I. BASIC INFORMATION

A. Basic Project Data

<table>
<thead>
<tr>
<th>Country: ALGERIA</th>
<th>Project ID: P077753</th>
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<td>Project Name:</td>
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<td>Project Name:</td>
<td>Algeria Municipal Waste Management</td>
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<tr>
<td>Task Team Leader:</td>
<td>Hocine Chalal</td>
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<td>Loan/Credit amount ($m.):</td>
<td>25</td>
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<tr>
<td>Estimated Appraisal Date</td>
<td>06/15/2004</td>
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<td>Estimated Board Date:</td>
<td>09/23/2004</td>
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<td>Managing Unit:</td>
<td>MNSRE</td>
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<td>Lending Instrument:</td>
<td>SIL</td>
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<td>Sector:</td>
<td>Environment</td>
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<td>Theme:</td>
<td>Urban Environment</td>
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<tr>
<td>Safeguard Policies Specialists in the task team:</td>
<td>Sherif Arif (environment) and Mohamed Arbi Ben Achour (Social)</td>
</tr>
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<td>Other financing amounts ($m.) by source:</td>
<td>TBD</td>
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B. Project Objective [from section 3 of PCN]

The overall goal of the proposed project is to contribute to the improvement of the urban environment in selected municipalities through the introduction of integrated and sustainable municipal waste management systems. The specific development objective of the project is the establishment of an integrated waste management system in at least two pilot municipalities in Algeria. The following indicators, that will be monitored by an independent entity for benchmarking purposes, are proposed to follow up PDO progress:

- Number of people benefiting from integrated waste management as a percentage of total population
- Number of people in poor areas benefiting from integrated waste management and as a percentage of total population
- Quantity of waste properly treated and/or disposed of in sanitary landfills and as a percentage of total production
- Level of cost recovery (user charge collection efficiency)
- Percentage of waste managed by the private sector (collection, transportation/transfer and discharge/treatment)
- Reduction of number of complaints from users.
C. Project Description [from section 4 of PCN]

The project will include two separate components:

An institutional and regulatory strengthening component: The objective of this component is to strengthen the managerial, technical and financial capacity of entities responsible for solid waste management at the national level and in selected municipalities. This component will include; (i) consultant services to prepare the development and implementation of integrated waste management plans that focuses on creating appropriate institutional incentives for sustainable service provisioning; (ii) training programs in all aspects of integrated waste management; (iii) design and implementation of a communication strategy that enhances public disclosure of information on solid waste and sanitation issues among municipalities and residents; and (iv) provision of office equipment, vehicles and equipment to conducting training and awareness campaigns, only after demonstrable improvements in the urban environment have been independently validated.

Pilot investments at the municipal level: The objective of this component is to demonstrate the application of integrated waste management in one or two selected municipalities¹ based on criteria to be developed during project preparation. These investments will include; (i) purchase of equipment for collection, transport, transfer and treatment of municipal solid waste, (ii) civil works for the establishment of sanitary landfills and/or rehabilitation of dump sites; (iii) financing of operation and maintenance costs for an interim period in order to attract the private sector in landfill operations; (iv) financing output-based aid operation in poor and destitute areas, and (v) financing engineering and TA services for the supervision of implementation of the integrated waste management systems and for the establishment of a cost recovery system.

The Borrower will be the Ministry of Finance and the Implementing Agency could be either the Ministry of Interior and Local Government (MILG) (which could in turn devolve some responsibility to participating wilayas) or the Ministry of Land Use Planning and Environment (MLUPE) subject to confirmation during project preparation. It is expected that the Ministry of Finance will provide the funds through grants to the participating wilayas. The Bank has proposed to the Algerian Government that the two pilot municipalities of Annaba (northeastern part of Algeria) and Tlemcen (western part of Algeria) be considered as potential candidates in view of their readiness to implement integrated waste management, the availability of public land for sanitary landfills, and the severity of the municipal waste management problems.

The project is classified as an Environmental Category A project in accordance with O.P. 4.01. An environmental and social assessment will be conducted during project preparation.

