Report Number: ICRR0021914

1. Project Data

Project ID	**Project Name**
P120561	Tunisia: Ecotourism and B. Conservation
Country	**Practice Area(Lead)**
Tunisia	Environment, Natural Resources & the Blue Economy

L/C/TF Number(s)	**Closing Date (Original)**	**Total Project Cost (USD)**
TF-13636	31-Jul-2018	4,161,545.34
Bank Approval Date	**Closing Date (Actual)**	
22-Jan-2013	31-May-2019	

	IBRD/IDA (USD)	**Grants (USD)**
Original Commitment	4,270,000.00	4,270,000.00
Revised Commitment	4,270,000.00	4,161,545.34
Actual	4,270,000.00	4,161,545.34

Prepared by	**Reviewed by**	**ICR Review Coordinator**	**Group**
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2. Project Objectives and Components

a. Objectives

According to the Project Appraisal Document (PAD) (p. vii) and the Financing Agreement of March 5, 2013 (p. 5) the objective of the project was "to contribute to the conservation of desert biodiversity in the three recipient targeted national parks ("National Parks" or "NPs")".

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Will a split evaluation be undertaken?
No

d. Components

The project included three components:

Component 1: Promoting enabling conditions for Protected Areas (PAs) management, Sustainable Land Management (SLM) scale up and ecotourism development (appraisal estimate US$1.4 million, actual US$1.56): This component was to finance:

i) Reinforcement of the institutional legal and strategic framework for the management of the recipient's national parks by: (a) revising the national legal and institutional framework regarding management of national parks (NPs) and ecotourism development, as well as the national classification of ecotourism management; and (b) developing an international, national and local ecotourism marketing strategy to promote the NPs, including communications packages;

ii) Building and mainstreaming national and local capacities in sustainable land management and biodiversity conservation using an integrated natural resource management approach by: (a) strengthening the technical capacity for the management of the NPs through the provision of goods, consultants' services and training; and (b) reinforcing project diverse stakeholders' respective capacities to take part in or take advantage of, positive project outcomes in the NPs through various training such as protected area management and related fiduciary matters, ecotourism planning, tourism product development, marketing and sub-contracting, and tourist hosting.

iii) Establishing and running the monitoring and evaluation system for the project through the provision of goods, consultants' services and training in the acquisition and operation of the M&E system and related capacity strengthening of relevant project institutional stakeholders.

Component 2: Supporting the implementation of Integrated Natural Resource Management (INRM) in targeted NPs and their adjacent areas (appraisal estimate US$2.37 million, actual US$2.51 million): This component was to finance:

i) Implementation of priority investments identified in the Management Plans of the NPs, through the provision of goods and civil works such as signage, the construction and rehabilitation of welcome kiosks, guard posts, lodging for staff and observation towers, track rehabilitation, clearing of footpaths, as well as soil and water conservation works.

ii) Implementation of: (a) a program of Community-based Sub-projects aiming at improving the management of the National Parks and adjacent areas; and (b) a program of Microenterprises-based sub-projects aiming at improving the ecotourism, through providing civil works, goods and consultants' services.

iii) Implementation of the rehabilitation of the existing eco-museum and the establishment of an eco-shop in existing structures in each of the Natural Parks, through the provision of goods, consultants' services and civil works.

Component 3: Project Management (appraisal estimate US$0.20 million, actual US$0.20 million): This component was to finance:

i) Support to the Ministry of Environment (MoE) in carrying out the project management and implementation through the provision of goods, consultants' services and training.

ii) Audits for the project and incremental operating costs for the project.

e. **Comments on Project Cost, Financing, Borrower Contribution, and Dates**

Project Cost: The project was estimated to cost US$9.05 million. Actual cost was US$7.86 million.

Financing: The project was financed by a Bank Trust Fund in the amount of US$4.78 million which was fully disbursed.

Borrower Contribution: The Borrower was to contribute US$4.78 million. Actual contribution was US$3.58million.

