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Report No: ICR00224

IMPLEMENTATION COMPLETION AND RESULTS REPORT

IBRD-87220

ON A

LOAN

IN THE AMOUNT OF EUR 93.1 MILLION

(US$ 100 MILLION EQUIVALENT)

TO THE

Republic of Tunisia

FOR

Integrated Landscapes Management in Lagging Regions Project

December 20, 2024

Environment Department
Middle East And North Africa

CURRENCY EQUIVALENTS

(Exchange Rate Effective March 29, 2024)

Currency Unit =	Tunisian Dinar
TND3.1300 =	US$1
US$0,31 =	TND1

FISCAL YEAR
January 1 - December 31

Regional Vice President:	Ousmane Dione
Country Director:	Ahmadou Moustapha Ndiaye
Regional Director:	Meskerem Brhane
Practice Manager:	Maria Sarraf
Task Team Leaders:	Amos Abu, Lorenzo Bertolini
ICR Main Contributors:	Andrea Kutter, Sandrine Jauffret

ABBREVIATIONS AND ACRONYMS

CPF	Country Partnership Framework
CRDA	Regional Agricultural Development Commission (*Commissariat Régional de Développement Agricole*)
CSO	Civil Society Organization
CW	Center West
DGACTA	General Directorate of Development and Conservation of Agricultural Land (*Direction Générale de l'Aménagement et la Conservation des Terres Agricoles*)
DGF	General Directorate of Forests (*Direction Générale des Forêts*)
DGFIOP	General Directorate for Financing Investments and Professional Organizations (*Direction Générale du Financement des Investissements et des Organismes Professionnels*)
EDP 3	Third Export Development Project
ENV	Environment
ERR	Economic Rates of Return
ESF	Environment and Social Framework
ESMF	Environment and Social Management Framework
FAO	Food and Agriculture Organization
FCI	Finance, Competitiveness and Innovation
GBV	Gender-based Violence
GDA	Agricultural Development Group (*Groupement de Développement Agricole)*
GEF	Global Environment Facility
GP	Global Practice
GRM	Grievance and Redress Mechanism
Ha	Hectares
ICR	Implementation Completion Results Report
IFPON	National Forests, Rangelands and Olives Inventory (*Inventaire Forestier, Pastoral et Oleicole National*)
ILDP	Integrated Landscape Development Plan
ILM	Integrated Land Management
IP	Implementation Progress
ISR	Implementation Status Report
LDC	Local Development Council
MARHP	Ministry of Agriculture, Water Resources and Fisheries (*Ministère de l'Agriculture, des Ressources Hydrauliques et de la Pêche*)
MSME	Micro, Small, and Medium Enterprises
MTR	Mid-Term Review

M&E	Monitoring and Evaluation
NGO	Non-Governmental Organization
No.	Number
NRM	Natural Resources Management
NW	Northwest
PAD	Project Appraisal Document
PDIP	Integrated Landscape Development Plan (*Plan de Développement Intégré des Paysages*)
PDO	Project Development Objective
PMU	Project Management Unit (*Unité de Gestion du Projet)*
POM	Project Operations Manual
RF	Results Framework
RPF	Resettlement Policy Framework
SEA/SH	Sexual Exploitation and Abuse and Sexual Harassment
SLM	Sustainable Land Management
TND	Tunisian Dinar
ToC	Theory-of-Change
TTL	Task Team Leader
USD/US$	United States Dollar
WSC	Water and Soil Conservation

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DATA SHEET

BASIC DATA

Product Information

Operation ID P151030	Operation Name Integrated Landscapes Management in Lagging Regions Project
Product Investment Project Financing (IPF)	Operation Short Name TN: Integrated Landscapes Mgmt Project
Operation Status Closed	Approval Fiscal Year 2017
Original EA Category Partial Assessment (B) (Approval package - 15 Mar 2017)	Current EA Category Partial Assessment (B) (Restructuring Data Sheet - 20 Jul 2022)

CLIENTS

Borrower/Recipient Republic of Tunisia	Implementing Agency Ministry of Agriculture, Water Resources, and Fishing

DEVELOPMENT OBJECTIVE

Original Development Objective (Approved as part of Approval Package on 15-Mar-2017)

The project development objective is to improve landscape management and access to economic opportunities for targeted rural communities in the North West and Center West regions of Tunisia.

PDO as stated in the legal agreement

The PDO as stated in the Legal Agreement is “to improve landscape management and access to economic opportunities for targeted rural communities in Northwest and Center West regions of Tunisia”.

FINANCING

Financing Source	Original Amount (US$)	Revised Amount (US$)	Actual Disbursed (US$)
World Bank Financing	100,000,000.00	22,998,925.89	18,672,563.97
IBRD-87220	100,000,000.00	22,998,925.89	18,672,563.97
Non-World Bank Financing	32,340,000.00	6,630,000.00	6,630,000.00
Borrower/Recipient	22,340,000.00	5,550,000.00	5,550,000.00
Local Beneficiaries	10,000,000.00	1,080,000.00	1,080,000.00
Total	**132,340,000.00**	**29,628,925.89**	**25,302,563.97**

RESTRUCTURING AND/OR ADDITIONAL FINANCING

Date(s)	Type	Amount Disbursed (US$M)	Key Revisions
09-May-2020	Portal	9.37	• Components • Results • Disbursement Estimates • Disbursement Arrangements • Loan Cancellations • Reallocations
20-Jul-2022	Portal	13.75	• Components • Results • Disbursement Estimates • Loan Cancellations • Reallocations

KEY DATES

Key Events	Planned Date	Actual Date
Concept Review	06-May-2015	03-Oct-2016
Decision Review	12-Jan-2017	12-Jan-2017
Authorize Negotiations	13-Feb-2017	06-Feb-2017
Approval	14-Mar-2017	15-Mar-2017
Signing	24-Apr-2017	22-Apr-2017
Effectiveness		12-Dec-2017
ICR/NCO	27-Dec-2024	--

Restructuring Sequence.01	Not Applicable	09-May-2020
Restructuring Sequence.02	Not Applicable	20-Jul-2022
Mid-Term Review No. 01	01-Jun-2021	01-Jun-2021
Operation Closing/Cancellation	29-Mar-2024	29-Mar-2024

RATINGS SUMMARY

Outcome	Bank Performance	M&E Quality
Moderately Unsatisfactory	Moderately Unsatisfactory	Modest

ISR RATINGS

No.	Date ISR Archived	DO Rating	IP Rating	Actual Disbursements (US$M)
01	12-Jun-2017	Satisfactory	Satisfactory	0.00
02	15-Dec-2017	Satisfactory	Satisfactory	0.00
03	22-Jun-2018	Moderately Satisfactory	Moderately Satisfactory	5.51
04	30-Dec-2018	Moderately Satisfactory	Moderately Satisfactory	5.51
05	30-Jul-2019	Moderately Unsatisfactory	Moderately Unsatisfactory	6.10
06	18-Dec-2019	Moderately Unsatisfactory	Moderately Unsatisfactory	9.19
07	16-Jun-2020	Moderately Satisfactory	Moderately Satisfactory	9.81
08	30-Dec-2020	Moderately Satisfactory	Moderately Unsatisfactory	10.18
09	29-Jul-2021	Moderately Satisfactory	Moderately Unsatisfactory	11.85
10	14-Feb-2022	Moderately Unsatisfactory	Unsatisfactory	11.85
11	22-Aug-2022	Satisfactory	Moderately Satisfactory	15.20
12	26-Feb-2023	Satisfactory	Moderately Satisfactory	19.44
13	23-Aug-2023	Satisfactory	Moderately Satisfactory	19.44
14	05-Feb-2024	Satisfactory	Moderately Unsatisfactory	21.35

15	28-Mar-2024	Moderately Unsatisfactory	Moderately Unsatisfactory	21.35

SECTORS AND THEMES

Sectors

Major Sector	Sector	%	Adaptation Co-benefits (%)	Mitigation Co-benefits (%)
FY17 - Agriculture, Fishing and Forestry	FY17 - Other Agriculture, Fishing and Forestry	72	19	41
	FY17 - Public Administration - Agriculture, Fishing & Forestry	9	10	30
FY17 - Industry, Trade and Services	FY17 - Agricultural markets, commercialization and agri-business	19	0	59

Themes

Major Theme	Theme (Level 2)	Theme (Level 3)	%
FY17 - Environment and Natural Resource Management	FY17 - Climate change	FY17 - Adaptation	14
		FY17 - Mitigation	43
	FY17 - Renewable Natural Resources Asset Management	FY17 - Landscape Management	76
FY17 - Private Sector Development	FY17 - Enterprise Development	FY17 - MSME Development	26
	FY17 - Jobs	FY17 - Job Creation	23
FY17 - Urban and Rural Development	FY17 - Rural Development	FY17 - Rural Infrastructure and service delivery	13
		FY17 - Rural Markets	23

ADM STAFF

Role	At Approval	At ICR
Practice Manager	Benoit Paul Blarel	Maria Sarraf
Regional Director		Meskerem Brhane
Global Director	Julia Bucknall	Valerie Hickey
Practice Group Vice President		Juergen Voegele
Country Director	Marie Francoise Marie-Nelly	Ahmadou Moustapha Ndiaye
Regional Vice President	Hafez M. H. Ghanem	Ousmane Dione
ADM Responsible Team Leader	Taoufiq Bennouna	Amos Abu
Co-Team Leader(s)	Jade Salhab Daniel Gerber	Lorenzo Bertolini
ICR Main Contributor	Andrea Kutter, Sandrine Jauffret	

I. PROJECT CONTEXT AND DEVELOPMENT OBJECTIVES

A. CONTEXT AT APPRAISAL

Context

1. *Country Context*. The project was developed and appraised five years after the 2011 revolution (Arab Spring). At that time, Tunisia had successfully completed its political transition, yet tangible economic dividends in terms of greater prospects for economic opportunities and private sector-led jobs for the population took longer to materialize than expected. Reasons included delays in reform implementation, security-related incidents, social unrest, and regional instability. The resulting weak economic performance posed a risk to the poverty reduction gains of the past, and to the promotion of greater inclusion especially for the middle class—indicating the still fragile social situation in Tunisia's young democracy. In addition, economic development in Tunisia was characterized by significant regional imbalances, with coastal regions developing quickly, and hinterland regions lagging. Highest poverty numbers were in the Northwest (NW) and Center-West (CW) regions, home to about 47 percent of the poor with the lowest regional development indicators in education, employment, and health, and the highest unemployment rates for university graduates. Up to 80% of the rural labor force in the NW and CW regions were women with limited or no access to finance (ILMP PAD, 2017).

2. *Sector Context*. Agriculture dominated economic life in the NW and CW regions providing employment and income opportunities. Favoritism and elite capture translated into wide disparities in terms of socioeconomic achievements. Main constraints to the sustainable development of Tunisia's lagging regions included: (i) fragmented and centralized administrative approaches to local development; (ii) limited infrastructure and public services; (iii) limited availability of basic and financial services; and (iv) policies that did not support sustainable agriculture.

