I. Project Context

Country Context

1. The total population of the Middle East and North Africa (MENA) region, which has almost tripled since 1970, is estimated at about 355 million people (of which 85 percent live in middle-income countries, 8 percent in high-income countries, and 7 percent in low-income countries), and is expected to reach about 600 million by 2050. Over the last years, the region has made significant progress on key social and economic indicators. For instance, average life expectancy is 70 years, primary education completion is about 90 percent and the under-5-mortality rate is 38/1,000. Absolute poverty is relatively low (about 4 percent of the population living under $1.25 a day). However, in the longer term, MENA countries are profoundly challenged by many of the structural problems that existed before the recent popular uprisings, particularly the following: inequitable growth and high unemployment rates. In spite of a reduction of the overall unemployment rate between 1990 and 2010, the region as a whole still holds the highest unemployment rate among developing countries. The proportion of the population suffering from malnutrition has seen no significant improvement over the rates of 1990.

2. The Arab Spring has started and continues to highlight the importance of promoting inclusive growth and good governance, as well as providing economic opportunities, particularly for a burgeoning youth population. Sustainable growth is a key element to ensuring that solutions to the challenges of social and economic inclusion are long-lasting, with good governance as the foundation. This suggests a paradigm shift in the Bank's work in MENA looking forward, intrinsically linking the environmental agenda to address these key thematic priorities in the region.

3. The MENA region is home to two of the world's largest deserts: the Sahara (4.6 million km², i.e., about 10 percent of the African continent) and the Arabian Desert (2.3 million km²). Sustaining the capacity of desert ecosystems to provide goods, services and livelihoods in an integrated manner represents a critical cornerstone for long-term development prospects in fragile deserts at local, national and regional levels. Desert ecosystem goods are already being tapped for sustainable growth, namely for the generation of solar power, through concentrated solar power and other initiatives. Other goods and services also have the potential to be harnessed to further diversify growth sectors and improve livelihoods. One example is the development of ecotourism, which can provide concrete revenue opportunities for local populations and the private sector, with benefits to biodiversity conservation. Furthermore, a better understanding and development of the full value of agro-food chains specific to arid environments (such as cactus and olives) represents another example of maximizing productive and sustainable use of deserts goods and services.

4. Desert communities represent a small proportion of the overall population of the region. In spite of the fact that they possess a spirit of economic initiative and a highly sustainable level of social cohesion, these populations are not fully integrated within development policies and plans and are not always able to capitalize on new economic opportunities and improve their livelihoods. Poverty pockets tend to be more prevalent in desert areas, where social and economic development has lagged, despite the fact that populations possess valuable know-how and have adopted a range of environmentally-sensitive practices and techniques to adapt to their arid environment.

5. To this end, the World Bank, in partnership with several countries and the Global Environment Facility, has recently launched the MENA-Desert Ecosystems and Livelihoods Program (MENA-DELP). This is a 10-15 year program aims to contribute to the enhancement of livelihoods in desert ecosystems by harnessing their value in an environmentally and socially sustainable manner so that the flow of desert goods and services can be optimized. The MENA-DELP framework seeks to maintain and improve the flow of desert ecosystem services for sustainable development in a positive feedback loop. The Program will focus on piloting enabling economic opportunities specific to deserts that integrate the health and diversity of the desert biome with the vast potential for innovative livelihood opportunities that also sustain valuable repository knowledge linked to adaptive practices. It is intended that such an approach ultimately enhance desert livelihood opportunities and increase the resilience and adaptation responses of desert communities and ecosystems to projected pressures, in particular climate change impacts. The MENA-DELP is designed for multiple phases, with the first phase being a World Bank-GEF program to support investment projects in Algeria, Egypt, Jordan, and Morocco, as well as knowledge sharing and coordination among these four countries, for which a US$ 21 million grant was approved by the GEF in November 2011. Tunisia has recently joined the MENA-DELP Program, through a national project focusing on oasis ecosystem management. In this first stage, six projects are thus being prepared as part of the World Bank-GEF program.

