

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

Report No.: PIDA106864

Project Name	Integrated Landscapes Management in Lagging Regions Project (P151030)
Region	MIDDLE EAST AND NORTH AFRICA
Country	Tunisia
Lending Instrument	Investment Project Financing
Project ID	P151030
Borrower(s)	Republic of Tunisia
Implementing Agency	Ministry of Agriculture, Water Resources, and Fishing
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	15-Feb-2017
Date PID Approved/Disclosed	17-Jan-2017, 17-Feb-2017
Estimated Date of Appraisal Completion	
Estimated Date of Board Approval	14-Mar-2017
Appraisal Review Decision (from Decision Note)	The chair authorized the team to conduct the appraisal mission, to be upgraded to appraisal upon disclosure of safeguards instruments by the client and in the World Bank external site and to negotiate the proposed operation after the appraisal mission.

I. Project Context

Country Context

Economy.

Tunisia is a middle-income country of 10.9 million people with an average gross domestic product (GDP) per capita of US\$4,400 (2014). Prior to the revolution, economic growth averaged 5 percent, placing Tunisia among the fastest growing countries in the MENA region. In recent years, however, social and political turmoil led to an economic slowdown (GDP growth estimated at 1.8 percent in 2016). Tunisia also made significant progress in the fight against poverty, with the poverty incidence halving between 2000 and 2014, from over 32 percent to 15.5 percent, and extreme poverty also halving during the same period.

Democratic transition.

In about two years, Tunisia has completed a successful democratic transition, by concluding its political crisis (end of 2013), adopting and promulgating a new Constitution (January 27, 2014), holding parliamentary elections (October 26th, 2014), electing a new president (December 21st, 2014), nominating a prime minister (January 5th, 2015), and approving a new unity government (February 6th, 2015). After this one-and-a-half-year process, the parliament passed an unprecedented vote of no confidence in the Prime Minister, disbanding his government. On August

3, 2016, a new prime minister was appointed by the president and a new government established. Overall, the democratic transition is far from complete and the government faces a complex set of challenges in responding to the demands of the Revolution, especially regarding jobs for the youth.

Lagging Regions.

Economic development in Tunisia has been characterized by significant regional imbalances, with coastal regions developing fastest and interior regions lagging behind. In 2010, poverty rates ranged from a low rate of 8-9 percent in the Center East region and Grand Tunis to a high of 26 and 32 percent in the North-West (NW) and Center-West (CW) regions, respectively. These two regions are home to about 47 percent of the poor (NW 19 percent and CW 28 percent). They have the lowest regional development indicators - education, employment, health - and the highest unemployment rates for university graduates. Agriculture (crops, forestry, and livestock) dominates the economic life in NW and CW regions which also account for 50 and 82 percent of Tunisia's agricultural land and forests, respectively (Table 2). Agriculture provides the bulk of employment and income opportunities in these two regions. However, income levels remain low and much of the economic activities in the region and the sector are informal in nature and are not adequately reflected in national statistics. Well-paying jobs and other income opportunities are limited, poverty levels high, overall economic prospects are threatened by unsustainable agriculture and natural resource management practices, and by climate change. Three broad constraints hamper the sustainable development of Tunisia's lagging regions in general, and the NW and CW regions in particular:

- Fragmented and centralized administrative approaches to local development that lack effectiveness and efficiency.
- Limited infrastructure and public services (e.g., transport, education, health, water supply and sanitation); availability of common services such as logistics, business intelligence services, Research and Development, and financial services.
- National agricultural and forestry policies that do not foster the sustainable development of agriculture.

The proposed project focuses on the Tunisia North-West and Center-West agricultural ecosystems because of their importance in the economic development of lagging regions and as such is well aligned with the World Bank Group's Country Partnership Framework (CPF) for the period FY2106-2020 consisting of three pillars revolving around (i) restoring an environment conducive to sustainable economic growth & private sector led job creation; (ii) reducing regional disparities, (iii) promoting increasing social inclusion.

Sectoral and institutional Context

Agricultural landscapes.

The North-West and Center-West regions are composed of mixed production systems combining crop agriculture, agro-forestry, forests, tree plantations, and rangelands interlinked by grazing cattle, sheep and goats (Annex 1). Small, mostly rainfed farms of less than 10 hectares (ha) dominate the agriculture landscape across the North-West and Center-West regions, except in the governorates of Kef and Siliana, where larger farms (above 10 ha) are more prevalent (Table 3 and Chart 1).