3. *Policy Context*. At the time of appraisal, Tunisia's overall strategic directions were manifested in the *New Five-Year Development Plan (2016-2020)*, which aimed to maintain social peace, especially in the lagging regions by highlighting the need for a "positive discrimination between regions," and stressing the importance of a new development model based on efficiency, equity, and sustainability. This plan laid the foundation for an integrated landscape management (ILM) approach that (i) recognized the interdependence between agriculture, forestry, and natural resources (particularly, soil and water); (ii) engaged all key actors (public, private, and people) in strong partnerships; and (iii) sought to increase rural household incomes while strengthening resilience and sustainability.

4. Key agricultural policies showed unintended biases against lagging regions. While the objective was to support food security and farmers' livelihood, the actual policies geared towards a complex system of subsidies from the Ministry of Agriculture, Water Resources, and Fisheries (MARHP) on commodity price and production assistance. These policies tended to repress the growth of lagging regions by stimulating the production of commodities (e.g., cereals, beef, and milk) for which they had limited comparative advantages. This undermined the development of more diversified and labor-intensive products with higher values for which the lagging regions were more competitive.

5. Agricultural policies also played a significant role in the degradation of the lagging regions' landscapes by encouraging excessive cultivation of marginal lands. The allocation of rangelands to the private sector, combined with state support for planting olive trees, encouraged land clearing and conversion to olive plantations, leading to environmental degradation. The Tunisian Forest Code, discriminated directly against the lagging regions by inhibiting forest and rangeland development and discouraging community-based management. The state owns and manages about 94 percent of the country's forests and provides local people with restricted use rights focusing on meeting subsistence needs, but no management responsibilities and broader user rights. Finally, professional associations were not sufficiently involved in the decision-making process and the management of these resources.

6. *Institutional Context*. As called for by the 2014 Constitution, the government expressed its intention to decentralize resources, functions, and responsibilities to empower local governments. This objective was also stressed in the *New Five-Year Development Plan*.

7. The MARHP intervened in five key areas: (i) agriculture; (ii) fisheries and aquaculture; (iii) livestock; (iv) water resources; and (v) natural resources (forests and rangelands). At the time of appraisal, the Ministry had initiated a review of its sectoral strategies, including the *Strategy of Agricultural Sector and Fisheries,* a *Strategy for Water and Soil Conservation* (WSC), and a *National Strategy for the Sustainable Development and Management of Forests and Rangelands.* The Office of Budget Management by Objectives was established in MARHP in 2004 to improve coordination among the many directorates and institutions.

8. **Rationale for the project and for World Bank support.** This Project proposed to support the MARHP by improving sustainable agriculture production and market access for the bottom 40 percent of the population, while reducing pressure on the fragile landscape in lagging regions. Through improved landscape management, the project intended to shift incentives towards improving incomes for beneficiaries, while simultaneously restoring agricultural, forested, and pastoral areas. The Project was also expected to support the decentralization process and improving the livelihoods and income of the rural population in the two lagging regions.

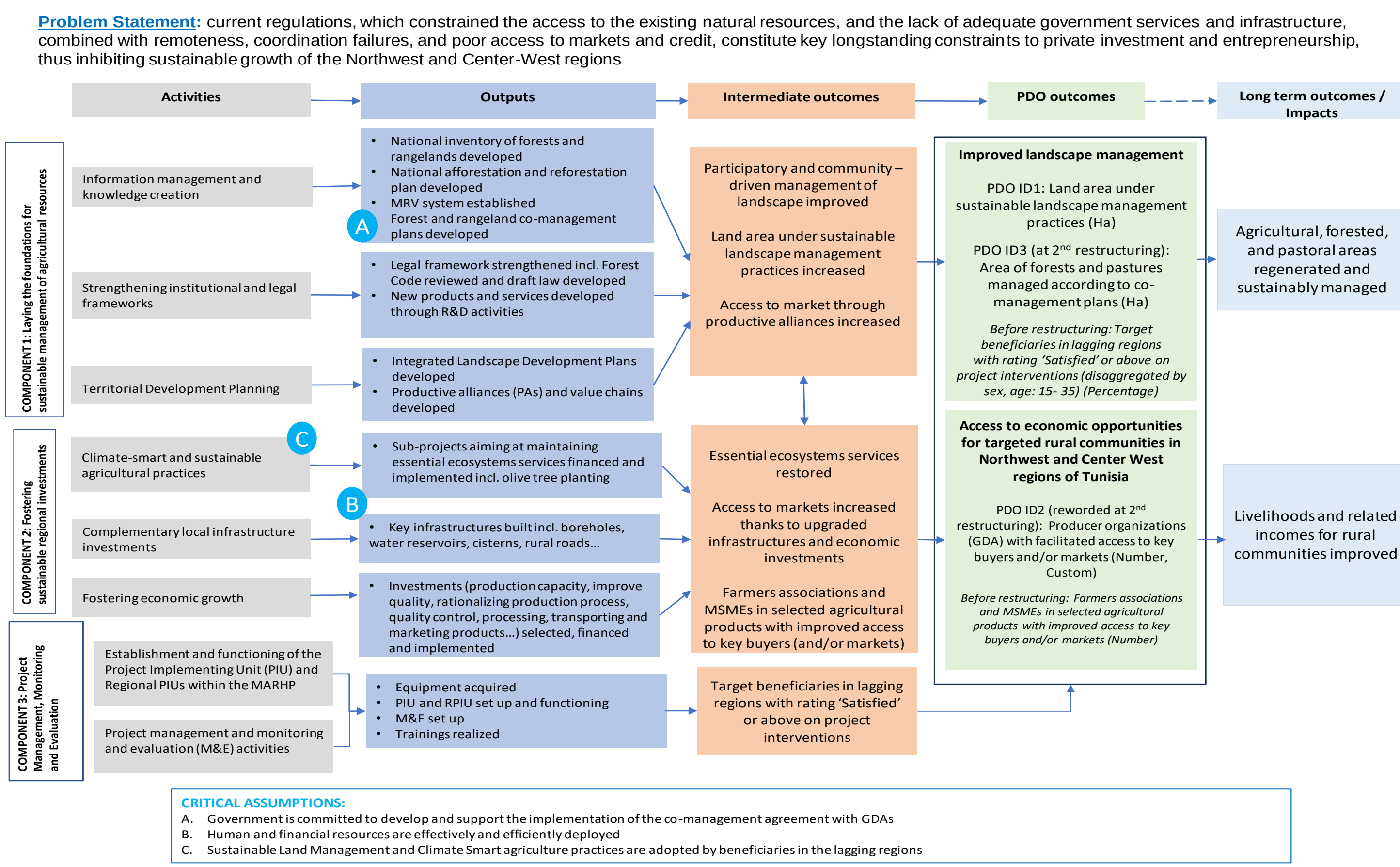
9. At that time, the Bank and relevant government agencies, including MARHP agreed on a joint approach to value-chain development activities in targeted lagging regions. Four World Bank project were under implementation on these topics: the *Integrated Landscapes Development in Lagging Regions Project* (P151030); the *Productive Inclusion Opportunities for Young Women and Men Project* (P158138); *the Irrigated Agriculture Intensification Project*

(P160245), and the ongoing *Tunisia Third Export Development Project (P132381).* The objective was to establish a common value-chain development platform among various development agencies (private sector and/or regional), to ensure synergies and coordination across the projects, and among the concerned agencies, in support of private sector development at the local level.

10. **Alignment with Higher Level Objectives**. The Project was aligned with the World Bank Group's goal of reducing poverty and promoting shared prosperity in a sustainable manner, and with Tunisia's Country Partnership Framework (CPF) for the period FY 2016-2021. The project was consistent with the three pillars of the CPF: (i) improving the national regulatory environment in the agroforestry sector; (ii) contributing to job creation in targeted lagging regions through bottom-up, participatory local development in landscape areas; and (iii) contributing to economic inclusion of youth and marginalized groups by creating economic opportunities in the lagging regions (i.e. the bottom 40 percent).

Theory of Change (Results Chain)

Figure 1: Theory of Change (ToC)



Project Development Objectives (PDOs)

11. **The PDO as stated in the Legal Agreement is "**to improve landscape management and access to economic opportunities for targeted rural communities in NW and CW regions of Tunisia".

Key Expected Outcomes and Outcome Indicators

12. At the time of appraisal, the objective was to be measured by the following PDO indicators reflecting on the compound PDO statement relevant for both, the NW and CW regions:

PDO Statements	Relevant indicator to measure progress
to improve landscape management for targeted rural communities in the NW and CW regions of Tunisia	Land area under sustainable landscape management practices (hectares) Target beneficiaries in lagging regions with rating 'Satisfied' or above on project interventions (disaggregated by sex, age: 15-35) (percentage).
to improve access to economic opportunities for targeted rural communities in the NW and CW regions of Tunisia	Farmers associations and MSMEs in selected agricultural products with improved access to key buyers (and/or markets) (number) Target beneficiaries in lagging regions with rating 'Satisfied' or above on project interventions (disaggregated by sex, age: 15-35) (percentage).

Components

13. The project had three components which did not change throughout the implementation of the project, including the two restructurings.

Component 1. Laying the foundations for sustainable management of agricultural resources (US$14 million)

14. This component aimed to enhance stakeholder capacities for sustainable management of agricultural resources and information management, with capacity building and technical assistance to be implemented around three complementary sub-components:

- CP1.1. Information management and knowledge creation (US$8 million).
- CP1.2. Territorial Development Planning (US$3.5 million).
- CP1.3. Strengthening institutional and legal frameworks (US$2.5 million).

Component 2. Fostering sustainable regional investments (US$80 million)

15. This component was intended to support strategic investments related to forestry, olive tree plantations, agriculture, and rangeland management (including livestock management), and small infrastructure projects (subprojects) that emerge from the integrated landscape development plans (ILDP).

16. Three categories of subprojects, implemented by the Regional Agricultural Development Commission (CRDA) / Regional Project Management Unit in close collaboration with the Local Development Councils (LDCs) and through a participatory and consultative process with all eligible stakeholders:

- CP2.1. Climate-smart and sustainable agricultural practices (US$56 million).
- CP2.2. Complementary local infrastructure investments (US$7 million).
- CP2.3. Fostering economic growth (US$17 million).

Component 3. Project Management, Monitoring and Evaluation (US$6 million)

17. This component supported the establishment and functioning of the Project Management Unit (PMU) and the regional PMUs within the MARHP. Through the provision of goods, consultant services, and training, it covered: (i) the equipment cost for the unit; (ii) project audits; and (iii) the incremental operating costs for the project at both the national and regional levels. This component also supported project management, monitoring, and evaluation (M&E) activities.

