will concern the establishment and implementation of a coherent system to monitor and evaluate the implementation of project activities. Monitoring progress should draw on groups of indicators which describe and track changes in: (i) productivity in the use of environmental assets and natural resources; (ii) the natural asset base; (iii) the environmental dimensions of quality of life; (iv) policy responses and economic opportunities. The system will be designed and managed in close collaboration with other projects currently operating in the areas of biodiversity conservation and ecosystem management in the same geographic areas.

Component 2: Making investments to implement the PDPs (US\$ 5 million)

The eligible investments will concern particularly community-led initiatives (or sub-projects) that will have the potential to address social, economic and environmental challenges and open up new sources of growth through the following activities: (i) rehabilitate degraded oasis areas; (ii) Support Agriculture conservation practices and sustainable use and management of natural resource, (iii) Biodiversity conservation practices including the creation of tree garden biodiversity and in situ regeneration of endangered species and local seed production; (iii) Make investment in innovative and adaptive practices and technologies for sustainable soil fertility and water management; (iv) encourage initiatives aimed at supporting alternative livelihoods; (v) Build facilities and community infrastructures in targeted areas to favor alternative livelihoods, etc.

In the field of Livelihoods diversification, the project is likely to promote a number of activities, in particular the following: (i) Support community-based initiatives and services aimed at protecting natural resources and biodiversity; (ii) Development of activities supporting high quality handicraft; (iii) Identification and funding of biodiversity-friendly business development opportunities at community level; (iv) Development of activities aimed at creating new economic opportunities (e.g., Creation of Compost station from palm date waste and the development of ecological agriculture and , ecotourism, cuniculture, ensilage, etc.).

In the field of Sustainable land and water management, the project will support the dissemination and adoption, among others, of the following activities: (i) Soil conservation techniques; (ii) Crop management practices; (iii) Arboriculture sustainable practices; (iv) Water harvesting initiatives; (v) Improved animal husbandry and livestock management activities; (vi) Community and local private sector based natural regeneration and rural renewable energy services (to contribute in the reduction of land degradation in the targeted areas); Etc.

Component 3: Project coordination and management (\$US 0.260 million)

This component will support the establishment and management of a fully-functioning Project Management Unit (PMU) within the DGEQV of the ME. It will cover the cost equipment for the PMU and consulting services.

2. Key issues and results

Project related risks have been included in ORAF. The main risk remains the political situation in the country. While the interim Government continues to demonstrate a commitment to the reform program, the situation remains fragile as the population is increasingly impatient for the revolution to show concrete results in terms of jobs and economic opportunity. The main mitigation measure is the Bank support to strengthen governance and economic opportunities in lagging regions, including through CDD-type operations; piloting innovative employment projects; and supporting SMEs and private sector activities.

Another risk could be the reluctance of targeted communities to participate in planned oases activities. During the project preparation phase, the project sites will be identified based on set of criteria including the willingness of local population to implement the project. Also the project will include strong community outreach and communication activities (including awareness raising, sensitization and capacity building activities adapted to oasis context), including on land tenure issues and user groups' rights to natural resources. Eventually, lack of resources could also jeopardize adequate use of lessons learned and scaling up.

The risk related to the implementing agency is low, as the DGEQV has proven experience through the implementation of other GEF and Bank project such as the 'Ecotourism and Desert Biodiversity Conservation Project'. Moreover, the DGEQV staffs are fully familiar with Bank safeguard policies

and have overseen the environmental and social issues related to these projects.

B. Implementing agency assessment

The project executing agency is the General Directorate of the Environment and Quality of Life (DGEQV) of the Ministry of Environment (ME), which has the general mandate to prepare environmental assessments, propose key orientations of national policy on the protection of the environment, including natural resources and the improvement of the quality of life, and the formulation of action plans for the conservation of natural resources. To date, the majority of projects related to Oasis development were implemented by sectoral ministries (Agriculture, Water) focusing mainly on agriculture development and water distribution overlooking environmental issues. The coordination of this project by the DGEQV will help mainstream environmental issues into oasis development and ensure environmental considerations are integrated in sustainable development of oases ecosystems.

The DGEQV will establish a Project Coordination Unit (PCU), made up of the following experts which will be assigned by key national institutions: a procurement and Financial management specialists (from Ministry of Environment), Environmentalist (from Ministry of environment), agronomist (from Ministry of Agriculture), and a community institutions/development expert (from the Ministry of Planning and regional development). The PCU will manage fiduciary and procurement and will be responsible, among others, of the following tasks: (i) consolidate annual work plan; (ii) elaborate TORs and seek necessary clearance including from the World Bank; (iii) procurement and ensure control of compliance of the contracts; (iv) ensure compliance with the standards of fiduciary management (including receive, monitor, process and archive accounting packages), (v) consolidate information related to monitoring of performance and assess the effects of actions taken, (vi) organization of the work of national and international consultants, (vii) organization of joint supervision missions, etc.. The PCU will also supervise the preparation of an Implementation Manual and Manual of Procedures.

With regard to the participative development approach to be elaborated, and based on lessons learned from PGRN2 and PNO4, during the project preparation, the project team: (i) will develop a simple and concise template for Participative Development Plans (PDPs), (ii) will elaborate the PDPs (for the first 18 months) of the project selected sites prior to negotiations to ensure that the sub-projects will start-up on the ground upon effectiveness; these PDPs should focus on gender participation and benefit first to youths and women. In addition the steering committee and the governing body at local level will be in place before negotiations in order to ensure an efficient implementation of the PDPs; and the Ministry of Environment will appoint before the appraisal a Procurement and Financial management staff dedicated to this project.

IV. Safeguard Policies that Might Apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
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	

V. Tentative financing

Financing Source	Amount
BORROWER/RECIPIENT	0.00
Global Environment Facility (GEF)	5.76
Total	5.76

VI. Contact point

World Bank

Contact: Taoufiq Bennouna
Title: Sr Natural Resources Mgmt. Spec.
Tel: 458-4485
Email: tbennouna@worldbank.org

Borrower/Client/Recipient

Name: Government of Tunisia
Contact: Mohamed Lotfi Frad
Title: Director of Multilateral Financial Cooperation, MPC
Tel:
Email: ml.frad@mdci.gov.tn

Implementing Agencies

Name: General Directorate for the Environment and Quality of Life
Contact: Salah Hassini
Title: General Director for the Environment and Quality of Life
Tel: 216-70728-679
Email:

VII. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: <http://www.worldbank.org/infoshop>