Executive Summary

1. In preparation of the Fourth Mountainous and Forested Areas Development Project (PNO4), the World Bank, in collaboration with the MARHP and the Odesypano, has prepared a Safeguard Diagnostic Review (SDR) in order to conform to Bank Operational Policy 4.00 (Piloting the Use of Country System). This project would have been classified as Category B in accordance with OP 4.01 (Environmental Assessment) if it had been applied to this project. The project aims to improve the socio-economic conditions of the rural populations in the Northwest and promote better protection and management of natural resources, in project areas, through an integrated participatory approach and community development partnerships. The Environmental Assessment, Forests, and Involuntary Resettlement OPs are triggered. The latter is triggered because of the possibility of land acquisitions under project investments. Only the Environmental Assessment and Forest OPs will be piloted using the Tunisian country system. The Involuntary Resettlement policy will not be dealt with under country system, but rather in conformity with OP 4.12.

2. Tunisia is one of the first countries to pilot use of country systems, as its environmental regulations, institutional capacity, and performance are relatively advanced, as has already been indicated in the three previous SDRs undertaken by the World Bank\(^1\) for the Solid Waste Project (Report #35611-TN), the Second Water Sector Investment Project (PISEAU2, Report #26396-TN), and the Second Community-Based Integrated Rural Development Project (PGRN2, Report #52965-TN).

3. The Equivalence Analysis concluded that most Tunisian laws, regulations, and national instruments framing investments and activities in the natural resources sector relevant to the PNO4 are in conformity with the objectives and operational principles listed in Annex 1 of OP 4.00, concerning Environmental Assessment and Forests. The review of these laws, regulations, and instruments showed a few gaps and differences, which were discussed between the Tunisian counterparts and the World Bank\(^2\). Both parties agreed that gaps and differences can be filled without needing recourse to modifications to Tunisian laws and regulations. These gaps can be adequately addressed through the adoption and implementation of project-specific legal, institutional and technical instruments to cover the environmental aspects of investments and activities under the PNO4, in line with the good practices identified at the national and international levels. These differences and gaps stem from the fact that the Tunisian environmental framework based on the 2005-1991 Decree:

   (i) Does not include:

   (a) The submission of a prior environmental assessment for irrigation projects using conventional waters,

\(^1\) See the Diagnostic Report established for the use of country system for Tunisia in the Solid Waste Project, Second Water Sector Investment Project (PISEAU2) and Second Community-Based Integrated Rural Development Project (PGRN2). The results of the above-mentioned reports (www.worldbank.org/tunisie and www.ampe.net.tn) and of the current report are also largely corroborated by independent comparative studies of the Tunisian system for environmental assessments with other environmental assessment systems in the MENA region and in the World Bank (www.metap.org).

\(^2\) These gaps or differences are still mentioned in the Equivalence Analysis as presented in the Annex A table of the SDR.
(b) A requirement for dissemination of environmental project documents to stakeholders in order to collect their views and feedback on the project and its impacts, and

(c) A public consultation and dissemination of environmental impact assessments.

(ii) Does not describe in detail the content of the Environmental Management Plans required for all activities or sub-projects, with regard to monitoring, institutional capacity building, and training for staff and personnel in charge of project management in the water sector, including environmental management. These details will need to be included in the environmental clauses of the specifications for all sub-projects financed by the PNO4.

(iii) Does not clarify the implementation conditions for articles 16 and 208 of the 1988 Forestry Code with regard to the management of impacts on forests.

4. An Acceptability Analysis was performed on the capacity of the institutions responsible for PNO4 implementation and generally for the implementation of laws and regulations applicable to environmental assessments in the water, agriculture, and forestry sectors. These include legal mandates, the roles and responsibilities of different agencies, their organizational structures and availability of human and financial resources, decision-making processes, the presence of surveillance and monitoring mechanisms, as well as preparation, application, and monitoring procedures and practices for environmental assessment reports.

5. In general, there are minimum institutional and implementation arrangements consistent with Tunisian administrative and legal requirements as applied to project activities pertaining to irrigation or agriculture. However, environmental requirements are not applied to conventional waters, rural roads or sylvo-pastoral activities. Significant gaps were identified between the legal conditions under the Tunisian environmental assessment system and actual practice, which is reflected in certain weaknesses in the environmental assessment process. These gaps can be filled\(^3\) by actions identified by the Government in the Framework Document for Environmental and Social Protection/Document Cadre de Protection Environnementale et Sociale (DCPES\(^4\)) for the PNO4, which were also discussed between the Government (MARHP and Odesypano), with the World Bank, and subsequently disclosed for public consultation.