B. SIGNIFICANT CHANGES DURING IMPLEMENTATION

18. The Project was **restructured two times**, as summarized below:

a. **Restructuring 1: March 11, 2020 –** US$48 million of the loan was cancelled. The costs for the three components and related disbursement were revised accordingly, keeping the same activities with a reduced scope (see summary table above). The most substantial cut was for Component 2 with more than 50% reduction leading to the cancellation of many investments for small-scale farmers, e.g., road improvements, cisterns, and boreholes. The allocation for Component 1 increased slightly while Component 3 also experienced a reduction. In addition, the project management unit was moved from the DGFIOP Directorate to the DGF Directorate.

b. **Restructuring 2: June 27, 2022 –** During the 2nd restructuring, an additional US$29 million of the loan was cancelled. The component costs and disbursement estimates were revised again to reflect the canceled loan amount. The allocations for all three components were reduced, again with the most substantive cut for Component 2.

Revised PDOs and Outcome Targets

19. The PDO remained unchanged throughout the Project.

Revised PDO Indicators

20. The PDO indicators were revised as summarized in Table 1 below.

Table 1: Summary of Changes to PDO indicators and outcome targets

PDO Indicators / Pre-Restructuring Indicator	Target at Appraisal	Revision at restructuring 1	Revision at restructuring 2
PDO ID 1 Land area under sustainable landscape management practices (Hectare (Ha))	100,000 ha	Scale down to 70,000 ha	Scale down to 11,800 ha
PDO ID 2 Farmers associations and MSMEs in selected agricultural products with improved access to key buyers and/or markets (Number) **Reworded as follows at 2nd restructuring:** Producer organizations (GDA) with facilitated access to key buyers and/or markets (Number, Custom)	350	Scale down to 150	Scale down to 17
PDO ID 3 Target beneficiaries in lagging regions with rating 'Satisfied' or above on project	80%	Scale down to 65%	Dropped

interventions (disaggregated by sex, age: 15-35) (Percentage)			
New PDO ID 3 (at 2nd restructuring – June 2022): Area of forests and pastures managed according to co-management plans (Hectare (Ha))	-	-	50,000 ha

Revised Components and Loan Cancellations

21. During each of the two restructuring, parts of the original loan amount were cancelled. Each cancellation was about 50% of the preceding loan amount. The project components remained the same throughout project implementation with an adjusted scope. The following changes in terms of loan reductions and changes in allocation were made to the project components (see Table 2):

Table 2: Summary of Changes to Allocations by Component (in US$ million)

	Target at Appraisal	**Restructuring 1**	**Restructuring 2**
Loan amount	100	52 (48 cancelled) Reason: Project rating MU for DO and IP; low disbursement rate (8.8%)	23 (29 cancelled) Reason: project rating MU for DO and U for IP; low disbursement rate (26%)
Components:			
1. Laying the foundations for sustainable management of agricultural resources	14	14.23	10.12
2. Fostering sustainable regional investments	80	34	11.19
3. Project Management, Monitoring and Evaluation	6	3.77	1.70

Other Changes

22. Counterpart funding allocated to the Project was anticipated at US$32 million at appraisal stage. At closing date, the total estimated amount the counterpart contributed was US$6.63 million (government: US$5.55 million; beneficiaries: US$1,08 million) as follows:

i. cash contribution from the Government is estimated at US$3.317 million (mainly corresponding to applicable taxes, management and operating costs);
ii. in-kind contributions from the Government are estimated at US$2.229 million; and
iii. cash contributions from the beneficiaries are estimated at US$0.175 million and in-kind contributions at US$0.907 million.

23. Despite that the materialized co-financing during implementation was significantly lower compared to what was indicated at appraisal stage, it was proportionate to the reduced loan amounts due to the restructurings, and therefore, represents an adequate contribution from the Government and beneficiaries to the Project.

Rationale for Changes and Their Implication on the Original Theory of Change

24. All changes through restructuring were formally requested by the Government of Tunisia and approved by the Bank (December 2019 and June 2022, respectively). Unexpected political and institutional challenges, as described below, affected the entire Tunisa project portfolio, including the ILMP project implementation and the attainment of the PDO leading to restructurings and cancellations.

25. In addition, key constraints included inadequate staffing (appointment of non-qualified staff), delays in recruitment of environmental and social specialists in the PMU, and insufficient technical, managerial, and administrative capacities of staff responsible for the coordination of project activities. Limited working relationships among key project stakeholders (the DGF, the DGFIOP, the central and regional PMUs) led to inefficient communication and delayed decisions. The first restructuring, including the cancellation of US$48 million of the original loan, was due to slow implementation progress consistent with a low disbursement rate (8.8%) due to low level of commitment from the PMU, slow procurement processes, as well as other delays (see sections on procurement and financial management); and likelihood that the PDO would not be achieved by project closure. Impacts of the COVID-19 crisis and Russia's invasion of Ukraine, political instability; continued slow project implementation consistent with a slow disbursement rate (26%) led to the second restructuring and an additional loan cancellation in the amount of US$29 million with the rationale to enhance the likelihood that the PDO could be achieved by project closure.

26. Despite the above-mentioned changes, the ToC remained the same throughout project implementation and was not impacted.

II. OUTCOME

A. RELEVANCE OF PDO

Rating: High

Assessment of Relevance of PDOs and Rating

27. **The PDOs remained highly relevant for Tunisia and the World Bank, and are strongly aligned with Tunisia's sector goals and strategies**. In Tunisia, land and water conservation has been the focus of national policies for almost 30 years, as the country experiences a high rate of soil erosion, affecting 50% of its total surface. With climate change, the degradation of land and water resources continues being a threat. Tunisia has no agricultural and rural development strategy, although multiple documents address the sector in terms of environmental policy and strategy.

28. **The project remained consistent with the "National Strategy for the Development and Sustainable Management of Forests and Rangelands (2015-2024)"[1].** The strategy envisages that "Tunisia's forest and pastoral resources are expanded, restored and managed actively and effectively in the long term through good governance of all the goods, services and values they contain, in the interest of (i) the socio-economic well-being of the populations concerned and the national economy, (ii) the conservation of biodiversity (ecosystems, habitats, species, genetic resources, etc.), the fight against land degradation and mitigating the effects of climate change". The strategy also mentions the importance of co-management plans with GDAs. The project is relevant to this strategy as it promotes sustainable forest landscape management by improving productivity while protecting biodiversity and combatting land degradation.

29. **The Government remains committed to provide socio-economic opportunities for the population in Tunisia's lagging regions.** The current Constitution (2014), which provides for both increased autonomy and competences in regional government, and deep-seated change in the relationship between central and local government, represents an opportunity for Tunisia to meet this objective. The project is consistent with and has contributed to the important steps Tunisia has made towards less centralized governance and more citizen-centric administration were the adoption of the Law on Local

[1] https://hal.science/hal-03556697/document

Governance (*Code des Collectivités Locales*[2]), and the strengthening of municipalities focused on community-engagement at local levels.

30. **The project remained aligned with the current CPF for the period FY23-27**[3] as discussed in the context section. Informed by the Tunisia Country Climate and Development Report[4], the CPF aims at building a low-carbon and resilient society and promoting inclusive development. The project contributes to climate change mitigation through *the Pathway 4: Integrated landscape management,* paving the way to a more resilient green and blue economy and support the achievement of the High-Level Objective III*: Improved resilience to climate change and reduced carbon emissions.*

31. The project remained also consistent with and relevant to:

- the **MENA Regional Strategy**, which aims to promote economic and social inclusion for peace and social stability: the project promoted economic development in lagging regions by empowering local communities, including women and POs (i.e., GDA) to improve their livelihoods and incomes by investing in value addition of non-forest timber products;
- the **World Bank Agricultural Strategy**, which consists of four pillars: (i) improving food supply and nutrition; (ii) providing livelihood and income in rural areas; (iii) providing economic growth and environmental sustainability; and (iv) affecting climate change: the project contributed to the four pillars by investing in the establishment and improvement of olive groves using conservation agriculture techniques leading to improved yields and increased incomes; and the
- **Tunisia Country Climate and Development Report** (2023): the project promoted sustainable land and forest management approaches addressing climate risks such as introducing climate-resilient species and employing climate-smart agriculture techniques (i.e., agro-forestry).

32. The overall relevance of the project to Tunisia's sustainable development aspirations and World Bank goals is rated ***High***. Improving land management, providing economic opportunities for the most vulnerable, and protecting Tunisia's natural capital will support broader efforts to sustainably improve the livelihoods of the people in lagging regions of Tunisia.

B. ACHIEVEMENT OF PDOs (EFFICACY)

Assessment of Achievement of Each Objective/Outcome

33. **Approach to assessing the achievement of the PDO**. The PDO was structured around two main objectives: (i) to *improve landscape management for targeted rural communities in the NW and CW regions of Tunisia*[5]; and (ii) *to improve access to economic opportunities; for targeted rural communities in the NW and CW regions of Tunisia*. Despite that the PDO remained the same, the scope was changed twice with significant reductions in PDO targets. **Both objectives are assessed under a (double) split evaluation, as the related PDO indicators and outcome targets were reshaped during the 2019 and 2022 restructuring**. Therefore, the evaluation for the two objectives will cover three phases: (i) 1st restructuring in December 2019; (ii) 2nd restructuring in June 2022; and (iii) post 2nd restructuring to project closure (June 2022 – closure, March 31, 2024).

PDO 1: to improve landscape management for targeted rural communities in the NW and CW regions of Tunisia

[2] Loi organique n° 2018-29 du 9 mai 2018, relative au Code des collectivités locales - Tunisie - Legal Databases (legislation-securite.tn)
[3] http://thedocs.worldbank.org/en/doc/6e14e6c4eca4443847a348627c6586e7-0280012023/original/230510-Tunisia-CPF-New-Board-Stage.pdf
[4] https://openknowledge.worldbank.org/entities/publication/66d30db7-bc0f-46fd-89bd-d983914147cc
[5] See Annex 4 for a map with locations of project activities.

34. **The main outcome expected from this objective was to improve landscape management for targeted rural communities in the NW and CW regions of Tunisia.** The following indicators were measuring this PDO outcome:

(1) PDO ID1 - Land area under sustainable landscape management practices (Ha).
(2) PDO ID3 - Area of forests and pastures managed according to co-management plans (Ha).

35. **Achievement of PDO outcome 1 indicators.** For PDO ID1 "Land area under sustainable landscape management practices (ha)", the target was to achieve 100,000 ha by the end of project implementation. At project closure, the project achieved 13,171 ha, about 13% of the intended target. For PDO ID3 "Area of forests managed according to co-management plans (ha)", the target was set at 50,000 ha and at project closure 65,122 ha were reported achieved (130% achievement).