6. Proposed national projects in Algeria, Egypt, Jordan, Morocco, and Tunisia (all under preparation) would focus on pilot investments to optimize the provision of desert goods and services for enhanced livelihoods. The focus of these projects is on different production sectors, from goods and services can be optimized. The MENA-DELP framework seeks to maintain and improve the flow of desert ecosystem services for sustainable development in a positive feedback loop. The Program will focus on piloting enabling economic opportunities specific to deserts that integrate the health and diversity of the desert biome with the vast potential for innovative livelihood opportunities that also sustain valuable repository knowledge linked to adaptive practices. It is intended that such an approach ultimately enhance desert livelihood opportunities and increase the resilience and adaptation responses of desert communities and ecosystems to projected pressures, in particular climate change impacts. The MENA-DELP is designed for multiple phases, with the first phase being a World Bank-GEF program to support investment projects in Algeria, Egypt, Jordan, and Morocco, as well as knowledge sharing and coordination among these four countries, for which a US$ 21 million grant was approved by the GEF in November 2011. Tunisia has recently joined the MENA-DELP Program, through a national project focusing on oasis ecosystem management. In this first stage, six projects are thus being prepared as part of the World Bank-GEF program.

6. Proposed national projects in Algeria, Egypt, Jordan, Morocco, and Tunisia (all under preparation) would focus on pilot investments to optimize the provision of desert goods and services for enhanced livelihoods. The focus of these projects is on different production sectors, from
ecotourism to agriculture to oasis and rangeland management, and on improving the sustainability of these investments through an integrated ecosystem management approach. Emphasis is also placed on participatory approaches, capacity building and on harnessing local knowledge. The proposed regional umbrella project aims to enhance knowledge and experience sharing on opportunities for enhancing desert livelihoods among the five participating pilot countries. The design of this project has benefitted greatly from the lessons of MENA’s shared seas programs, and shifts the focus to other shared natural resources, in this case desert ecosystems.

II. Sectoral and Institutional Context

Desert Ecosystem Goods and Services

8. On a global scale, deserts play an important role through their regulating ecosystem services namely air quality, atmosphere composition, and climate regulation. In the MENA region, deserts encompass unique and highly adapted ecosystems that continue to provide life-supporting services to the environment and the communities inhabiting them, linked with several productive sectors, including tourism and agriculture. Ninety percent of the region lies within arid, semi-arid and dry sub-humid areas.

9. Agriculture. From a land use and natural resource management perspective, desert populations have developed a range of traditional social, cultural and technological adaptations to their arid environment, which have resulted in sustainable land management practices, over generations. Such local knowledge and practices are invaluable, particularly as MENA countries face increased climate variability and change and associated desert livelihoods are disproportionately affected.

10. Traditional knowledge of agro-biodiversity, in particular the adaptive properties of desert landraces, can contribute to sustaining livelihoods in the face of adverse environmental and climatic events. For example, participatory plant breeding for the selection of drought tolerant crop genotypes has been encouraged successfully by the International Center for Agricultural Research in the Dry Areas (ICARDA) in the MENA region. This process leverages the knowledge, needs, and labor of the local community through a participatory approach to generate improved crop germplasms that are well adapted to the stressors of desert environments.

11. The careful use of plants in the recovery of degraded areas can also provide forage, food, or marketable products. Barbary fig in particular, has been used for the stabilization of degraded soils, as well as livestock feed and cogeneration, and export as dyes, food, and cosmetics. Cultivation of Barbary fig leverages traditional knowledge, and provides for increasing economic control in local communities, especially during drought. Another emerging example is the reuse of byproducts from olive cultivation, which can reduce the environmental impacts of olive waste disposal, while obtaining value from the entire olive agro-food chain. Byproducts are treated as resources in other production systems, namely livestock feed, fertilizing compost and/or for cogeneration. Co-benefits include the reduction of livestock pressure on natural rangelands, improvements to soil-based carbon stocks, and the replacement of non-renewable energy sources in rural areas.

12. Markets for plant materials from the MENA region may also be valued for their herbal or aromatic properties or the presence of secondary plant metabolites that can be used for medicinal or other purposes. The cultivation, processing, and marketing (labeling, etc.) of such plants can add substantially to local community revenues, especially as an activity for women, and can also benefit from local knowledge.

13. Tourism. The location of the MENA region, with its warm climate and rich and varied culture, within easy reach of Europe, has been the major source of the development of the tourism industry, one of the biggest in the world. International tourism represents today an important economic resource for many MENA countries. However, the tourism industry has been severely affected by recent events and is perceived as contributing to natural resource challenges in the region, particularly in terms of water use and the degradation of natural reas. A new model is now needed, which would intrinsically link desert ecosystem integrity with socioeconomic benefits flowing to communities and would increase opportunities for smaller businesses to engage in the sector through a more transparent business environment.