Households in the North-West and Center-West Regions are highly dependent on natural resources. Subsistence farming, non-farm employment, forests and rangelands contribute significantly to the welfare of rural Tunisians in general, and those of NW and CW regions in particular. Women

represent 58 percent of the rural labor force and up to 80 percent in NW and CW regions. Women have always actively participated in agriculture, working in livestock husbandry, tree cultivation, vegetable crops, handicraft, and processing and storage of agricultural products for household use and the market. While they play a key role in agricultural and rural development, women remain quite vulnerable: about 80 percent work informally, many of them are head of families and have very limited to no access to credit. These constraints further limit their access to economic opportunities.

Forests and rangelands generate an estimated economic value of US\$ 500 million per year at the national level, equivalent to around 14 percent of agricultural GDP. While forests and rangelands are significant to the livelihoods of rural households living in and around forests and rangelands, the bulk of the economic value generated by forests and rangelands does not accrue to them. About 55 percent of that economic value corresponds to national level environmental benefits, such as reduction of reservoir sedimentation, water retention and regulation, and protection against desertification. In a water-stressed country like Tunisia, these services are particularly important for other sectors such as irrigated agriculture, drinking water, and maintaining the ground water table. Another 12 percent are global benefits, such as carbon sequestration and biodiversity. The market value of fodder and non-wood forest products which accrue to the local communities account for only 33 percent of the overall economic value in forests and rangelands. In spite of the relatively important intangible benefits to the local population, forests and rangelands still provide about 38 percent of incomes of households living in and around forests and rangelands, and generate about 5 to 7 million working days per year, equivalent to 35,000 permanent jobs. Livestock and crop agriculture provide the bulk of the remaining share of incomes of rural households living in these two regions.

Key Agricultural policies show biases against lagging regions. Food security and securing livelihoods of farmers are the primary agricultural policy objectives of the government. These policy objectives are supported by a complex system of subsidies focusing mainly on commodity price support and production assistance which represent a significant budgetary burden for the Ministry of Agriculture. These policies, however, tend to repress growth by stimulating the production of commodities (e.g., cereals, beef and milk) for which Tunisia enjoys limited comparative advantage, and which are mainly grown in coastal northern regions, away from labor-intensive, higher value products in which interior regions are more competitive.

Some agricultural policies also discourage sustainable management of landscapes. When combined with farmers' practices to secure land use rights, agricultural policies also play a significant role in the degradation of lagging regions' landscapes by encouraging excessive cultivation of marginal lands, prone to soil erosion, and desertification, directly adding to the pressure from livestock on forests. The allocation of rangelands to the private sector, combined with state aid encourage land clearing with potentially large costs of environmental degradation; today, in the absence of an integrated landscape management approach, these costs are being ignored. Top-down sectoral approaches and policies reduce the access to forests and rangeland resources by local population and local entrepreneurs, depressing local income and employment opportunities and providing little to no incentives for their sustainable exploitation. Some policies, such as the Forestry Code, discriminate directly against lagging regions by inhibiting forest and rangeland development and discouraging sustainable co-management with the local population. Under the Forestry Code, the State owns and manages about 94 percent of forests, and provides local people

with only restricted use rights limited to family subsistence needs, without management responsibilities. Finally, professional associations, more or less linked to traditional socio-political institutions (Agricultural Development Groups (GDAs), Mutual Society for Agricultural Services (SMSAs), etc..) that should be based on social capital, are not sufficiently involved in the decision-making process and management of these resources.

Lack of access to finance is a serious constraint for farmers and the private sector, particularly in rural lagging regions where the bulk of agriculture activities takes place. According to official statistics, only about 7 percent of farmers benefit from bank loans representing about 11 percent of total agricultural investments. Nearly 70 percent of investments are financed from "own resources" supplemented by supplier and purchaser credit. The share of investments funded by credit has halved between 2008 and 2012, and seasonal credit only covers around 7 percent of agricultural input use. The lack of formal financing in the sector in the region is due to the limited profitability combined with high perceived risks by the financial system, and other inherent weaknesses in the Tunisian financial sector.

Threatened agricultural landscapes.