36. Key activities envisaged at appraisal were carried out during the implementation, except for the reduction in the targets due to the loan cancellations. The key impacts of these activities are discussed below and the extent of achievement of the original and revised targets for PDO outcome 1 is provided in Table 3 using the above-mentioned split evaluation.

37. *Sustainable landscape management practices.* The Project introduced sustainable land management practices, including climate-smart agriculture to improve productivity and reduce land degradation. The introduction of these practices, allowed to put 13,171 ha under sustainable land management. The project introduced conservation agriculture techniques, restoration of vegetation cover on highly degraded lands, including the introduction of olive plantations, and provide relevant capacity building and training to local beneficiaries. Area results include: 1583 ha under sustainable forest management; 508 ha of forest and pastoral plantations; 5820 ha of olive plantations; 2150 ha of water and soil conservation works; 840 ha of forests with firebreaks; 2250 ha of managed trails / rural roads; and 20 ha of forest with cleared deadwood and underbrush.

38. *Forests managed according to co-management plans*. The project promoted the co-management of forested areas with GDAs. These agreements cover 65,122 ha of forested areas with a management plan ensuring sustainable harvesting levels for non-forest products. The project also supported the restoration of degraded forests by encouraging natural and assisted regeneration of local trees species e.g. oak and pine. In few cases, on highly degraded areas, the project introduced *Eucalyptus* plantations to stop severe soil erosion.

39. *Integrated Landscape Development Plans.* The project developed and received approval for 15 plans in the two regions. Local stakeholders were consulted during the preparation to identify the main activities, but these were not prioritized. In the absence of a prioritization of the activities identified for each landscape, sequencing and implementing proposed interventions is a challenge and funding of identified activities remains lacking.

40. *Knowledge and planning base for forest, pasture and olive trees established*. The project developed a national afforestation and reforestation plan which is managed by the DGF and has planned to reforest and plant trees and other species on 160,000 ha of land. The main objective of this program is to achieve a 1% increase in forest cover, from 8.2% in 2014 to 9.2% by 2024 which is being evaluated by the Tunisian Government with the support of the WWF[6]. In addition, a monitoring system was set up and is operational at MARHP level. Additionally, the national forest,

[6] See Terms of references for the Evaluation of the National Strategy for Sustainable Development of Forests and Rangelands (SNDDFP 2015-2024) and the development of the new updated strategy (SNDDFP 2025-2050). https://www.wwf.tn/?49422/TERMES-DE-REFERENCES-TdRs--EVALUATION-DE-LA-STRATEGIE-NATIONALE-DE-DEVELOPPEMENT-DURABLE-DES-FORETS-ET-DES-PARCOURS-SNDDFP-2015-2024-ET-LELABORATION-DE-LA-NOUVELLE-STRATEGIE-ACTUALISEE-SNDDFP-2025-2050

pastoral and olive tree inventory (IFPON) was finalized but not validated by the DGF due to some pending deliverables associated with it. In addition, capacity building within the MAHRP was not carried out to allow for future updates and the sustainability of this action by the Ministry.

Table 3: Summary of Achievement of PDO1

Pre-Restructuring 1		Post Restructuring 1 until Restructuring 2		Post Restructuring 2 to Closing)	
PDO 1					
INDICATOR	**LEVEL OF ACHIEVEMENT**	**INDICATOR**	**LEVEL OF ACHIEVEMENT**	**INDICATOR**	**LEVEL OF ACHIEVEMENT AT CLOSURE**
Land area under sustainable landscape management practices (ha)	*Negligible* Target: 100,000 ha Achievement: 13,171 ha	Same	*Negligible* Target:70,000 ha Achievement: 13,171 ha	Same	*High* Target: 11,800 ha Achievement: 13,171 ha
Area of forests managed according to co-management plans (ha)[7]	-	-	-	Added	*High* Target: 50,000 ha Achievement: 65,122 ha
PDO 1 RATING	***Negligible***		***Negligible***		***High***

41. During two field visits to assess reforestation and plantation efforts, the mission observed significant progress. Despite challenges at MARHP, activities included olive grove plantations with conservation agriculture techniques, soil erosion control (small dams, Aleppo Pine reforestation), essential oil production, water storage cisterns, boreholes for water use, and modernized community meeting rooms.

42. The mission was also able to make the following additional observations:

- *Reforestation activities*. One of the areas visited was a small natural cork oak forest impacted by a forest fire a few years ago. The underbrush was still intact displaying a high plant diversity and an estimated 75% vegetation cover protecting the soil against erosion. However, the DGF decided, after a first failed attempt to replant cork oak trees, to reforest the area with *Eucalyptus*[8], a fast-growing species which is known not only to be highly productive but also to have significant negative impacts on the environment, namely biodiversity losses and water availability[9]. If the eucalyptus trees remain on that plot, the natural habitat of the oak forest will be further degraded, also impacting surrounding natural habitats (e.g., Aleppo Pine). The project design (PAD: IV. Economic Analysis, paragraph 20; Annex 2: Detailed Project Description, Table 9) specified that degraded cork oak forests should be reforested with cork oak trees. Plantation of different species including *Eucalyptus*, should have only been made on degraded shrub and pine forest areas (PAD, Economic Analysis, paragraph 21).

[7] This indicator used to be an Intermediate Results Indicator in the original RF. It was introduced as PDO level indicator at restructuring 2 in June 2022.
[8] *Eucalyptus spp.*
[9] https://www.sciencedirect.com/science/article/pii/S2530064423000019#:~:text=The%20possible%20impacts%20of%20eucalyptus,et%20al.%2C%202017).

- *SLM activities*. Another visit to a small-scale agricultural field on a slope presented an olive plantation with the field tilled in slope direction and the olive trees planted without terracing or other soil stabilization measures in place. This application will likely lead to increased soil erosion, loss of topsoil potentially negatively impacting the production of the entire plot. Yet, the area associated with these two examples were counted as area "under sustainable land management". Hence, there was initial concern that the management of some of the areas counted under this indicator was not consistent with the principles of sustainable land management as supported by the project.

- To clarify the issue of eucalyptus plantations and agroforestry activities, the ICR mission visited another project site in El Kef governorate. This visit yielded excellent observations consistent with the principles of sustainable land management, suggesting that the earlier observations discussed in paragraph 54 are likely isolated incidents.

PDO 2: to improve access to economic opportunities for targeted rural communities in the NW and CW regions of Tunisia

43. **The main outcome expected from this objective was to improve access to economic opportunities for targeted rural communities in the NW and CW regions of Tunisia.** There were two indicators measuring this outcome:
    (1) Farmers associations and MSMEs in selected agricultural products with improved access to key buyers and/or markets (Number).
    (2) Target beneficiaries in lagging regions with rating 'Satisfied' or above on Project interventions (disaggregated by sex, age: 15- 35) (Percentage)[10].

44. **Achievement of PDO 2 outcome indicators.** For indicator "Farmers associations and MSMEs in selected agricultural products with improved access to key buyers and/or markets (Number)", the target was to work with 350 entities by the end of project implementation. At project closure, the project reported its engagement with 19 GDAs (5.4% of original target).

45. The achievement of PDO indicator "Target beneficiaries in lagging regions with rating 'Satisfied' or above on Project interventions (disaggregated by sex, age: 15- 35) (Percentage)" had a target of 80%. While the indicator was dropped at the second restructuring, beneficiaries' satisfaction continued to be monitored, and the last survey showed a high level of overall satisfaction – 75% (80% of original target).

46. Table 4 presents the key impacts and the extent of achievement of the original and revised targets of PDO 2 using the split evaluation approach.

47. The achieve PDO 2, the following key activities were implemented:

48. CSOs *and MSMEs trained.* A total of 38 CSOs (GDAs, Mutual Society for Agricultural Services, and MSMEs) were established and/or benefitted from capacity building, awareness-raising and training activities. Among these 38 organizations, 24 benefitted from the co-management approach and 18 were able to improve their access to

[10] See comment under outcome 1 above on this indicator.

markets. The target was fully achieved after the second restructuring demonstrating trust between the local communities and the State through the establishment of a co-management plans to manage forest resources, even if it only represents 47.5% of original target (80).

49. *Reform of the agriculture and forestry sector institutional framework.* The project developed two relevant outputs: (i) a vision was developed with the objective of establishing the National Forest Office (ONF), including the organization chart of the new structure at the central and regional levels to support economic activities in rural areas, and (ii) a draft law for creating the new structure which was submitted for approval of the ministerial council for its approval, however, no decision was taken at the time of project closure.

50. *Value chains supported.* The project piloted an innovative approach to value chain development and building the capacity of relevant entities. Two value chain studies were developed: (i) essential oils for thalassotherapy, and (ii) culinary aromatic plants. Investment and business improvement plans for the value chains were finalized and validated. Three public-private partnership dialogues were conducted. The value chain activity was informed by the (i) Third Export Development Project (EDP 3) (P132381) and (ii) supported by an ASA which disseminated a Competitiveness Reinforcement Initiatives analysis undertaken by the Value Chain Task Force (P179501).

51. The following table presents the levels of achievement at each above milestone mentioned above.

Table 4: PDO Outcome 2: Level of Achievements

Pre-Restructuring 1		**Post Restructuring 1 until Restructuring 2**		**Post Restructuring 2 to Closing**	
PDO 2					
Indicator	**Level of achievement**	**Indicator**	**Level of achievement**	**Indicator**	**Level of achievement**
Farmers associations and MSMEs in selected agricultural products with improved access to key buyers and/or markets (Number)	*Negligible* Target: 350 Achievement: 19	Same	*High* Target: 150 Achievement: 19	Modified to: Producer organizations (GDA) with facilitated access to key buyer and/or markets (Number)	*High* Target: 17 Achievement: 19
Target beneficiaries in lagging regions with rating 'Satisfied' or above on Project interventions (disaggregated by sex, age: 15- 35) (Percentage)	N/a. Target: 80% Achievement: n/a.	Same	*Modest* Target: 65% Achievement: 52%	Dropped but continued to be monitored	*High* Target: 65% Achievement: 75%
PDO 2 RATING	***Negligible***		***Substantial***		***High***

52. Visiting three GDAs, the mission was able to confirm that the GDAs had successfully established contractual arrangements with producer organizations which would buy raw or initially processed materials for value addition.

Monetary benefits are shared with the GDA members at a rate of about 80-90% while the remainder is used to invest in social and environmental activities benefiting the wider population in the GDA area (e.g., healthcare support, education and sensitization of youth, capacity building for women). The co-management model is seen by GDA members as highly innovative and successful with the clear determination to continue[11]. To do so, and hence secure the sustainability of this collaborative management model, the DGF would need to extend the co-management agreements with the GDAs. DGF is currently considering the extension but has also proposed a change in the Forest Code which would secure at least 20% of forest area for handing over user rights to local communities ("communitarian companies" or GDA) for their productive use consistent with agreed sustainable management plans.