14. The development of ‘ecotourism’ and ‘cultural tourism’ thus has the potential to provide concrete revenue opportunities for local populations and the private sector. Ecotourism, for example, can create local community support for nature and biodiversity conservation, especially around protected areas, while providing alternatives to hunting, overgrazing, or other activities which continue to pose threats to biodiversity.

15. Considering the arid and hyper-arid conditions of desert ecosystems, the fauna is relatively rich. In the Sahara desert, for instance, there are 70 mammalian species, 20 of which are large mammals, 90 species of resident birds, and around 100 species of reptiles. Desert biomes currently hold an abundance average of endemic species of 68 percent. Many desert species in the MENA region are listed as vulnerable or worse on the IUCN Red List.

Natural and Anthropogenic Pressures on Desert Ecosystems

16. Deserts ecosystems are not the final stage of a desertification process, but many deserts and their communities are currently under threat from both natural and anthropogenic pressures, particularly land and natural resources degradation and projected climate change impacts.

17. Climatic conditions. The MENA region is one of the driest regions on earth, with wide seasonal climatic and precipitation variations, which is typical of dryland ecosystems. Average annual temperatures vary from freezing to over 50 degrees Celsius, depending on the season and location. Rainfall distribution also varies between countries. However, even in areas with more significant rainfall, a large portion of rainwater is lost to evaporation and surface runoff (the highest losses occur in the desert and semi-desert zones). In desert ecosystems, even moderate changes in precipitation and temperature may create severe impacts by shifting the intensity and frequency of extreme periods, and subsequently creating catastrophic effects on plants, animals, and human livelihoods.

18. Water scarcity. The MENA region is being increasingly affected by water scarcity, both economically and socially. MENA is home to 5 percent of the world’s population, with only 0.7 percent of the world’s available freshwater resources (CEDARE, 2006). The increasing demands for water and the rapid population growth in the region are putting significant pressures on the resource. These pressures are the result of a number of factors including: shortages in the supply of natural renewable water resources, a deterioration in the quality and supply of groundwater, decreased capacity to provide food, dependency on rivers and groundwater reserves shared with other countries outside of the region, low water use efficiencies, as well as inadequate institutional and legislative frameworks and improper centralization and governance (CEDARE 2006 and 2007). In addition, the impact of water scarcity on rural livelihoods has increased migration to urban areas placing increasing pressure on these. It is projected that up to 100 million people could be under water stress by 2050, as a result of existing pressures exacerbated by projected climate change impacts. Further, because of its reliance on rainfed agriculture, the region’s agricultural output could decrease 20-40 percent by 2080 with decreased rainfall.

19. Land degradation. Desert margins and key production systems namely oases, rangelands and other agricultural systems constitute a hotspot for land degradation, with common challenges across the MENA region. In cases for example, soil salinization due to over-pumping of groundwater and vegetation degradation due to drought, coupled with sand dune encroachment, are major challenges to be addressed. Further, the expansion of traditional cultures that may not be adapted to arid conditions put additional pressure on groundwater resources for irrigation. A general decline in the rate of expansion of irrigated areas is expected in the next decades due to increasing water scarcity issues, together with increased investments in drainage to fight salinization.

20. Pastoralist livelihoods and associated rangelands have been a critical part of traditional livelihoods in the MENA region. However, natural rangelands are also under threat from overgrazing, habitat encroachment for urban and agricultural development, and illegal collection.
Grazing pressure on the desert, and especially on the desert margin, is considered the most extensive agent of land degradation. In addition, population pressure and recent changes in administrative structures have altered traditional desert pastoralism, often resulting in a situation where land tenure is poorly defined and resources are not well allocated and poorly controlled.

III. Global Environmental Objective(s)

The proposed project development objective is to strengthen networks among selected organizations by sharing experience and knowledge on key desert ecosystem management issues.

IV. Project Description

Component Name
Knowledge Management and Sharing
Monitoring and Evaluation
Project Coordination

V. Financing (in USD Million)

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VI. Implementation

A. Institutional and Implementation Arrangements

41. The Project will be implemented by the ‘Observatoire du Sahara et du Sahel’ (OSS), where the Project Management Team (PMT) will be hosted. The Beneficiaries will be represented in the Project Steering Committee. The role and responsibility of OSS, the PMT, and the Steering Committee, is described below and in more details in annex 3. The World Bank will carry out the supervision of the Project, according to the Implementation Support Plan presented in Annex 5.