The degradation of the mixed agricultural landscapes results from multiple factors. Natural factors include: climate (i.e. the Mediterranean climate with heavy showers), soils (i.e. soils subject to erosion), topography (i.e. steep slopes in the mountains) and climate change. In addition, activities such as overgrazing and surface disturbing cultivation threaten these landscapes. Overgrazing usually results in reduced forage production levels, as well as adverse changes in the botanical composition of vegetation and the reduction or absence of natural regeneration. Climate change (such as increase in temperature, reduced rainfalls, occurrence of extreme events) are likely to have adverse impacts on agricultural landscapes and on the Tunisian population who depend on them. It is estimated that climate change could reduce the income from agriculture by 2-7 percent per year for a period of 30 years. Climate change will affect negatively the rural populations of central and southern Tunisia in particular, as well as the agro ecosystems in which they live. The cost of deforestation and forest degradation is estimated at US\$14 million, or 23 Tunisian Dinars (TD)/ha per year, and the cost of rangeland degradation and clearing is estimated at US\$36 million per year.

Untapped Opportunities

There is significant potential for growth, by expanding and increasing the productivity of agriculture, forest and rangelands and associated products. It is estimated that for forests and rangeland products alone the current market value could be raised nearly five-fold from US\$16 million today, to US\$75 million, with the potential to create around 25,000 jobs. Analytical studies also suggest a significant scope for local actors to reorient their products towards higher value added and growing global markets, pending the development of adequate agricultural markets, and sustainable levels of production of key agriculture, forest and rangeland products; this is especially the case within the context of continuous growth of fair-trade, biological and ethical markets in developed and emerging economies, where produce from targeted regions could develop competitive advantages. New private investment opportunities exist, but they require complementary public investments. Many of the barriers to private investments relate to coordination failures (both among beneficiaries and support suppliers), as well as information asymmetries, and increased perception of risk by the financial sector. Some of these potential opportunities are area specific but need to be moved from low value added bulk production into higher value added processed products and brands. The development of production, quality and

quantity, and the aggregation capacity depends on a better understanding of market trends and specificities, the provision of missing services, the existence of private sector leaders and well-organized producer groups, and efficient linkages between producers and processors and buyers.

Strategic directions.

In Tunisia, key overall strategic directions are provided by the New five-year Development Plan (2016-2020) which aims to maintain social peace, especially in lagging regions by highlighting the need for a positive discrimination between regions, and stressing the importance of a new development model based on efficiency, equity and sustainability. This Plan lays the foundation for the implementation of an integrated landscape management approach which recognizes the interdependence between agriculture, forestry, and natural resources (particularly soil and water); engages all key actors (public - private - people in strong partnerships; and seeks to increase rural households' incomes while strengthening the resilience and sustainability of these natural resources.

Other strategic notes have been elaborated in line with the Tunisian constitution which explicitly address the need to safeguard a healthy environment and ensure the sustainability of natural resources for future generations:

- The Orientation Note for Regional Development envisions an alternative model of development that relies on territorial planning, the sustainable management of natural resources and support for a green economy, as well as a paradigm shift in governance from a top-down to a bottom-up, and a participatory development model involving all stakeholders.
- A new thinking on Green policy focuses on synergies and trade-offs between environmental and economic pillars, whereby economic outputs are directly increased by improved environmental conditions, which will also be conducive to economic growth.

Decentralization.

As called for by the 2015 Constitution, the government has expressed its intention to decentralize resources, functions, and responsibilities by empowering local governments (collectivités territoriales). This objective is also stressed in the new five-year Development Plan. The Ministry of Environment and Local Affairs is leading the design and implementation of the decentralization process by supporting the development of national government policy on decentralization (both fiscal and functional, and by accompanying and supporting local governments in the management of local affairs, the preparation and execution of development plans, programs and projects in collaboration with concerned ministries and institutions. The first step in this process is to achieve a 100% coverage of the population in municipal administration. The process of creation of new rural/urban municipalities started in March 2014. The new competencies foreseen by the new code on local government will only gradually be transferred to municipalities in accordance with a strategic plan of transfer of competences spread over nine years, in increments of three years, based on municipalities' capacity for supervision and financial autonomy. Unfortunately, decentralization of natural resources management is not covered by this process which will remain the responsibility of the Ministry of Agriculture, Water Resources, and Fishing (MARHP). The World Bank is providing support for municipal strengthening under the Urban Development and Local Governance Program for Results Operation.