Dates: The project was restructured three times:

- On May 29, 2017 the project was restructured to i) add two PDO indicators to better reflect additional biodiversity and social concerns ("number of local species reintroduced in targeted national parks" and "decline in community park conflicts"); ii) extend the closing date from July 31, 2018 to January 31, 2019; iii) reallocate funds from "consultant services" category to 'goods, works, and non-consulting services' category. This was necessary to ensure successful implementation of remaining activities; and iv) reflect the new name of the implementing agency (thereafter called Ministry of Local Affairs and the Environment).
- On May 25, 2018 the project was restructured to extend the closing date from July 31, 2018 to January 31, 2019 to allow for more time to use the financial surpluses generated by the Tunisian Dinar devaluation.
- On January 13, 2019 the project was restructured to change the closing date to May 31, 2019 to allow for more time to use the financial surpluses generated by the Tunisian Dinar devaluation.

3. Relevance of Objectives

Rationale

According to the PAD (p. 1), at the time of the appraisal, the tourism sector played an important role in the Tunisian economy, particularly in terms of employment generation. Mass beach tourism constituted by far the bulk of tourism activity and capacity. Most of the tourism in Tunisia was directed towards "all inclusive" tourism in coastal areas with few linkages to the local communities. Tunisia's large potential for tourism in the desert and rural areas of the interior has not been realized. Tunisia has created a large number of protected areas (PAs) in the interior of the country but these PAs have not been utilized for tourism due to a number of reasons such as lack of specific product conceptualization and development in these areas, low

capacity of tour operators, unclear administrative and regulatory procedures and incentive systems, weak coordination between the different regulatory authorities, and a lack of financing. Tunisia's desert ecosystems have a high potential for addressing rural economic diversification and employment creation needs through an ecotourism model linked with biodiversity protection in managed PAs.

However, the PDO only covers biodiversity conversion and did not cover all the aspects of the project. Therefore, the PDO itself did not support any of the government policies as outlined in the ICR such as the country's National Forest Strategy (2015-2024) which focuses on introducing different aspects of ecotourism in Tunisia or the five year plan ("TUNISIA 2020") which the government launched in 2016 and aimed to have significant impact on the agriculture sector, rural development and income for farmers. Furthermore, the project's PDO on biodiversity did not support any of the pillars of the Bank's most recent Country Partnership Framework (2016-2020). Given that the PDO is formulated in such a way that it does not cover all aspects of the project components and does not align well to national and Bank strategies, the project's relevance of objective is rated Modest.

Rating

Modest

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To contribute to the conservation of desert biodiversity in the three recipient targeted national parks ("National Parks" or "NPs")":

Rationale

The project's theory of change (as stated in the ICR) assumed that outputs such as the reinforcement of the institutional legal and strategic frameworks and the mainstreaming of national and local capacities built was to result in more efficient management of parks. Also, the project's theory of change assumed that outputs such as implementing a program of community-based sub-projects, rehabilitating existing eco-museums and establishing an eco-shop was to result in greater participation of local communities in planning and implementing of development activities and creation of jobs for women. All these outcomes were to result in higher-level outcomes such as the protection of desert biodiversity in three national parks, diversification of rural economy, and reduced human pressure on natural resources. The ICR (p. 7) assumed that the government is committed to reinforce institutional and legal frameworks for the management of national parks and that awareness among stakeholders is widespread in regard to the connection between loss of biodiversity, unsustainable management of desert areas and vulnerable livelihoods.

However, it is not clear why, for example, the rehabilitation of existing eco-museums and the establishment of an eco-shop would necessarily result in the creation of jobs for women. Also, it is not clear how this was to result on diversification of the rural economy. Furthermore, the expected higher-level outcomes such as the protection of desert biodiversity, diversification of the rural economy and reduced human pressure on natural

resources were not all covered in the project's PDO which only included the conservation of desert biodiversity. The logical chain of the Theory of Change is thus flawed and not clear and convincing.