Justification of Overall Efficacy Rating

53. A split evaluation was carried out given that the PDO and associated targets were adjusted over the course of implementation (see Table 4). Based on the project's mixed achievement of the PDOs pre- and post-restructuring, the **project's efficacy is rated negligible based on the original targets, modest based on the targets set at Restructuring 1, and high based on the targets set after the second restructuring**.

C. EFFICIENCY

Assessment of Efficiency and Rating

a. **Economic Efficiency**

54. The Project aimed to improve landscape management and access to economic opportunities for targeted rural communities in the NW and CW regions of Tunisia. Improving landscape management in these areas was to ensure land productivity (horticulture, rangelands, and forests) while reducing environmental risks.

55. According to the economic analysis in the PAD, crops targeted for related economic opportunities, including value chain addition were:

- Agriculture/horticulture: apples, olives, peach,
- Rangelands: sheep; bovine, including milk production,
- Forests: Stone pine, Eucalyptus, Aleppo pine, Acacia, Cork Oak.

56. *Costs stream and Project estimated return.* The analysis at appraisal included the Project's costs comprising the base costs in (as extracted from the COSTAB) with their physical contingencies but without price contingencies (therefore in constant values). These costs included investment costs for all project components, replacement (for infrastructure investments, equipment/materials, etc.) and recurrent costs (operation and maintenance for transportation, equipment, and materials). The base case Economic Internal Rate of Return was estimated at 14% over twenty years. The base case net present value (NPV) of the Project's net benefit stream, discounted at 10%, was US$67 million (TND154 million).

57. Although the detailed analysis in the PAD showed profitability acceptable for all products, it was recommended that the preparation of project technical and economic benchmarks include calculations of

[11] The PMU conducted an external evaluation "*Conventions de Cogestion des Ressources Forestieres et Contrats d'Alliance Productives dans le Cadre du PGIP*" which highlighted the multiple benefits of a community-based approach to sustainable forest management and use supported by the government and the private sector for value-addition and sales through market access.

profitability thresholds for each product and activity (e.g. minimum area to be planted, minimum yield to achieve etc.), to ensure maximum profit margins when possible.

58. Due to the reduction in funds following the two restructurings, some project activities were discontinued or cancelled. The ex-post economic and financial analysis covered the project activities implemented throughout the two restructurings under the sub-component 2.1 - smart and sustainable agricultural practices covering aromatic and medicinal plant production with co-management agreements and productive alliances; sub-component 2.3 - fostering economic growth covering olive production in agroforestry and peri-forest zones; and activities implemented as part of co-management under the subcomponent 1.2 - territorial development planning. The ex-post economic analysis pointed to the role of the value chain approach in the valorization of forest products. Olive production, improved incomes, enhanced landscape productivity, watershed conservation, forest protection, strengthened capacity of GDAs and their members to receive revenues from areas under co-management.

59. The economic rates of return (ERR) and the NPV of the Project at the appraisal stage and the ICR stage are presented in Table 5. The **ERR** of the project at appraisal is based on several activities that were subsequently not implemented. Whereas the ERR of the project at ICR stage is based on the olive production; and aromatic and medicinal plant, Aleppo pine and Stone pine value chain activities implemented through GDAs.

60. The reasons for reduced **NPV** are reduced project components, sub-components and activities. Additionally, activities implemented at small scale (gully correction, fire trench maintenance etc.) are not included in the economic analysis at the ICR stage.

61. The sensitivity analysis showed that the costs of establishment (e.g. olives) dominate the cash flow and changes in revenue streams in the later stages of the project make the project ex-post cash flows more sensitive relative to the ex-ante estimates.

Table 5: Economic Rate of Return and Net Present Value at Appraisal and ICR Stages

	ERR (%)	Economic NPV (US$ millions)
At Appraisal	14	67
At ICR	21	10
* Using discount rate of 10%		

b. Design and Implementation Efficiency

62. The project's original design was complex and ambitious, with no changes made during the two restructurings. The design and budget were too ambitious for the client's limited capacity. Initially requested at US$50 million, the project was doubled to US$100 million to include olive tree plantations. The PMU staff turn-over as well as changes in World Bank TTLship and the Covid-19 outbreak and related consequences created additional delays in implementing the numerous project activities. The five-year implementation period was unrealistic, leading to an overloaded PMU and low disbursement. However, the Bank team helped the PMU reduce the number of procurement activities, consolidating resources and resulting in the cancellation and aggregation of many activities.

63. **In conclusion,** delays, restructurings, and cancellations reduced the Project's economic benefits. Despite this, olive production boosted cash flow, resulting in a higher ERR at ICR stage compared to appraisal. The Bank's proactive support also improved procurement efficiency. Hence, the **Project's efficiency is rated Modest.**

D. JUSTIFICATION OF OVERALL OUTCOME RATING

Table 6: Split Evaluation

PDO Indicators	**Original Target as in the PAD**	**Targets after Restructuring 1 [MARCH 15, 2017]**	**Targets after Restructuring 2 [JUNE 2022]**
PDO 1: Improve landscape management	***NEGLIGIBLE***	***NEGLIGIBLE***	***HIGH***
PDO 2: Improve access to economic opportunities	***NEGLIGIBLE***	***SUBSTANTIAL***	***HIGH***
PDO ID 3: Target beneficiaries in lagging regions with rating 'Satisfied' or above on Project interventions (disaggregated by sex, age: 15-35) (%)	80%	65%	Dropped
LEVEL OF ACHIEVEMENT (actual vs target)	***SUBSTANTIAL***	***HIGH***	***N/A***
OVERALL RATING FOR EFFICACY	***NEGLIGIBLE***	***MODEST***	***HIGH***
RELEVANCE	***HIGH***		
EFFICIENCY	***MODEST***		
OVERALL RATING	***UNSATISFACTORY***	***MODERATELY UNSATISFACTORY***	***HIGHLY SATISFACTORY***
Numerical value of the outcome ratings	**2**	**3**	**6**
Share of disbursement @ each restructuring (Total disbursed: US$18.67 million (as of 12/19/2024)	**US$9.65 million**	**US$4.37 million**	**US$4.65 million**
Percentage against the total actual disbursed	52%	23%	25%
Weighted value of the outcome rating	2x52=1.03	3x23=0.70	6x25=1.49
FINAL OUTCOME RATING FOR EFFICIENCY	**3.23 (ROUNDING DOWN TO 3) = MODERATELY UNSATISFACTORY**		

E. OTHER OUTCOMES AND IMPACTS

Gender

64. The project made the following efforts to address the gender dimensions of natural resources management:

65. **GDA members**. The implementation of co-management agreements and productive alliance contracts made it possible to involve more women and young people with 60% and 20%, respectively. Co-management and productive alliance agreements considered the gender dimension by developing solutions to enable GDA to reach their full potential and thus promoting the economic empowerment and effective inclusion of women beneficiaries. These women fall into two categories: (i) women leaders of the GDAs, and (ii) women workers/members of the GDAs. Furthermore, 22.5% women are members of GDAs' boards of directors.

66. **Income generation increased**. Some GDAs created significant income between 2019 and 2023, e.g., Sodga GDA generated US$13.3 million (TND 41.25 million) from Carob production and four GDAs in Bizerte generated US$59.7 (TND 185 million) from fresh myrtle[12]. According to declarations from GDA members, women workers' remuneration was US$3.20 – 3.83 (TND 10 – 12) per day for work on private agricultural lands, and US$4.80 (TND 15) for work on government-owned lands, with variations between US$57.51 – 124.60 (TND 180 - 390) per week (US$8-17.57 or TND 25 to 55 per day) within the framework of the co-management agreements.

67. **Seasonal employment opportunities offered**. The GDAs Al Baraka and Attahadi in the Choucha landscape (Bizerte governorate) were able to respectively provide seasonal employment for rural women with 9,280 and 6,671 working days, during the 2019/2023 operating seasons (May 1 to September 30). Capacity development for GDAs including for women (harvesting, sustainable management of commercially used natural resources) was provided with an 80% satisfaction rate. However, it was highlighted that the co-management activities were not well reinforced with training and technical advice due to lack of resources.

68. **Focusing on young people**. According to the first satisfaction survey (June 2023), the oldest were the most satisfied with the project. While around 57% of young people, aged under 40 were dissatisfied with the project, yet the project tried to engage younger people to address rural to urban migration, especially youth between 19 and 39 years old). The distribution of beneficiaries according to age was (>60 years, 24.5%); (between 16 and 18 years old, 1%); (between 19 and 39 years old, 17%); (between 40 and 59 years old, 56%). During the ICR field visit, GDA members commented on the fact that due to the success of the co-management agreements and the related income increase, some engaged youth decided to stay in rural areas.

69. **Social programs targeting vulnerable segments of the population**. GDAs managing the Chitana and Choucha landscapes in the governorate of Bizerte were able to provide support for social assistance programs and school supplies at the start of the school year. Main beneficiaries were women, youth and elderlies.

Institutional Strengthening

70. One core activity the Project invested in was the development of integrated landscape management plans (PDIP), a framework for the management and investments in support of the natural resources base in these landscapes. Through an implementation agreement with the FAO, PDIPs for the 15 landscapes were developed for a total area of 198,514 ha. The implementation of these PDIPs was anticipated through Component 2 of the project "promoting sustainable regional investments". However, interviewed stakeholders shared that the approach to develop these plans, especially the priorities, was not as participatory as desired, hence ownership has been challenging and therefore, have lacked implementation. If inclusively consulted on with DGF and local stakeholders, these plans could develop into an important investment framework for sustainable landscape management.

71. The project targeted the enabling environment for supporting an integrated and sustainable landscape management approach. A proposal for the simplification of national procedures aimed at including farmers and MSMEs in the decision-making process and giving them access to financing (Law No. 2019-47) to improve the investment climate was adopted by Parliament on May 29, 2019.

72. Currently, a proposal to amend the Forest Code is tabled for decision by Parliament which would enshrine that 20% of Tunisia's forest area would be made available for community-oriented co-management agreements.

[12] DGF ILMP Monitoring Database (re-shared by DGF on December 11, 2024)

The second Beneficiaries Satisfaction Survey report clearly supports these co-management agreements as they are valued by the beneficiaries to improve their livelihoods while protecting the natural resources base.

73. The project supported a new National Forests, Pastures and Olive Groves Inventory (IFPON) to update the data and information related to Tunisia's natural capital. The task was executed by FAO through a contractual arrangement. Coping with initial challenges, the IFPON was delivered by the closure date of the project. However, the inventory still needs to be validated, and no capacity was built inside the MAHRP to update the IFPON.

74. The development and formal registration of GDAs and related conventions with the DGF to secure user rights for forest products and agree on a co-management plan is one of the most important achievements of the project. Despite initial challenges, institutional capacities were built at local and national levels, and experiences appreciated related to the development of the GDAs and co-management agreements. Field visits confirmed the viability and profitability of these arrangements.