42. The choice of the OSS is due to a number of reasons: (i) OSS has over 20 years of experience promoting environmental regional cooperation, mainly on desertification and desert issues; (ii) its mandate is to give impetus to the combat against desertification and the mitigation of drought by providing member countries and organizations with a forum where they can share experiences and harmonize the ways in which data is collected and processed to feed into decision-support tools, thus entirely aligned with the Project objective; (iii) its geographical scope is similar, and goes beyond, the Project; (iv) it has well known economic-analytical capacity on environmental issues and environmental policy discussions; (v) it has broad experience with other development agencies to conduct similar work (i.e. ADB, FFEM, AFD, EU, GIZ, CIDA, FAO …) and have adequate institutional capacities and experience (M&E and fiduciary capacity); (vi) it is one of the Regional Activity Centers for the implementation of the UNCCD regional action plan, (vii) it has a network of focal points in the DELP countries and beyond, and (viii) it is located in the region, in proximity with participating countries.

43. Project Management Team (PMT) - The PMT will be housed in OSS. It will manage day-to-day implementation of the Project. OSS staff will be assigned to the following PMT roles: Project coordinator, procurement specialist and financial management specialist. If needed, consultants will be hired to carry out specific tasks. Inside the OSS, the PMT will be responsible for the following tasks:

(i) Supervising the preparation of a Project Implementation Manual (PIM), which will identify eligible initiatives and bidders, and include guidelines for the preparation and submission of activities to be carried out under Component 1, as well procurement mechanisms;

(ii) Ensuring the financial management of the project funds and procurement activities in accordance to Bank’s practices;

(iii) Prepare procedures for submission of tenders concerning activities to be financed at the level of one or more countries (tenders will be addressed to an agreed list of eligible institutions of each of the participating countries);

(iv) Validating/rejecting proposals received from the National Implementation Partners concerning eligible activities to be financed under Component 1, and submit them to the approval of the SC;

(v) Preparing a comprehensive annual progress report (to be submitted to the SC) based on the annual project progress reports prepared by the National Implementing Institutions of the participating countries for respective national projects.

(vi) Defining the general modalities of a common M&E system (the same indicators will be used in the participating countries);

(vii) Directly supervising (or, alternatively, ensuring) M&E activities at the regional level, on the basis of M&E activities at country level (Component 2).

(viii) Ensuring the implementation of all the activities related to project coordination (Component 3).

(ix) Organizing the SC meetings and assuming a secretarial role.

44. Project Steering Committee (PSC) will be responsible for general strategic issues and decision making. It will be made up of one representative of the leading ministerial departments of each participating country. A representative of the OSS will also participate in the meetings of the SC as an observer and assume a secretarial role. The organization of Steering Committee’s meetings on issues related to the regional DELP will be associated to high-level ministerial conferences during international fora (such as UNCCD or UNCC or UNCBD COP). The Project Steering Committee will be responsible for the following activities, to be further detailed in the PIM:

(i) Providing a list of national institutions in participating countries that would form the core list for this project;

(ii) Validation of the project annual action plan (prepared by the OSS) and make decisions on activities to be funded on an annual basis that are proposed by the core list, to be put forward for non-objection to the Bank;

(iii) Validating decisions on the allocation of funds;

(iv) Facilitating a two-way communication process between the OSS and the National Implementing Institutions of the MENA-DELP national projects in the participating countries; and

(v) Reviewing and approving annual regional project progress reports.

45. At the level of each of the participating countries, National Implementation Partners will be selected among the list of core institutions to carry out the implementation of project activities under Component 1, on the basis of proposals submitted to the SC for approval.