Outputs:

- The project reached a total of 1,805 beneficiaries, not achieving the target of 2,000 beneficiaries. 65 percent of the beneficiaries were female (above the age of 20), achieving the target. However, it is unclear how the project estimated this percentage. According to the Bank team (March 16, 2020) out of these beneficiaries 1,173 were youth (women and men under the age of 20), not achieving the target of 1,300 youth.
- 637 jobs were created, achieving the target. Out of these jobs 250 were created in Dghoumes, surpassing the target of 65 jobs. 284 were created in Bouhedma, surpassing the target of 84 jobs, and 103 were created in Jbil, surpassing the target of 75 jobs. 20 of these jobs were for women.
- Three local species were reintroduced in targeted national parks, achieving the target of three.
- The number of key staff in targeted parks increased from three staff in 2013 to 12 staff in 2018, surpassing the target of 9 staff.
- 485 staff was trained, mostly members of local communities, not achieving the target of 600 staff.
- 201 sub-projects were supported by the project, surpassing the target of 184 sub-projects.
- 12 Innovative Sustainable Land Management techniques were piloted and promoted, not achieving the target of 13 techniques. It is unclear, however, to what degree the techniques were adopted by the local farmers as no evidence was provided for the uptake. The following techniques were promoted:
  - In Dghoumes: i) Blackcurrants to avoid erosion on natural trails, protect the natural environment and favor the development of vegetation that can be grazed by wildlife; ii) small earth dam to collect water, feed the groundwater, water livestock and create biodiversity in the park; iii) dry prayer benches, a technique of soil works to limit the water runoff and consequently the water erosion.
  - In Bouhedma: i) rehabilitation of a 2 kilometer seguia or hydraulic network towards the eco-museum; ii) gabion dry stone to retain water and infiltration which allows the development of spontaneous vegetation; iii) Acacia raddiana to avoid water erosion, increase of forage units for wildlife and soil fixation.
  - In Jbil: i) fixing and raising dunes by dry palms to avoid erosion by silting and the protection of infrastructure; ii) closure with delimitation of the area to be protected, reduction of wildlife and large mammal exits, better management of sanitary control of wildlife and finally increase of the number of mammals.

According to the Bank team (December 13, 2019) these activities resulted in reduction of soil erosion due to water and wind, reduction of silting.

Outcomes:

The Park Management efficiency score increased from 190 in 2013 to 224 in 2019, achieving the target of 224. The project used different parameters to track efficiency such as: i) existence of a Management Plan and related priority investments; ii) purchase of equipment (including uniforms of eco-guards, road signs etc.); iii) activities aimed at preserving biodiversity and ecological and cultural goods. The maximum efficiency score of 224 was achieved adding the scores of the three different NPs together.   However, assessing each NP against the maximum score of 224, the scores were rather low.

- The Park Management efficiency score for Dghoumes NP increased from 54 in 2013 to 72 in 2018, surpassing the target of 65.
- The Park Management efficiency score for Bouhedma NP increased from 76 in 2013 to 85 in 2018, not achieving the target of 84.
- The Park Management efficiency score for Jbil NP increased from 60 in 2013 to 67 in 2018, not achieving the target of 75.

Having acknowledged these moderate shortcomings, progress against the targets still warrants a substantial rating.

Rating
Substantial

OVERALL EFFICACY
Rationale
The achievement of the single objective is rated Substantial.

Overall Efficacy Rating

Substantial

5. Efficiency

Economic Efficiency:

The PAD did not conduct a traditional Economic analysis since Economic and financial rate of return analyses are not usually conducted for this type of Global Environment Facility project. Instead, an incremental cost analysis was conducted which identified global environmental benefits such as sustainable management of natural resources, protection of threatened dryland and desert biodiversity, and protection against erosion and desertification.

The ICR conducted a benefit-cost analysis taking the following assumptions into account: a real discount rate of 6 percent per annum and a disbursement period from 2013 to 2018. Also, the right-of-way, including the price of land and any structures on the land, was not included in the analysis.