D. Project location (if known)

The institutional strengthening component will take place both at the central and local level in participating governorates and municipalities. The investment component will take place in a couple of municipalities not yet identified and which will have to satisfy appropriate eligibility criteria.

¹ Here, municipality should be understood as a main municipality and the surrounding smaller municipalities engaged in an inter-municipal arrangement.
E. Borrower’s Institutional Capacity [from PCN]

Given the severity and magnitude of municipal waste management issues, the Government now considers solid waste management as one of the most important development priorities for the country, and has, consequently, taken several measures to address this situation. The Government started by enacting a new Waste Management Law in December 2001, then proceeded with the preparation of municipal waste management master plans and implementation of emergency measures (replacement of waste collection equipment, preparation of sanitary landfills) in the 40 largest municipalities. The Budget law for 2002 nearly doubled the level of the waste user charges applied to households, retail stores, and small industries. The Government extended the institutional setup through the establishment of a parastatal agency in charge of promoting integrated solid waste management and providing assistance to municipalities in that respect. The Government also subsequently prepared an Operational Strategy for municipal waste management in order to correct the dysfunctions of the priority program (2001-2003) mentioned above.

However, despite considerable efforts on the policy front there remain several key elements of the Operational Strategy that have not yet been adequately addressed by the Government:

- Linking safe disposal infrastructure construction with financially sustainable solid waste collection systems;
- Creating incentives for SWM collection organizations to undertake their tasks in a professional manner.

These difficulties, which are common to all developing countries, are traceable to lack of incentives in municipal organizations to perform their traditional role of managing conservancy services effectively.

In the Algeria context there are additional important obstacles impeding private sector participation, such as low economic strength and viability of municipalities, weak local private company ability to respond to tenders, absence of incentive instruments, risk of expensive contracts and monopolies of public sector entities, and lack of clarity in the bidding procedures for waste services contracts. Other serious obstacles include the lack of recognition of the informal sector, inadequate community awareness and inappropriate technical means which impedes waste segregation at the source.

II. SAFEGUARD POLICIES THAT MIGHT APPLY

<table>
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<tr>
<th>Safeguard Policy</th>
<th>If Applicable, How Might It Apply?</th>
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<td>[very concise summary]</td>
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An overall environmental assessment will be prepared and will include the impacts generated by the Project at the different stages of the ISWM process; i.e waste collection, waste transport and waste treatment (if any) and disposal. It will also address the closing of the old dump. The EMP will also cover the mitigating and monitoring measures of the different stage of the waste management process.

A involuntary resettlement framework will be developed during project preparation.

### III. ACTIONS DURING PROJECT PREPARATION [from PCN]

**A. What actions might be needed during project preparation to assess safeguard issues and prepare to mitigate them?**

An overall environmental assessment will be prepared and will include the impacts generated by the Project at the different stages of the ISWM process; i.e waste collection, waste transport and waste treatment (if any) and disposal. It will also address the closing of the old dump. The EMP will also cover the mitigating and monitoring measures of the different stage of the waste management process.

A voluntary resettlement plan will be prepared for the project.

*By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas*
B. How might consultation and disclosure requirements be addressed?

Consultation and disclosure requirements will be addressed in compliance with the local regulation regarding environmental assessment as well as in compliance with the Banks guidelines (O.P. 4.01)

IV. AGREEMENTS REACHED ON SAFEGUARDS AT PCN REVIEW

Summarize the key agreements reached on follow-up actions to be taken regarding safeguards during project preparation:

The Bank staff who will review the EIA are:
- Sherif Arif
- Panneer Selvam
- Keith Rennie

Agreed target date for Quality Enhancement Review: 04/15/2004

Signed and submitted by:
Task Team Leader: Hocine CHALAL Date
Project Safeguards Specialist 1: Allan ROTMAN Date:
Project Safeguards Specialist 2: John Keith RENNIE Date:

Approved by:
Regional Safeguards Coordinator Sherif K. ARIF Date

Comments

Sector Manager Vijay JAGANNATHAN Date

Comments