75. The project also benefitted from the capacity development work done under the EDP 3 which supported the setup of a Value Chain and Clusters Development Task Force. This was an innovative approach for Tunisia and has potential to be further enhanced and scaled up.

Mobilizing Private Sector Financing

76. The Project intended to support the private sector by developing a market-oriented strategy to improve market access and competitiveness. The project was to co-finance the expansion of production capacity and/or improvement of quality, in line with requests from identified buyers. Necessary technologies would be provided to address growing market demands. The project intended to co-finance the private operators that would manage rationalizing the production process; and ensuring quality control in the processing, transportation, and marketing of products.

77. While no market-oriented strategy was developed, the project promoted the co-management agreements between the GDA and DGF which allowed for the sustainable management and harvesting of targeted natural resources (e.g., wild rosemary, Carob, myrtle). This in term improved the contractual relationships between the GDA and Private Operations. The partnership between the GDAs and Private Operators proved mutually beneficial, and parts of the revenue were reinvested in the GDA (e.g like distillers for producing rosemary and other essential oils). **Revenues increased ten-fold over just 2-3 years**.

78. The Project benefited from a close collaboration with the EDP 3 which facilitated the implementation of profitable export plans to help SMEs develop products, diversify their export markets to reduce vulnerability through the provision of marketing, and enterprise development services enabling them to capitalize on opportunities and respond to market needs.

Poverty Reduction and Shared Prosperity

79. Beneficiaries interviewed during the ICR mission reported that their livelihoods significantly improved because of Project activities. E.g., famers reported increased incomes from olive production; women reported increased revenues from the use of non-timber forest products covered through co-management agreements and the wider population reported benefits from the investments of the GDA in social activities such as health care services, road improvements, environmental awareness creation events and joint community efforts e.g., to

improve the local recreation site. Additional beneficiary feedback included improved working conditions, improved landscape features by planting trees, restoring vegetation cover; and improved managerial capacities in the GDAs.

Other Unintended Outcomes and Impacts

Positive

80. The co-management agreements between the GDA and the DGF and subsequent contractual arrangements between the GDA and Private Operators proved a very effective model to support multiple benefits in terms of social, economic, and environmental gains. An unintended positive outcome of this successful engagement was that young people involved in the activities committed to staying in the rural areas since they saw employment opportunities and good salaries. Hence internal migration in the Project areas was reduced. Moreover, the active participation of local communities strengthened the ownership to protect natural resources from which the beneficiaries could get better incomes and livelihood contributing to reduce pressure on natural resources and help improve the quality and the sustainability of these resources. This confirms the high added value of community-based natural resources management for ensuring social, economic and environmental sustainability.

Negative

81. Despite assessed as isolated cases, a few reforestation activities unintentionally degraded natural habitats for cork oak forests by introducing *Eucalyptus*. If not rectified, the natural habitat will further degrade and replaced by an *Eucalyptus* plantation with significantly reduced biodiversity. Other *Eucalyptus* plantations and the introduction of olive trees on degraded lands need to be carefully monitored as water availability may be potentially impacted by *Eucalyptus*; and some olive groves need to be irrigated, hence boreholes are drilled to tap the aquifer.

82. Due to the two restructurings and associated budget reductions, many original beneficiaries had to be informed that the Project would not be able to implement planned activities, including olive plantations, access to water supply technology (boreholes, cisterns), and capacity development opportunities. These communities were highly disappointed since the government was unable to offer any solutions or alternatives.

III. KEY FACTORS AFFECTED IMPLEMENTATION AND OUTCOME

A. KEY FACTORS DURING PREPARATION

83. **Project preparation built upon earlier work in the sector and the country**. The project built on a successful approach of co-management in Tunisia’s oasis landscapes supported by a GEF project “Oases Ecosystems and Livelihoods Project” (P132157). The GoT was interested in replicating the GDA model in lagging regions in the Northern and central parts of Tunisia with a focus to address land and forest degradation through sustainable land management.

84. **The analysis of the risks was relevant yet under-estimated for such an ambitious and complex project**. At appraisal, it was anticipated that the project would face substantial risks with all sub-categories rated “substantial”. Many risks discussed in the PAD were of systemic nature (e.g., instability at government level, poor macroeconomic conditions, lack of citizen trust in the government) and hence outside the direct influence of the project. Risk mitigation included promoting transparency and participation and providing platforms for discussion and capacity development opportunities and training.

85. **The project design incorporated relevant lessons on community engagement**. The piloted GDA model follows the principles of community-based forest management[13] with a clear focus on sustainability while promoting economic opportunities. This turned out a highly successful pilot which should be replicated in Tunisia.

B. KEY FACTORS DURING IMPLEMENTATION

86. **The political situation in Tunisia affected the implementation and necessitated restructurings.** The uncertain political situation and the resulting frequent changes in the authorizing environment stalled approvals of pertinent implementation actions. This was further compounded by the COVID 19 pandemic and its impacts on movements and Project supervision, and Russia's invasion of Ukraine and its spill-over effects on the import bills and food security. In addition, the country was also facing significant macro-economic outlook issues and shrinking of the fiscal space making it increasingly difficult to meet urgent national needs (social security, vaccine, food etc.).

87. **The project faced early on implementation challenges**. From the onset, the project experienced implementation delays, mainly linked to institutional and staffing issues: lack of qualified staff; delayed recruitment of environmental and social specialists at the central and regional project management unit levels, leading to delayed elaboration and application of safeguard tools in the field; insufficient technical, managerial and administrative capacities of central and regional teams responsible for the coordination and implementation of project activities. Also, the project experienced lack of adequate coordination among key project stakeholders (MARHP general directorates, mainly the DGF, the General Directorate of Funding Investments and Professional Organizations (DGFIOP), the General Directorate for Agricultural Development (DGDA), the central PMU and the regional PMUs (that were established as units attached to Regional Agricultural Development Directorates (CRDAs)). This led to inefficient communication, misunderstandings and delayed decisions on Project issues and operational matters. De facto, the PMU that was initially attached to DGFIOP was moved under the responsibility of DGF after three years of implementation. In addition, the performance of monitoring and evaluation (M&E), procurement and financial management also lagged during the first three years. Despite the institutional adjustments made after the first restructuring, these improvements did not fully materialize, hence progress on the ground was negligible.

88. **The success of the co-management model between the DGF and the GDA gave the project a huge boost.** The project used grants to build the capacity of the GDAs regarding management techniques, developing business plans and seed money for initial investments like distillers for producing a first round of etheric oils. Subsequently, the beneficiary satisfaction rose to 75%. During the field mission, the ICR team met with GDA members who appreciated the co-management model and created an excellent collaboration between DGF staff, the GDA members and private producer entities. These successful models should have been better communicated to the central level to generate more interest and encouraged behavioral changes.

89. **A shift from traditional to community-based forest management needed to be accompanied by intensive capacity building and training of client staff.** The DGF still employs a top-down approach to forest management with the goal to increase productivity. Targeted capacity development opportunities should have been offered not only to the staff in the PMU but also the DGF to better understand the features of a community-based sustainable forest management approach and learn about good practices from other countries. DGF staff, at the central level continued with the traditional forest management approach without much openness for change (i.e., business-as-usual approach).

[13] https://www.fao.org/3/i8372en/I8372EN.pdf

IV. BANK PERFORMANCE, COMPLIANCE ISSUES, AND RISK TO DEVELOPMENT OUTCOME

A. QUALITY OF MONITORING AND EVALUATION (M&E)

M&E Design

90. The PAD did not provide an explicit Theory-of-Change (ToC) for the Project. The ToC presented above was developed based on the information in the PAD and conversations during the ICR mission. The absence of a ToC at project design is a moderate shortcoming as it would have helped shaping and fine-tuning the results framework (RF) and later amendments.

91. The M&E design included a RF for the project with a PDO focusing on (i) the landscape area managed using sustainable practices; and (ii) farmers associations and MSMEs with improved access to markets for their products. The M&E design was modified several times during implementation to adjust indicators and targets according to the restructuring conditions.

92. The PMU was responsible for M&E. Relevant tasks included (i) generation of data and information on the progress of project implementation based on the RF; (ii) analysis and data aggregation at local and regional levels; and documentation and dissemination of key lessons to all stakeholders through the communication function in the PMU.

93. The indicators were defined in the PAD in Annex 1 "Results Framework" and updated as needed in the Project Operations Manual (POM). PDO ID3 "Area of forests and pastures managed according to co-management plans" was not defined in the PAD but in the POM which refers to an MAHRP evaluation report on the co- approach [14] which provides relevant principles and objectives of co-management.

M&E Implementation

94. The POM had a dedicated section on M&E, with roles and responsibilities identified, detailed information for each RF indicator and a reporting template for progress reports (see annex for a list of all M&E reports). The M&E responsibilities were assigned to the PMU while the Local Development Councils were responsible for the technical monitoring of at local level.

95. A baseline survey was done by the PMU at the beginning of project implementation. An Excel-based data storage system was created and managed by a PMU member with a background in statistics and M&E. M&E data were collected by the central PMU on a regular basis from the regional implementation units (reports were reviewed by the ICR team) yet not accompanied by field visits to verify the reported data. Data collection and storage was done at a very detailed level which allowed the PMU to furnish detailed progress reports to the World Bank.

96. As mentioned above, the ICR mission observed that some results from implementing project activities should not be counted as "area under sustainable management" e.g., *Eucalyptus* plantations replacing natural habitat (cork oak). It is important that technical experts in the central PMU verify reported results from the field and provide regular capacity development to beneficiaries on sustainable land management techniques (e.g., conservation agriculture, sustainable olive grove management, soil erosion and other degradation measures, sustainable forest management) consistent with the principles of sustainable land management which are well known and documented

[14] MAHRP (2022). *Rapport d'évaluation de la mise en œuvre des conventions de cogestion signées dans Ie cadre du Projet de Gestion Intégrée des Paysages dans les Régions les Moins Développées en Tunisie (PGIP)*.

in Tunisia, in particular by the General Directorate of Planning and Conservation of agricultural lands (DG ACTA – Direction Générale de l'Aménagement et de Conservation des terres agricoles).

97. Some reported PDO-level data had to be corrected (ICR Sequence10) because of issues related to the definition of the PDO-level indicators in terms what may be counted and what not under each indicator. When the new PDO ID3 was introduced, a more detailed description of how the indicators PDO ID1 and ID3 would complement each other would have been helpful. This issue was also noted in a footnote in the 2nd Restructuring Paper which requested a clarification whether the "forest and pasture area managed under co-management agreements" can be considered as area "under sustainable management". This should have been discussed in the M&E section of the POM, and in progress reports. However, this was never completed, hence, there is the likelihood of double counting.

98. The targets for measuring the achievement of outcome 1 were significantly revised at each restructuring. The reduction in targets was proportional to the reduced loan amount, and the task team's assessment of the PMUs capacity for implementation.