The analysis included the following benefits: i) 492 people were permanently employed; ii) 197 households benefited from income generation activities that increased the average monthly income by TND 300. According to the Bank team (December 13, 2019) income generating activities included handicrafts, petty trade, carpentry,

hairdressing, catering services for visitors to the park and tourists, and activities related to agriculture and animal husbandry. It is, however, unclear why the analysis included benefits such as 492 people being permanently employed when the number of jobs created was 637 as stated in section 4 above.

The analysis did not include the reduction of land degradation in and around the parks or the number of park visitors since this data was not available. Costs were defined as the project cost.

The analysis calculated a Net Present Value (NPV) of USD3.5 million, an Economic Rate of Return (ERR) of 64 percent and a benefit-cost ratio of 2.1 indicating that the project was a worthwhile investment.

Operational Efficiency:

The project experienced several implementation delays due to institutional and procurement inefficiencies. Also, due to the devaluation of the Tunisian Dinar the project's closing date was extended to allow for the implementation of project activities that could be implemented through the additional resources being available.

Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	**Point value (%)**	***Coverage/Scope (%)**
Appraisal		0	0 ☐ Not Applicable
ICR Estimate		0	0 ☐ Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

Relevance of the objective was rated Modest as the PDO formulation did not encompass the project's intended outcomes and as such was not in line with the Bank's most recent Country Partnership Framework. Efficacy and Efficiency were rated Substantial. Therefore, the overall outcome rating is Moderately Satisfactory.

a. **Outcome Rating**
   Moderately Satisfactory

7. Risk to Development Outcome

According to the Bank team (October 25, 2019) the government is now more committed to the project's objectives than at the time of project approval. Biodiversity is growingly valued in Tunisia as a key driver of sustainable development and there is a general political commitment to stress the nexus between poverty reduction and environment protection or between efficient agricultural development and the sustainable use of natural resources and to promote sustainable tourism. All these elements are included in the new 2014-2020 National Strategy for the Green Economy. Also, it is expected that the new government will provide the necessary funds to ensure the sustainability of project outcomes The ICR provides limited information regarding the risks to development outcome.

8. Assessment of Bank Performance

a. Quality-at-Entry

According to the ICR (p. 19) the project's design was built on solid diagnostic of national and regional development priorities and was closely aligned with the Bank's Country Partnership Strategy. The Bank team stated (October 25, 2019) that the project design benefitted from the lessons learned mainly from the Tunisia Protected Areas Management Project/PAMP (P048315) which closed in February 2009. The project drew lessons from the main barriers for the implementation of operations at local level and hired a partner institution (UTSS) with specific capacities which facilitated greatly its implementation. Major lessons learned were the following: importance of the implication of local population for the national parks management; importance of the Management Plan prepared with local populations; the integration into the plan of income-generating activities; the positive impact of coupling park management activities with local partnership and awareness initiatives; and the emphasis on providing parks with more institutional and financial autonomy. Also, the project was integrated into the regional MENA-DELP project and benefitted from its knowledge base.

The Bank identified relevant risks during project preparation. The Bank team (October 25, 2019) stated that one of the most important risks identified during preparation was related to the potential coordination problems between different regional and national institutions. The risk was successfully mitigated by effectively providing the PMU with clear procurement and fiduciary responsibilities. The operations manual, which was consistently and adequately revised, clearly addressed institutional and organization issues. Another risk was linked to the lack of technical capacities of regional staff (especially in some regional representations of the ministry of Environment), but in this regard the project organized several initiatives aimed at building and strengthening their technical and administrative capacities.

However, a major shortcoming in project design was the disconnect between the PDO and content of components. While the PDO only focused on biodiversity conservation, the project's components included activities in different areas such as land management, ecotourism development and integrated natural resource management. Also, the project's M&E had several shortcomings in resulting in insufficient documentation of project outputs and outcomes, and the majority of indicators were lacking a baseline (see section 9a for more details).