46. The National Implementing Institutions of the MENA-DELP national projects will also play important roles in the context of the
proposed project, in addition to their implementing agency role in the context of respective national projects. This will include:
(i) Encouraging and supporting, at national level, the identification and the preparation of eligible proposals by local eligible institutions for activities under Component 1.
(ii) Consolidating eligible proposals and submitting them to OSS.
(iii) Participating in the preparation of the PIM (under the supervision of the OSS).
(iv) Ensuring M&E activities at the country level, as per the design of respective national projects.
(v) Preparing a comprehensive annual progress report, as per the design of respective national projects (to be submitted to the OSS).
(vi) Strengthen the links with the implementing institutions of other countries to foster joint initiatives.
(vii) A desk review of national and regional institutions related to this topic shows clearly that institutional mandates are linked closely with productive sectors (specifically agriculture or tourism) or are focused on local community development. This suggests that, as a first step, it would be beneficial for networks to be established that are sectoral in nature, as the lessons learned should ultimately lead to policy and investment recommendations that are of interest to a sectoral audience. At the same time, capacity clearly needs to also be built in an institution with a mandate that is multisectoral, which can take on the role of champion of the deserts agenda and can play a role as coordinator of the sectoral networks in the longer term to facilitate the dissemination of the policy-related knowledge linked with desert ecosystems. The only institution in the region with this mandate is the ‘Institut des Deserts du Monde’ (IDM), based in Algeria. However, IDM is at an early stage in its development, and the Algerian government has requested an RTA from Bank to help build its capacity. The Algerian government has also championed the deserts agenda and sees the IDM as rising to play a regional role on this agenda. It is however, at too early a stage of establishment to take on the administrative role of potential regional implementing agency. However, given recent commitments to strengthen information systems at IDM, there is a strong possibility that it could take on the role of program level M and E.
B. Results Monitoring and Evaluation
47. All the project interventions will be monitored through systematic Monitoring & Evaluation (M&E) activities, in order to assess their performance and ensure that lessons learned are used throughout project implementation. The M&E system will enable the project to take adequate remedial action.
48. The M&E system will highlight the role of different actors in collecting, processing and communicating essential data concerning the implementation of the different activities, namely that of the National Implementing Institutions at the level of each of the participating MENA-DELP countries, and the implanting entity at the regional level.
49. By producing timely and pertinent information, the M&E system will be a key management instrument, aimed at helping the decision making process. The monitoring of all investment actions will be done at real-time by using different mechanisms and tools to be defined over the first semester of the project.
C. Sustainability
50. Institutional sustainability of project interventions mainly relies on the full participation of key national stakeholders in designing the project, thereby ensuring relevance (they have already gained significant experience from past and on-going programs/projects). Implementation will be mainstreamed into Ministerial departments of participating countries that have expressed their interest for the approach and willingness to provide adequate human and financial resources. All agencies and institutes consulted expressed interest in participating in the regional project, and formulated very specific suggestions. By highlighting the comparative advantages of each institutional level, the subsidiarity principle will guide decisions concerning the participation of the different stakeholders in the implementation of the activities.
51. In terms of technical sustainability, the project will build upon the experience of past and on-going projects. Furthermore, the project will support capacity-building of national and local institutions, including ministerial departments, local authorities and community organizations, in order to facilitate full local ownership of project activities.
52. In terms of economic and financial sustainability, the project will support the dissemination of specific desert ecosystem Sustainable management practices, technologies and techniques, which are expected to consistently improve the productivity and the resilience of such ecosystem. Furthermore, through activities aimed at sharing knowledge on diversifying local livelihoods, the project will contribute to improve the resilience of local households’ communities to climate risks and reintegrate them into the dynamic of economic growth.
V. KEY RISKS AND MITIGATION MEASURES
A. Risk Ratings Summary Table
Risk Rating
Stakeholder Risk Moderate
Implementing Agency Risk
- Capacity Low
- Governance Low
Project Risk
- Design Moderate
- Social and Environmental Low
- Program and Donor Substantial
- Delivery Monitoring and Sustainability Moderate
Overall Implementation Risk Moderate
53. Risks that are likely to affect both project preparation and implementation are the following:
(i) Civil unrest and political situations: Because of current events in some countries (for instance, Egypt), project preparation and, eventually, implementation could be delayed. However, the Bank will closely monitor the situation in each participating country and identify openings and alternatives.
(ii) Monitoring & Evaluation activities. National institutions of participating countries have expressed little interest in carrying out M&E activities (Component 2). Some of them also lack key technical expertise, especially in order to align national and regional M&E systems. However, additional consultations will be held during the preparatory phase. The Steering Committee and the OSS are likely to efficiently facilitate communication with core institutions. During implementation, adequate technical support will be eventually provided to concerned institutions in order to ensure efficiency and consistency.
(iii) Institutional linkages. As the achievement of the regional project objective is partially linked to the success of the national projects under the MENA-DELP Program, the risks is that reporting national project outcomes and results will be simply aggregated at the programmatic level.
B. Overall Risk Rating Explanation
54. In view of the above, and notwithstanding the political uncertainties related to recent events in the region, the overall project risks are rated ‘Moderate’. Potential risks and mitigation measures are further detailed in the Operational Risk Assessment Framework in Annex 1.
VII. Safeguard Policies (including public consultation)

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VIII. Contact point

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Implementing Agencies
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