99. Overall, M&E implementation had significant shortcomings.

M&E Utilization

100. The PMU prepared regular progress reports ahead of implementation support missions. Data were collected from the local implementation units through reports which contained results data, updates and photos. The quality of these reports was appropriate. The central PMU members, however, did not travel to the project sites during COVID and thereafter to verify reported results. The PMU used these reports to report back to the World Bank. There is little evidence that these M&E reports were used for other purposes like communication and outreach, strategic project management or to identify solutions for identified issues.

101. The project carried out a Mid-Term Review (MTR), which evaluated the progress of the project to achieve its intended objective, assessed the relevance of the PDO, fiduciary and safeguards compliance, project costs and disbursements.

102. M&E utilization had significant shortcomings as data and information were not used to communicate to relevant stakeholders in Tunisia on the project and achievements.

Justification of Overall Rating of Quality of M&E

103. The M&E system suffered gaps in its design and later adjustments that made it useful only at the end of project implementation to assess the actual results achieved by the Project. PMU supervision, incl. verification of reported results was limited. World Bank implementation support missions didn't systematically use field visits to verify results communicated by the PMU to the World Bank. Hence some reported results had to be revised to reflect the actual results. Hence, the **rating is *Modest***.

B. ENVIRONMENTAL, SOCIAL, AND FIDUCIARY COMPLIANCE

Environmental and Social Safeguards

104. At appraisal stage, the following World Bank safeguards policies applied: (i) Environmental Assessment OP/BP 4.01, (ii) Natural Habitats OP/BP 4.04, Forests OP/BP 4.36, and (iii) Involuntary Resettlement OP/BP 4.12. The borrower prepared, cleared, and disclosed three related instruments in January 2017: the Environmental and Social

Management Framework (ESMF), the Process Framework and the Resettlement Policy Framework (RPF). The same policies were applied during implementation.

105. The project established a GRM which was cascaded at multiple levels from the PMU to the *Commissariat Regional de Développement Agricole* (CRDA) and operated in an adequate manner throughout the project implementation as documented in the progress reports. The GDAs were also made aware of the uptake channels. The PMU documented all grievances in a GRM log, and these were addressed and closed prior to project closure.

106. Following initial delays, the PMU assigned an interim Environmental and Social (E&S) Specialist assuming this role and recruited a full-time E&S Specialist only six months prior to project closure. The PMU also assigned a GRM officer. A social consultant was contracted to conduct the social assessment in December 2022 and was requested to conduct the GBV study. Her contract was signed in mid-September 2023.

107. The PMU prepared Simplified E&S Screening Checklists prior to the commencement of works and implemented them throughout the project implementation. The interim E&S Specialist conducted E&S awareness raising with communities and the Groupement de Developpement Agricole (GDA) which were documented in the progress reports. No fatality was registered during the project implementation. The PMU also conducted awareness raising on GBV prevention and codes of conduct were signed by GDAs.

GBV Incident

108. **A complaint from a female entrepreneur was filed on November 26, 2020, regarding an incident that suggested a gender-based violence (GBV) case might have taken place in Kasserine.** The World Bank immediately informed the Government of Tunisia, which launched an investigation. On December 24, 2020, the Government shared with the World Bank the outcomes of its investigation, concluding that the alleged case of GBV could not be substantiated. Moreover, two World Bank GBV specialists interviewed the complainant on February 18, 2021, and concluded that the **incident was related to strong verbal abuse and no sexual harassment** (SH) had taken place. However, the GBV experts recommended a review by a third-party expert to identify constraints, threats, and corrective measures.

109. **The World Bank and PMU jointly prepared the terms of reference for the third-party review.** In April 2021, the Bank recruited the local NGO “Femmes et Leadership” with recognized GBV and women empowerment competencies. The report noted that GBV is defined by the Tunisian law (ref. law 58-2017) as: "*Violence against women: any physical, moral, sexual or economic attack against women, based on discrimination based on sex and which results in harm, suffering or bodily, psychological, sexual or economic damage to them and also includes the threat of such harm, pressure or deprivation of rights and freedoms, whether in public or private life*". Based on this definition, the report concluded that the main form of violence in relation to the project related to economic threats (e.g., a woman was threatened with exclusion from the Project if she continued to complain that she was not being paid enough) and was not related to Sexual Exploitation and Abuse (SEA) or Sexual Harassment (SH). The report also presented a series of recommendations to ensure safe access to forest resources under the ILMP, including preventing, alleviating and/or mitigating potential cases of SEA/SH and GBV as well as to strengthen capacities and offer training to all stakeholders on gender and GBV, communication and permanent and effective use of the grievance redress mechanism.

110. **After the NGO report was delivered, a social consultant was contracted to conduct a GBV study based on the NGO review.** The recommendations were shared and discussed with the Government and used to adjust the

action plan, along with the MTR recommendations. The GBV assessment and reviews further delayed project implementation by about one year. During that period no activities were implemented.

111. Finally, in view of the investigations and the overall satisfactory implementation of the agreed action plan, the World Bank team considered that the case of GBV closed. The World Bank continued to closely monitor the agreed GBV-related actions until project closing and provided capacity building and training to project stakeholders. Additional detail is provided in the Safeguard section below.

112. The **overall Safeguards performance rating of the project is assessed as *Moderately Satisfactory***, noting that it was rated Moderately Unsatisfactory during the first years of implementation. Environmental and social risks were substantial during the project implementation, as the project activities involved works such as plantations, construction of water crossings and small water reservoirs.

Procurement

113. The project was exposed to many challenges that had a direct impact on the performance of its procurement activities. While the project was ambitious in its design with an expected positive impact on all beneficiaries, the limited capacities of the implementing agency as well as the lack of stability in the composition of the PMU led to frequent modifications in terms of procurement priorities and planning. This had a direct negative impact on the performance of the Regional PMUs that conducted several procurement activities in coordination with the central PMU. The PMU had to ensure the advancement of procuring and managing contracts with the available guidance while dealing with the complex process of approvals from national public procurement and financial control bodies.

114. Considering this situation, the Bank provided support to the implementing agency addressing these challenges and accelerate procurement activities. This support consisted of:

- *The reconsideration of the ambitious number of procurement activities during supervision missions and during the project restructuring*: the Bank worked with the PMU on the reduction of the number of planned procurement activities to consolidate the available resources for the management of the project. This led to the cancellation of many activities and the aggregation of others.
- *The implementation of capacity building sessions for the benefits of the implementing agency*: at the initiative of the PMU and the project team members, several trainings were provided to the PMU at the central and local levels to enforce capacities in terms of Bank procurement regulation as well as using STEP to monitor procurement and contract management activities.
- *The close follow up of the procurement activities advancement*: in accordance with the evaluation of the project procurement performance risks, the Bank ensured virtual, and in-person follow up meetings with the PMU to provide the necessary support to overcome the challenges in implementing procurement activities. During the last 5 months of project implementation, considering the critical situation of some contracts that were planned to be completed after the project closing date, there was daily follow up with the PMU and a weekly official meeting to ensure the completion of all activities at project closure date and avoid problems with project contractors to avoid any reputational risks for the Bank and the implementing agency.

115. The collaboration between the Bank and the implementing agency succeeded in addressing these challenges. All procurement activities were completed or terminated with no complaints from contractors. The Bank's guidance on properly closing procurement activities were considered, applied, and successfully implemented.

116. The supervision of the project procurement activities was an opportunity to learn valuable lessons in the Tunisian context, as following:

- Balance between the ambitious design of the project and the effective capacities and resources at the disposal of the implementing agency, as well as the specificities of the national regulatory framework;
- Importance of adequacy between the benefits of decentralizing project implementation and the capacities of the central implementing agency to coordinate efficiently with the local level entities; and
- Raising the PMU staff turnover as a substantial risk that threatens the performances of the project and the need for avoiding changes in implementation priorities due to changes in the PMU composition.

117. At the project closing date, the procurement performance was rated ***Moderately Unsatisfactory***.

Financial Management

118. The PMU financial management team was committed to ensure the good financial management of the project. However, during project implementation there were some shortcomings identified such as (i) delays in submitting Interim Financial Reports and Audited Project Financial Statements, (ii) no internal audit function available; (iii) delay in the recruitment of dedicated Financial Management Specialists, (iv) some internal control deficiencies identified in audit reports and (v) infrequent submission of requests for withdrawal of funds. The project's financial management performance was rated Moderately Unsatisfactory.

119. By the end of the disbursement period (September 30, 2024) financial activities related to the project were completed apart from the FAO contract. The designated accounted had an undocumented balance of Euro 2.8 million. Following close coordination between the PMU financial management team, the Central Bank of Tunisia and the Ministry of Economy and Planning the Designated Account was successfully reimbursed by November 27, 2024.

120. At closure, the project's financial management performance was rated ***Moderately Unsatisfactory***.

C. BANK PERFORMANCE

Quality at Entry

121. The Project was prepared with an ambitious technical design (e.g. first-time rollout of the innovative approach of co-management in Tunisia; decentralized approach to natural resources management), but substantial risks (e.g., political and governance, institutional capacity and technical design, including sustainability of outcomes) which didn’t sufficiently inform the design and implementation arrangements. In addition, the large budget (US$100million) and a 5-year implementation period for a project of this kind was inadequate as it needed a substantial behavioral change of the client (e.g., from a traditional top-down approach of forest management to a participatory co-management approach between the government and local communities) and time to pilot new techniques and approaches before scaling up (e.g., integrated landscape management plans; co-management approach; value chain development; private sector involvement). The project should have either been downscaled in terms of activities and budget, or a programmatic approach with series of projects should have been considered.

122. Project design period could have benefited from more time to prepare details and create ownership (e.g., where the PMU should be situated, M&E system and definitions; system for grants mechanism for sub-projects). Year 1 was used to finalize the details of project design and governance, create a better understanding of the project by the client before real implementation started. Hence disbursement lagged and, the project had to be restructured a first time resulting in a 50% reduction of resources. Challenges continued and were exaggerated by COVID-19 and Russia's invasion of Ukraine leading to a second restructuring combined with another substantial budget reduction.

Quality of Supervision

123. The Bank management remained committed to the Project despite its "problem status" due to various implementation challenges. The project was managed in a co-leadership arrangement with a task team leader from the Environment Global Practice (GP) (covering the NRM aspects of the project) and a co-TTL from the EFI GP (covering the value chains for the use and value addition of natural resources). Most Bank team members were located in Tunis or nearby. After the MTR, the World Bank team engaged a FAO specialist through the partnership arrangement between FAO and the Bank. The specialist worked with the PMU on M&E, mission preparation and other aspects of project management. This arrangement worked well and facilitated the timely identification of challenges.