Institutional setting.

The Ministry of Agriculture, Water Resources, and Fisheries intervenes in five key areas: (i) agriculture; (ii) fisheries and aquaculture; (iii) livestock; (iv) water resources; and (v) natural

resources (forests and rangelands. The ministry is characterized by a high level of institutional fragmentation that complicate the coordination and coherence of development strategies and programs. The ministry has initiated a review of its sectoral strategies:

- The ongoing development of a Strategy of Agricultural Sector and Fishing by year 2020 will help implement the first building block of a comprehensive strategy of MARHP.
- Main objectives of the forthcoming Strategy for Water and Soil Conservation (WSC), considered as a key element of territorial management, are the incorporation of a new technical and organizational vision for the management and conservation of agricultural lands and the improvement of local organizational capacities.
- The new National Strategy for the Sustainable Development and Management of Forests and Rangelands (2015-2024) aims to reconcile the conservation of forests and rangelands with socio-economic development by promoting the involvement of community-based organizations and private owners in the co-management of forests and rangelands.

The Budget Management by Objectives (BMO), initiated in the MARHP since 2004, provides the basis for improved coordination among the many directorates and institutions by grouping its budget in 6 programs and 17 subprograms. The Minister of Agriculture, Water Resources, and Fisheries announced recently to the Chamber of Deputies (October 2016), the necessity to proceed with the restructuring of the Ministry.

The MARHP is deconcentrated in each Governorate through the Regional Agricultural Development Commission (Commissariat Régional au Développement Agricole CRDA), which translates MARHP national policies and programs at the regional level. CRDAs are a financially autonomous entity, reporting to MARHP, with the following main responsibilities: supervise the implementation of legislative provisions and regulations concerning the protection and the development of agricultural lands, forests, water; contribute to the protection of the environment, implement actions relating to the good progress of agricultural campaigns at the levels of supply, processing, and marketing; and encourage farmers to set up adequate structures helping promote the sector. Multiple publicly sponsored private sector development agencies are involved in the achievement of the objectives of the five-year plan. Examples include national agencies with relevant technical expertise (e.g. APIA, for agricultural development; APII, for agro-industry development; and CEPEX, for export development), as well as regional development agencies (e.g. ODNO, ODCO). As stated above, fragmentation and lack of coordination between these agencies presents significant barriers to promote entrepreneurship and economic opportunities.

Cooperative sector.

The Agricultural professional organizations in Tunisia consist of (i) about 151 Mutual Agricultural Service Companies (SMSAs); (ii) 3000 Agricultural Development Groups (GDA) involved in the provision of drinking water and management of water for irrigation, (iii) seven inter-professional associations; (iv) around 270 companies for Enhancement and Agricultural Development (SMVDA); and the Tunisian Union of Agriculture and Fishing. These (producer organizations) (POs) are relatively weak in terms of management, apart from a dozen older POs engaged in wine production. The majority of primary POs are engaged in the collection and storage of cereal crops and milk, and most POs offer a multitude of services (input supply, collection of commodities, storage, transport and payment of subsidies). Most POs have weak management, are undercapitalized, offer only rudimentary services, operate in business sectors with narrow margins, have no or only limited access to bank financing and suffer from low levels of member patronage.

With their mixed status between the private and public sectors, they all too often are functioning as an extension of government agencies rather than truly representative business organizations operating for the purpose of maximizing benefits for their members.

II. Proposed Development Objectives

The project development objective is to improve landscape management and access to economic opportunities for targeted rural communities in North West and Center West regions of Tunisia.

III. Project Description

Component Name

Laying the foundations for sustainable management of agricultural resources

Comments (optional)

Activities of this component will provide adequate support to initiatives aimed at: (i) improving Agricultural, forests and rangelands data and information quality and accuracy at national level; (ii) integrated landscape management planning; (iii) strengthening technical and managerial capacities of different national, regional and local stakeholders involved in the development of agricultural products; and (iv) strengthening relevant institutional and legal frameworks.