Quality-at-Entry Rating
Moderately Unsatisfactory

b. Quality of supervision

According to the ICR (p. 20) the Bank conducted bi-annual supervision missions with technical experts in financial management, procurement and safeguards. The ICR (p. 20) stated that the aim of these missions was to stress environmental issues and challenges, identify implementation challenges and find adequate solutions, adapt project activities to changing conditions, and provide guidance on project monitoring and evaluation. According to the ICR (p. 20) the Bank team ensured that the project benefitted from other Bank projects such as the MENA-DELP project and the Oasis Ecosystems and Livelihood project and supported knowledge sharing on community-based participatory development.

The Bank team restructured the project three times to allow for more time to use the financial surpluses generated by the Tunisian Dinar devaluation and to add two PDO indicators to better reflect additional biodiversity and social concerns ("number of local species reintroduced in targeted national parks" and "decline in communities parks conflicts"). However, the Bank did not revise the PDO to align it with project design and national and Bank strategies. The Bank team also failed to improve the M&E system to ensure sufficient and reliable M&E data.

Quality of Supervision Rating
Moderately Satisfactory

Overall Bank Performance Rating
Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The PAD did not include a theory of change to document how key activities and outputs would lead to intended outcomes, and the project's objective did not include the regulatory and legislative framework activities which were implemented under component 1. Furthermore, the Results Framework did not adequately capture the contribution of the project's components and outputs towards achieving the outcome, which are significant shortcomings. The original Results Framework did not sufficiently reflect biodiversity and social concerns. And finally, the majority of indicators lacked a baseline.

The Project Coordination Unit (PCU) within the General Directorate for Environment and Quality of Life (DGEQV) was to be responsible for the project's M&E activities. The project was to use the multi-project M&E system which was being used under the Bank financed Second Natural Resources Management Project (PGRN2), for which the DGEQV was responsible for the M&E under one of the components.

b. M&E Implementation

According to the ICR (p. 18) during the project's Mid-Term Review (MTR) in December 2015, the Bank team identified the absence of an effective M&E system. The Bank addressed this issue by emphasizing the necessity to develop a better tailored M&E system that could serve as a multi-project system to also be used by other projects. A local consultant was hired and developed a system with close support by the Bank and the M&E department of the Ministry.

After these issues were addressed, M&E data was systematically collected at the local level involving beneficiaries, analyzed and validated through field visits and supervision missions. The project developed its own M&E system and stopped using the multi-project M&E system used under the Bank financed Second Natural Resources Management project.

In May 2017, the project was restructured to add two PDO indicators to better reflect additional biodiversity and social concerns ("number of local species reintroduced in targeted national parks" and "decline in communities parks conflicts"). According to the ICR (p. 18) progress reports were submitted on a timely basis to the Bank.

According to the Bank team (October 25, 2019), the new M&E system produced reliable and good quality data, particularly because it linked data collection at local level, with the implication of local stakeholders and their processing and analysis at national level. The Bank team also stated that the M&E system is likely to be sustained as it is used for other projects as well. There was, however, a discrepancy between the targets stated in the PAD and the targets used in the ICR for many of the indicators. It is therefore unclear whether the project (in addition to the IR) measured progress towards the wrong targets (such as for PDO indicator "direct project beneficiaries" and intermediate outcome indicators "park management efficiency score", "additional key staff in targeted parks", "number of person trained", "number of agreements between the NP and community association", "sub-projects supported by the project", "number of projects managed by woman", and "innovative SLM techniques piloted and promoted in targeted NPs and their surrounding areas").

The M&E rating in the ICR was Modest.

c. M&E Utilization

According to the ICR (p. 18) the project's M&E system was used to report implementation progress towards the outcomes and was not used as an integrated management tool. Also, M&E data was used to inform the project's restructurings.