6. In order to fill the Equivalence gaps during PNO4 implementation and beyond, the Tunisian Government, through the MARHP, has agreed to undertake the following measures:

(i) During the preparation mission, the Odesypano submitted the draft DCPES\(^5\), which included a classification for investments under the PNO4 into three sub-project classes detailed in the DCPES (annex to the SDR). In conformity with MARHP practice, the sub-projects that are financed by the project and not listed

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3 These gaps mainly pertain to a lack of sufficient details in the identification and quantification of impacts, the specification of mitigation and monitoring measures for all irrigation, rural road, drilling and aquifer recharge projects, as well as a quasi-absence of surveillance and monitoring and lack of rigorous application of works contracts that require environmental protection measures.

4 The DCPES is included in Annex C of the SDR.

5 Annex 4.
in Annexes I and II of the 1991-2005 Decree will also be subject to an environmental analysis, as described in the DCPES as follows:

(a) Class I: All sub-projects pertaining to water connection works, rural roads, and irrigation plots for areas greater than one hundred hectares (100 ha), will be subject to a simplified environmental impact assessment titled Environmental and Social Information Form/Fiche d’Information Environnementale et Sociale (FIES) according to the procedures and modalities described in the DCPES and to impact management measures to be included in the specifications for sub-project operators. The preparation of the simplified assessment and the definition of environmental and social management measures for sub-projects in this class will be published and posted on the MARHP website. Sub-projects pertaining to forest areas, including those relating the collection of non-ligneous and ligneous forest products, under Components 2 and 3, will be conformed with forestry management plans for these areas in accordance with article 16 of the Forestry Code, the content of which will undergo a simplified environmental and social impact assessment.

(b) Class II: For all sub-projects with less environmental or social impacts, a simplified review of environmental and social aspects will be in the form of descriptive Simplified Environmental Diagnostic Form/Fiche Environnementale de Diagnostic Simplifié (FEDS), which will define the environmental and social measures to be included in the contracts for the execution of works. This form will be posted on the MARHP website.

(c) Class III: For all projects or sub-projects for which no environmental evaluation is required.

(ii) Sub-projects under point (i) above, depending on their classification, will be subject to TORs or specifications, through the FIES or FEDS, which will define the applicable and necessary elements for an environmental management plan in conformity with SDR conclusions and with the DCPES, which is an annex of the SDR.

7. In order to achieve complete coherence within the environmental assessment system and achieve the acceptability measures defined previously and in the DCPES, the Odesypano will implement or supervise the implementation of a series of measures in accordance with the calendar below, which has been endorsed by the Bank:

(i) Before the appraisal mission for the PNO4, the Odesypano will:

(a) Integrate the DCPES procedures and modalities in the project Operations Manual,

(b) Organize the public consultation on the SDR, including the DCPES outlined above as a measure to ensure Equivalence and allow the Odesypano to disseminate the PNO4 environmental procedures to stakeholders, including the five Regional Directorates of the Odesypano involved, the MARHP (DGF, DGFIOP), the CRDAs involved, the National Environmental Protection Agency/Agence National de Protection de l’Environnement (ANPE), and civil society representatives.
(c) Decide on the reinforcement modalities for the Odesypano to ensure the implementation and monitoring of the DCPES in its respective regions. These modalities will be defined and described in the DCPES.

(ii) Prior to April 11, 2011, the Odesypano will:

(a) Update the TORs for environmental assessments for sub-projects that are not subject to a prior environmental impact assessment under the 2005-1991 Decree, but which will be improved in accordance with the environmental assessment procedures defined in the DCPES. These sub-projects pertain to:

i. Irrigation,
ii. Rural roads, and

iii. Sylvo-pastoral activities in forestry areas.

(b) Adopt the preparation and implementation modalities and procedures for community forestry projects, including environmental aspects, in accordance with management plans.

(iii) Prior to June 30, 2011, the Odesypano will implement an environmental monitoring system aimed at ensuring conformity with works contracts, which will include environmental clauses, to be implemented by the contracting authority, as well as with sub-projects using conventional water.

(iv) During PNO4 implementation:

(a) The UCP will be responsible for synthesizing the environmental monitoring and surveillance reports received from consultants in order to ensure their conformity to the processes and results described in the DCPES. To this effect, the Odesypano has designated the Head of Infrastructure Services and will recruit a full-time national consultant to: (a) examine received reports, (b) select a sub-projects sample for audit by a national expert in order to ensure that mitigation measures are monitored, (c) prepare a progress report for the execution of environmental and social management activities under the PNO4. This report will be integrated in the annual progress report for the project that the UCP will submit to the World Bank.

(b) During regular supervision missions for the PNO4, World Bank staff will follow the progress of these measures to fill any gaps in Equivalence or Acceptability and will discuss with the Odesypano any measures or necessary actions to ensure conformity with the procedures described in the DCPES, as well as reinforce implementation measures for the national system under the PNO4.

8. **Consultation on SDR conclusions and recommendations.** A public consultation entitled “Day for Study and Reflection” / « Journée d’Etudes et de Réflexion » was held on June 1, 2010, in order to discuss: (a) the content of the SDR report, (b) the DCPES, and (c) the RPF, which is not part of the use of country systems, but which was prepared in order to ensure conformity with Bank OP 4.12 (Involuntary Resettlement).