Component Name

Fostering sustainable regional investments

Comments (optional)

This component will support: (i) Implementation of a variety of climate-smart agricultural practices; (ii) Complementary local infrastructure investments; and (iii) Fostering economic growth. The project will provide co-financing grants that will finance strategic and technically feasible investments. Activities to be supported by this sub-component are related to forestry, and rangelands management, including surrounding agriculture and small infrastructure. Direct beneficiaries of the component are local communities, farmers and their organizations. As holders of ILMPs, Local Development Councils (CDL), through a participatory and consultative process with all stakeholders, and on the basis of eligibility criteria, will coordinate the preparation and implementation of ILMPs activities.

Component Name

Project Management, Monitoring and Evaluation

Comments (optional)

This component will support the establishment and functioning of the Project Implementing Unit within the MARHP. Through the provision of goods, consultants' services and training, it will cover: (i) the equipment cost for the unit; (ii) Project audits; and (iii) the incremental operating costs for the Project. This component will support project management and monitoring and evaluation activities. This includes financing goods, consultant services, including short term consultants, training and operating costs for the project implementing unit at both, central and regional levels.

IV. Financing (in USD Million)

Total Project Cost:	132.34	Total Bank Financing:	100.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
Borrower			22.34

International Bank for Reconstruction and Development	100.00
LOCAL BENEFICIARIES	10.00
Total	132.34

V. Implementation

A. Institutional and Implementation Arrangements

The project implementing agency is the Ministry of Agriculture, Water Resources, and Fisheries (MARHP). The MARHP will ensure fiduciary management and procurement for overall project activities. Within MARHP, the General Directorate of Funding Investments and Professional Organizations (DGFIOP) will host a project Management Unit by Objectives (UGO), which will be responsible for day to day project implementation, management, monitoring and evaluation, and coordination.

A National Steering Committee (COPIL) will facilitate overall effective implementation and ensure coherence of the project with other relevant projects including other Bank projects currently under preparation focusing on lagging regions. At the governorate level, the Regional Council (RC) will facilitate the coordination, harmonization and complementarity with other projects. At the local level, Local Development Councils (CDL) will participate in the planning exercise to develop ILDPs, and subsequently in cooperation with CRDAs ensure coordination, elaboration and monitoring of ILDPs implementation through GDAs, SMSAs and other stakeholders. The roles and responsibilities of the key implementing institutions are detailed below.

At the National Level

The Steering Committee (COPIL) chaired by the Minister of MARHP (or designee), will be made up of different stakeholders: Ministry of Development, Investment and International Cooperation (MIDCI), Ministry of Commerce and Industry, Ministry of Local Affairs and Environment, as well as the presidents of the CDLs and RCs located in the selected regions and representatives of GDAs and SMSAs. The COPIL will provide strategic guidance and oversight of the project, and will be assisted in this role by UGO which will service as the secretariat for COPIL. The Steering Committee will endorse any updates to the Project Operational Manual (POM), as well as annual work plans and budgets, and annual and semi-annual progress reports. COPIL will also facilitate the consistency of the project with sectoral policies and government programs, advocating where necessary for changes in such policies. It is expected that COPIL will play an important role in facilitating the strengthening of the legal and institutional framework and for promoting the changes to the laws and codes envisioned under Component 1.3. It will meet at least twice a year and whenever deemed necessary by the chair, and costs of its meetings, including travel costs for participants from the NW and CW regions will be supported by the project (Component 3). The creation of COPIL is a condition of negotiations.

Project Management Unit by Objectives (Unit de Gestion par Objectif (UGO)). The UGO, hosted in the DGFIOP under the MARHP, will be responsible for overall project management and coordination as well as the monitoring and evaluation of project activities in close coordination with the CRDAs which will be delegated the regional level coordination role. Specifically the UGO would: (i) carry out procurement procedures as needed at the national level; (ii) manage the Project's special accounts; (iii) manage the monitoring and evaluation system at the national level, including safeguards; (iv) prepare consolidated annual work program and budgets; (v) coordinate and consolidate procurement and financial management reporting; and (vi) coordinate

and consolidate periodic progress reports for the project activities.

The UGO will be made up of qualified staff selected on the basis of agreed TORs and nominated or hired after Bank approval:

- One Director; two deputy Directors;
- Experts: (i) M&E; (ii) Procurement; (iii) Financial management ; Natural resources ; Environmental & social safeguards
- Finally, the project could also collaborate with other project implementation units of ongoing or future World Bank projects, such as the EDP-3, the Productive Inclusion Opportunities Project (PIO), or PIAI) when the implementation of some of the activities requires.