M&E Quality Rating
Modest

10. Other Issues

a. Safeguards

The project was classified as category B and triggered the Bank's safeguard policies OP/BP 4.01 (Environmental Assessment), OP/BP 4.04 (Natural Habitats), and OP/BP 4.11 (Physical and Cultural Resources). According to the ICR (p. 18), compliance with the safeguards policies was satisfactory throughout project implementation. An Environmental and Social Management Framework (ESMF) was prepared. Target communities were consulted during project preparation and implementation.

The ICR (p. 19) stated that to address potential restrictions to access rights for the local communities living inside the Bouhedma National Park, a Process Framework was prepared and disclosed prior to project appraisal. Communities located in the park were continuously consulted during preparation and implementation and no physical or economic displacement was experienced.

b. Fiduciary Compliance

Financial Management:

According to the Bank team (October 25, 2019) the project generally complied with the Bank's financial covenants. During the Mid-Term Review the project's financial performance was considered to be unsatisfactory due to its low disbursement rate which was at 10.6 percent for the overall project (6.5 percent for component 1 and 9.7 percent for component 2). According to the Bank team (October 25, 2019) the Bank addressed the Financial Management issues by close monitoring and supervision (twice per year) including field visits. The Financial Management team also tested during some supervision samples of payments submitted under withdrawal application, with samples reaching in some of the tested withdrawal application 82.99% of the total payments of the withdrawal application. No material anomalies were identified.

The Bank team stated (October 25, 2019) that the audit reports had unqualified opinions. Audit reports for 2015, 2016 and 2017 were systematically received with three months delays (submitted in October). The audit report for 2018 should cover the period from the 1st of January 2018 to the 31st of May 2019 and is due no later than the 31st of October. This audit report has not yet been submitted.

Procurement:

According to the Bank team (October 25, 2019) the project followed the Bank's procurement guidelines. At the beginning of the implementation, because of internal pressure, the PMU tried to use both, national and Bank, procurement procedures resulting in significant delays. However, after the Mid-Term Review, only the Bank's procurement guidelines were followed resulting in a substantial improvement of the procurement and fiduciary procedures. The Bank provided training and technical assistance to project staff on the main Bank procedures. In addition, the prior and post procurement review was an opportunity to advise the PMU on how to better implement procurement.

c. Unintended impacts (Positive or Negative)

NA

d. Other

The project did not take gender issues properly into account and jobs were mostly created for men. While the project claimed that it had 65% female beneficiaries, it did not account for how these women benefitted or how this number was estimated. The figures related to women and youth are inconsistent in the ICR.

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Moderately Satisfactory	Relevance of Objectives was Modest.
Bank Performance	Satisfactory	Moderately Satisfactory	Shortcomings in M&E, disconnect between PDO and activities included in the components and lack of Bank supervision to make necessary modifications during implementation.
Quality of M&E	Modest	Modest	
Quality of ICR	---	Modest	

12. Lessons

The ICR (p. 20 to 22) included several lessons learned which were adapted by IEG:

- **Stressing the link between socioeconomic development and environmental protection of biodiversity is important for taking advantage of potential synergies**. This project combined activities that generated income, improved local conditions, and supported alternative livelihoods while at the same time protecting fragile natural resources and biodiversity.
- **Careful planning and implementing responsible ecotourism can have a positive impact on the value of natural assets and ensure the ecological sustainability and the economic profitability in the long-run.**

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR is concise and covers a wide range of important project features. However, the review provided limited information on critical areas such as Financial Management and M&E. The ICR did not provide any information on procurement and how the Bank addressed Financial Management and procurement issues. Furthermore, there are several inconsistencies between numbers included in the main document and the Results Framework. For example, while the main document stated that 12 SLM techniques were piloted and promoted, the number in the Results Framework is 13 SLM techniques. Also, the Results Framework p. 34) stated in the table that 65 projects (approx. 32 percent out of a total of 201 sub-projects) were managed by women. However, in the comment section it said that 65 percent of sub-projects were managed by women. The ICR also failed to use the indicator targets as stated in the PAD. Finally, the lessons learned were not sufficiently specific to learn from this project's implementation experience.

a. Quality of ICR Rating
Modest