

**PROJECT INFORMATION DOCUMENT (PID)  
IDENTIFICATION/CONCEPT STAGE**

Report No.: PIDC36414

<b>Project Name</b>	Tunisia FIP preparation
<b>Region</b>	MIDDLE EAST AND NORTH AFRICA
<b>Country</b>	Tunisia
<b>Sector(s)</b>	Forestry (80%), General agriculture, fishing and forestry sector (20%)
<b>Theme(s)</b>	Biodiversity (10%), Climate change (50%), Other environment and natural resources management (40%)
<b>Lending Instrument</b>	Lending Instrument
<b>Project ID</b>	P157919
<b>Borrower Name</b>	GOVERNMENT OF TUNISIA
<b>Implementing Agency</b>	Direction Générale des Forêts
<b>Environment Category</b>	B - Partial Assessment
<b>Date PID Prepared</b>	24-Nov-2015
<b>Estimated Date of Approval</b>	14-Dec-2015
<b>Initiation Note Review Decision</b>	The review did authorize the preparation to continue

**I. Introduction and Context**

**Country Context**

Tunisia is a middle-income country of 10.9 million people with an average gross domestic product (GDP) per capita of US\$4,320 in 2013 . In the last decade, economic growth averaged 5 percent , which places Tunisia among the fastest growing countries in the MENA region. Social and political turmoil during recent years led to economic slowdown (2.6 GDP growth in 2013), but the economy is expected to recover in the near future. Tunisia also made significant progress in the fight against poverty, which decreased from 32.4 percent in 2000 to 15.5 percent in 2010, and has achieved, by 2014, its poverty reduction targets (less than 5 percent).

In less than two years, Tunisia has completed a successful democratic transition, by ending 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 new prime minister (January 5th, 2015), and approving a new unity government (February 6th, 2015). The Constitution explicitly addresses the need to safeguard a healthy environment and ensure the sustainability of natural resources for future generations.

However, Tunisia' socio-economic development remains fragile. Approximately 70 percent of poor households are located in rural areas - especially in the Central West and North West regions, which comprise more than 70 percent of the country's forests and rangelands resources. These ecosystems are home to 14 percent of the country's population; with an average income of less than US\$1.6 per capita per day , these communities are close to extreme poverty. Moreover, 40 percent

of their income derives from forests and rangelands activities (e.g. livestock, forestry, non-wood forest products), demonstrating that the survival of these communities is highly dependent on these ecosystems.

During its second phase (2015 – 2020), the Forest Investment Program (FIP) sub-committee selected as pilot country. The FIP is one of the three Strategic climate programs set up as part of the Climate Investment Funds (CIF) by the multilateral development banks (MDBs). The purpose of the FIP is to contribute to the development of policies and measures, as well as secure significantly increased funding with the aim of reducing deforestation and forest degradation and promoting sustainable forest management, to be achieved, in selected FIP pilot countries, by cutting emissions, protecting forest carbon stocks and combating poverty. The FIP sub-committee has proposed a project preparation grant (PPG) of USD 250,000 to nine countries, including Tunisia for drafting their forest investment plans.

### **Sectoral and Institutional Context**

Forests and rangelands are effective resource base for alleviation of poverty in Tunisia. They generate benefits worth TDN 1.4 billion per year. They account for 21 percent of the agricultural GDP, or about 2 percent of the country's GDP in 2012. With 5.7 million ha or 35 percent of the Tunisia's geographic area, forest and rangeland ecosystems are vital for the sustainable development in Tunisia. They generate benefits to: (i) local communities - 15 to 25 percent of the food needs for livestock; 14 percent of households domestic energy needs; 5 to 7 million working days per year; (ii) national society - protection of watersheds and downstream water supply in the north and protection against wind erosion and risk of desertification in the south; and high potential for recreation, through a network of protected areas encompassing 17 national parks, 27 nature reserves and 256 wetlands, and (iii) global community - rich biodiversity (more than 2,200 plant species and 500 animal species) and climate change mitigation, through carbon sequestration in biomass and soil.

The forest and rangeland sector has a number of significant strengths, including: (i) the availability of a legal framework; (ii) a package of valuable experiences in conducting development projects in the forest and rangeland sector; and (iii) valuable basic knowledge of the sector's resources (Forest and Rangeland Inventory, Forest Information and Planning System, Forest research, etc.).