At the Regional Level

Regional Agricultural Development Commission (CRDAs). The CRDAs of the MARHP are the key implementing institutions for the project activities at the governorate level. The CRDAs of the eight governorates of the North-West and Center-West regions and of the Bizerte Governorate will host in their Forestry departments, a Regional Project Implementing Team (RPIT) which will prepare annual work programs and budgets and submit them to the UGO at the central level for approval. RPITs are responsible for implementing work programs and monitoring budgets, monitoring and evaluating project activities, and ensuring direct payments to service providers and entrepreneurs in the regions. They will closely coordinate their efforts through the Department for Afforestation and Soil Protection (DRPS) that is responsible for landscape management and forestry at the level of CRDAs.

The Director General of CRDAs will hold periodic meetings with the participation of the forestry department and RPIT to: (i) review annual work plans and budgets, including results and progress reports; (ii) evaluate progress achieved with respect to expected outcomes and specific objectives; and (iii) facilitate execution by coordinating activities and mobilizing appropriate specialists and partners in developing and implementing ILDPs.

In each CRDA, the RPIT will be made up of qualified staff selected on the basis of agreed TORs and nominated or hired after Bank approval:

- Regional coordinator;
- Experts: Natural resource/forestry; Monitoring & Evaluation; Environmental and Social safeguards; Community development/extensionist

The RPIT will provide technical assistance and advice to beneficiaries in developing their ILDPs and annual programming of Annual Contracts (AC), as well as in implementing the various project activities including Monitoring & Evaluation (M&E). Other activities include: (a) mobilizing all stakeholders, (b) supporting the elaboration of ILDPs; (c) developing annual programs; (d) preparing and signing annual contracts with community and PO representatives; and (d) gathering essential data for the monitoring and evaluation of project-related AC and ILDP implementation.

Regional Councils (RCs). In each Governorate, the RC is a formal body responsible for harmonizing the contents and partnership arrangements proposed in the ILDPs. The RC reviews the ILDP and facilitate the partnerships with other development institutions/stakeholders. The RC is headed by the Governor and composed of: the Governor, elected representatives of the Chamber of Deputies, presidents of municipal and rural councils, unit chiefs of other administrative services, and representatives of technical, economic, social, cultural, and educational institutions. The RC meets

four times per year for this purpose and are responsible for mobilizing partnerships for the Project and for ensuring that the Project's activities and programs are coherent with those of other local and regional partners.

At the Local level

Local Development Councils (CDLs) are formal consultative bodies which review and discuss the local economic and social development priorities, local development programs, and projects within their area of delegation. The CDLs: (i) mobilize local partners and additional funding for the project at the local level; (ii) validate ILDPs and sub-projects to be supported by the project, ensuring consistency with development priorities; and (iii) supervise and monitor the implementation of ILDPs. Reviews and discussions are held in working meetings with participants including representatives of the local population, private sector, government, and non-government partners affected by the Project. The CDLs are headed by the Delegate and composed of: delegates nominated by the Governor, presidents of communes, and councils of the delegation, administrative section chiefs, and representatives of regional technical services including the CRDAs.

Civil Society Organizations (CSO) and Agricultural Development Groups (GDAs). CSOs and GDAs are associations of interest groups which play a key role in facilitating agricultural and diversification activities development, and in representing their communities within the framework of the Project. They will implement specific sub-projects developed and approved under the ILDPs related to production systems, forests and rangelands co-management, fostering agricultural and non-agricultural products. They will serve as the interface between the populations involved in the ILDP process and the RPITs in the CRDAs, and be the institutional channel through which the RPITs initiate dialogue with local populations for the preparation and implementation of the ILDPs. When necessary, the project will support creation of CSOs/GDAs in selected landscapes units, e.g for the new LUs to be identified. GDAs/CSOs will be supported with training and logistical support to participate effectively in the preparation and implementation of the ILDPs.

Micro, small and medium enterprises (MSME) including Mutual Society for Agricultural services (SMSAs) will be supported to better process local products, reinforce marketing and commercialization activities and market access, and develop ecotourism activities. The project will also facilitate achievement of commercial arrangements between local organizations and existing national or international buyers. Support will also include assistance in formalizing the associations, in preparing applications for project funding or accessing micro-finance through the banking sector or specialized institutions.

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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