However, the sector faces enormous threats. Climate change, agricultural expansion especially in rangelands, urban development and conversion to other land use practices are all contributing to ecosystem losses,. Forests are mostly affected by degradation, caused by over harvesting and overgrazing, which are particularly alarming phenomena, that reduced forage productivity and natural regeneration on a wide scale. Outright deforestation and fires affect a relatively small portion of forests, but impose substantial costs when it happens (TDN 7,800/ha burnt every year). Rangelands are primarily affected by clearing, overgrazing and over harvesting. As a result, 37 percent of the country's forest and rangeland area is degraded; while 20 percent of rangelands have been cleared during the past 35 years. Reducing environmental degradation of forest and rangeland ecosystems is particularly urgent, that needs a full cooperation and improvement of the welfare of the people depending on these resources; as these local communities are close to extreme poverty, This is the central aim of the proposed operation

Poor governance is an important factor leading to excessive pressure on forest and rangeland ecosystems. Property rights on forests are not clearly defined: while the State owns the forests, local

people have open access for grazing and harvesting of different forest products. Similarly, rangelands are under collective property and local communities have open access for grazing, irrespective of the season or other factors. As a result, communities have few incentives to conserve these ecosystems rather than exploiting them for short-term benefits. . Potential options for improving governance include adopting participatory approaches (management agreements, for instance, between the State and users of the forests/rangeland, organised into groups for developing forests/rangeland) and a form of partnership (e.g. long-term joint management), which gives local communities a better incentive for conserving the forests and rangelands.

#### Institutional context

While Tunisian past forest policy aimed essentially at the preservation and extension of forest resources, the General Directorate of Forests adopted recently a new National Strategy for the Sustainable Development and Management of Forests and Rangelands (2015-2024). This strategy ambitions to reconcile the conservation of forests and rangelands with socio-economic development by promoting the involvement of community based organizations and private owners in co-management of forests and rangelands. The strategy has four strategic objectives: (1) Adapting the institutional and legal framework of the sector and capacity building; (2) Optimizing the sector's contribution to socio-economic development; (3) Maintaining and enhancing environmental functions and services of the sector's resources; (4) Consolidating and improving the forest and rangelands' capital. The proposed project will assist the GoT in starting implementing key priorities of the new strategy, this is part of the “100-days” action plan of the new Government.

Over time, Tunisia has shown a consistent, high level, and long-term commitment for environment protection and management of natural resources. The country has implemented numerous successful pilot projects in the areas of natural resource management, forest conservation, and agro-forestry. In addition, on March 21, 2013, Tunisia approved the Tlemcen Ministerial Declaration which aims at promoting goods and services provided by Mediterranean forest ecosystems, notably by adapting and strengthening available and innovative financing mechanisms, including the REDD +. Tunisia also expressed its willingness to become a FIP pilot country.

#### **Relationship to CAS/CPS/CPF**

The proposed activity is in line with the main objectives of the current ‘Country Partnership Framework’ (CPF) draft for Tunisia, because its long term objective is to contribute to strengthened business and trade and competitiveness environment in rural areas, improve access to finance for rural population, and improve youth employability. Most of all, the implementation of the FIP/ Investment Plan will contribute to achieving CPF objective in promoting livelihoods diversification in vulnerable communities and green growth. The proposed activity will also contribute to implementing the World Bank’s “Forests and green growth Strategies” which pledges to support countries in their efforts to harness the potential of forests to reduce poverty, better integrate forests into their economies, and protect and strengthen the environmental role played by forests and rangelands —locally and globally.

## **II. Project Development Objective(s)**

### **Proposed Development Objective(s)**

The Development Objective of this activity is to support the elaboration of Tunisia FIP investment plan and R-PP

## Key Results

FIP Investment plan elaborated

Project concept notes under the FIP investment plan elaborated

Tunisia REDD+ readiness Preparation Plan (R-PP) elaborated

## III. Preliminary Description

### Concept Description

In agreement with the Tunisian Government, the Multilateral Development Banks hold a scoping mission in Tunisia in September 2015 in order to inform key stakeholders on the FIP process and agree on an action plan for the elaboration of the FIP/IP and the R-PP. The activities proposed below are the main findings of this mission. The proposed project activities are as below:

- 1- Hiring a group of experts or consultant firms to bring institutional and legal expertise in the following fields: forestry, rangelands, monitoring and evaluation, environmental and social safeguards, social development, gender, private sector, climate change and REDD+;
- 2- Organization of meetings and consultation workshops at local and central levels with all stakeholders;
- 3- Elaboration of the R-PP and FIP investment plan and the proposed projects concept notes. These documents will include, as per the FIP operational guideline, specific sections on safeguards.

## 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. Financing (in USD Million)

Total Project Cost:	0.25	Total Bank Financing:	0
Financing Gap:	0		
<b>Financing Source</b>			<b>Amount</b>
Climate Investment Funds			0.25

## VI. Contact point

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