124. Regular implementation support missions allowed the World Bank task team to identify challenges quickly e.g., in terms of staffing issues, procurement challenges or lack of progress with signing the conventions for the co-management agreements. The Aide Memoires for the missions clearly identified the challenges and solutions, however, many challenges continued and were resolved only during the last few months of project implementation. The constant discussion about challenges and related action plans hindered the task team to organize more strategic Project content discussions with the national and regional PMUs and explore opportunities to communicate the achievements of the project to various stakeholders.

125. As for many projects, the COVID pandemic had a detrimental impact on project implementation as activities had to be delayed. Yet, the Bank task team had regular contact with the PMU to discuss the status of activities and coping strategies, conducted several in-person meetings, physical field visits and implementation support missions consistent with required COVID 19 protocols. The Bank task team experienced changes in staffing throughout the project's implementation, including the TTL who was changed during the COVID period.

126. At the time of project design, the risk rating for the project was "substantial" and remained so during implementation. Many of the risks identified at design stage materialized and new risks emerged during implementation. While the World Bank task team offered tailored hands-on implementation support to the PMU to identify challenges more quickly and find appropriate solutions (e.g., procurement issues, appropriate capacities in the PMU, capacity building of DGF staff - e.g., on Sustainable Forest Management, SLM approaches, species selection, participatory approaches, community-based forest management), risk mitigation measures should have been further strengthened and updated. Still, project performance improved during the last year of implementation and results materialized on the ground.

127. As part of the first restructuring, the PMU for the project was changed from the DGFIOP to the DGF. The restructuring paper provided that "a full technical and fiduciary management assessment of the PMU under the DGF" was to be conducted. The goal was to determine the areas that needed to be strengthened to implement the project consistent with World Bank policies and procedures. The Bank team needed to support the new PMU team, including the provision of technical assistance. Interviews with PMU staff yielded that initial

capacity building and technical assistance offers from the Bank task teams were limited to resolving procurement issues and providing good understanding of SLM practices and training on GBV issues.

128. Additional TA missions were conducted to support the value chain activities which was promoted in collaboration with the ENV, FCI and Agriculture Global Practices (GP).

129. The World Bank E&S specialists participated in all implementation support missions, including field visits to check compliance with the World Bank Safeguards Policies. An STC was embedded in the PMU and provided environmental and social safeguard support including the preparation site specific instruments, ToRs, checklists and progress reports.

Justification of Overall Rating of Bank Performance

130. Considering that the ambitious project design didn't match client readiness, the lack of addressing the specificities of the identified target regions (NW and CW) in terms of activities, indicators and targets, and persistent fiduciary challenges throughout project implementation which were highlighted in Aide Memoires and ISRs but were not proactively pursued and ultimately resolved, the quality of entry and implementation support services provided by the World Bank are rated ***Moderately Unsatisfactory.***

D. RISK TO DEVELOPMENT OUTCOME

131. The risk to the sustainability of development outcomes of the project is assessed as **Substantial.**

132. The last implementation support mission discussed the status of the remaining activities. Many planned tasks were not finalized by the end of project implementation, and others lacked ownership risking the sustainability of the project outcomes (e.g., planned plantations, integrated land management plans, updates of the IFPON).

133. To sustain the successfully piloted co-management approach between the GDA and the DGF needed to be institutionalized which was planned but not fully achieved. The change to the Forest Code would enshrine that 20% of Tunisia's forest area would be allocated for co-management agreements, handing over user rights to local communities organized in form of GDAs or other legal entities. At project closure, the amendments to the Forest Code were still to be approved by the government. Hence, the benefits for local communities described above are at risk to continue.

134. The successful co-management pilot at the local level- built capacities in communities and with local DGF staff. At the time of the ICR, MARHP considered to extent the existing conventions that govern the co-management agreements to continue these collaborative arrangements. At the time of project closure, no decision had been made.

135. During the ICR mission, the PMU informed the Bank team that remaining activities related to the rollout of the IFPON would be covered by the ministry's budget. Since no MARHP capacities were built to sustain and update the IFPON, the likelihood that MARHP will be able to update the IFPON is low.

V. LESSONS AND RECOMMENDATIONS

136. **Lesson 1: When introducing a new approach (decentralized landscape co-management) the engagement should be gradual.** The project concept was very ambitious for a high-risk environment and the promotion of a new approach (i.e., decentralized co-management, work with private operators) to be implemented within a 5-years period and a US$100 million budget. The support provided by the World Bank team to implement the project would have benefited to more tailored intervention modalities to the current political, economic and social situation. In particular, the intervention would have been better served using a programmatic approach with a series of projects to sequence and pilot activities, create awareness, and build capacities (PMU and beneficiaries) before scaling up. Still, despite substantial implementation challenges, the project was able to generate some impressive results and good lessons that should be taken to account by task teams designing similar decentralized landscape-based sustainable land management projects.

137. **Lesson 2: Ownership of innovative approaches requires extensive consultations upstream as well as sustained support throughout implementation.** The successful introduction of the co-management approach at the local level in Tunisia confirms the importance of supporting community-based land and forest management approaches which foster a mutually beneficial co-management approach between state and non-state actors. In a country with substantial systemic risks at the government level, the focus on a decentralized and local-government/local community-based approach to land management is very effective. Beneficiaries highlighted the fact that due to the success of the co-management agreements and the related income increase, engaged youth decided to stay in rural areas. Hence, scaling up these activities would help transform Tunisia's landscapes in the lagging regions and support community engagement.

138. **Lesson 3: Integrated approaches to sustainable land management foster collaboration and create opportunities for promoting environmental, social and economic objectives.** The project promoted an integrated approach to sustainable land management which fostered a cross-sectoral engagement, including the collaboration of three GPs: ENV, FCI and Agriculture. Integrated approaches to manage rural landscapes create opportunities for empowering local communities, decentralizing decision-making and enhancing multiple benefits – ecological, social and economic.

139. **Lesson 4: Consistent communication on implementation progress, successes, challenges, beneficiary feedback and next steps help highlighting the value added and support for the project by the government, other stakeholders and the World Bank**. The project would have benefited from a strong communication plan to share status information and emerging results with project stakeholders and the wider public. Simple methods like a project website, the use of social media to share information or blogs/newspaper articles could have helped sharing success stories thereby improving the image of the project and receiving stronger support from Bank management and the government. Hence, including a communications specialist in the PMU or closely collaborating with the PR unit of a ministry, and developing early on a communication plan are important considerations for the Bank and the client.

140. **Lesson 5: Once grievances have been filed, including GBV, a timely, proactive yet proportionate response is warranted.** The project faced a GBV allegation, which was thoroughly assessed and addressed. It was key to: (i) immediately undertake an investigation by the Bank ESF staff, and (ii) involve a third-party, familiar with the country context, to review the incident and identify recommendations. Combining the investigation with capacity building and training for all relevant stakeholders was important to raise awareness and communicate about GBV. The GBV

investigation was intense and delayed project implementation by about one year. Selected project activities could have continued while the investigation was going on.

141. **Lesson 6: The PAD and POM should have had included an indicative list with ineligible activities ("negative list") and a more detailed sample list of recommended activities related to sustainable land and forest management (e.g. preferred species, management practices).** In absence of such list, activities may cause unexpected negative impacts on the environment (e.g., planting eucalyptus on natural habitat of degraded cork oak forest or the introduction of agroforestry without the application of conservation measures). A close collaboration between TTL and ESF staff during the project design and the implementation is necessary. Field visits should be conducted together and used as learning opportunities, including for the client.

ANNEX 1. RESULTS FRAMEWORK AND KEY OUTPUTS

A. RESULTS FRAMEWORK

PDO Indicators by Outcomes

Improve landscape management and access to economic opportunities for targeted rural communities								
Indicator Name	Baseline		Closing Period (Original)		Closing Period (Current)		Actual Achieved at Completion	
	Result	Month/Year	Result	Month/Year	Result	Month/Year	Result	Month/Year
Land area under sustainable landscape management practices (Hectare(Ha))	0.00	Mar/2017			11,800.00	Mar/2024	11,330.00	Jul/2024
	Comments on achieving targets		The target has been surpassed. This indicator is calculated by adding the areas having benefited from the following actions: reforestation, settlement management, olive tree plantation, pasture plantation and improvement, soil and water conservation works, extension and maintenance of forest tracks, firebreak trenches in the framework of the Integrated Landscape Management Plans (PDIP) developed and agreed with all parties at each landscape. The indicator has been achieved, reaching 112% of the final target by 30 of July, 2024.					
Producer organizations (GDA) with facilitated access to key buyers and/or markets (Number)	0.00	Mar/2017			17.00	Mar/2024	17.00	Jul/2024
	Comments on achieving targets		The target has been surpassed. This target is estimated through the number of Producer Organizations that have exploited forest resources (mainly non wood forest products) during at least campaign, under the co-management of forest resources approach. Thus, 17 GDAs and one MSME benefited from facilitated access to main buyers and/or markets as of March 6, 2024 thus meeting the original target despite the significant cancellation of the proceeds of the credit. The reduction in target value from previous mission from 19 to 18 is due to the fact that one GDA which had signed a productive alliance with an economic operator in 2023 (to exploit mushrooms) couldn't finally use this resource due to the subsequent failure of the operator later on.					
Area of forests and pastures managed according to co-management plans (Hectare(Ha))	0.00	Jun/2022			50,000.00	Mar/2024	63,979.70	Jul/2024
	Comments on achieving targets		The target has been surpassed. The 22 GDAs having signed a co-management agreement are responsible for a total area of approximately 87,455.24 ha. This indicator is estimated by the sum of the areas granted to GDAs deemed active. Active GDAs are those having exploited at least one resource and fulfilled at least part of their commitments. Among these 22 GDAs, 17 GDAs are considered active and are responsible for a total area of 65,608 ha as of March 6, 2024.					

Intermediate Indicators by Components

Laying the foundations for sustainable management of agricultural resources								
Indicator Name	Baseline		Closing Period (Original)		Closing Period (Current)		Actual Achieved at Completion	
	Result	Month/Year	Result	Month/Year	Result	Month/Year	Result	Month/Year
Knowledge and planning base for forests, pasture and olive trees established (Number)	0	Mar/2017			Score of four	Mar/2024	2	Jul/2024
	Comments on achieving targets		Achieved					
Integrated landscape development plans in selected lagging regions developed and approved (Number)	0	Mar/2017			15.00	Mar/2024	15	Jul/2024
	Comments on achieving targets		Achieved					
Milestones achieved in reform of the institutional frameworks for the agriculture and forestry sectors (Number)	0	Mar/2017			Score of two	Mar/2024	2	Jul/2024
	Comments on achieving targets		Achieved					
Legal framework reviewed and revised (Number)	0	Mar/2017			Score of two	Mar/2024	3	Jul/2024
	Comments on achieving targets		Achieved					

Fostering sustainable regional investments								
Indicator Name	Baseline		Closing Period (Original)		Closing Period (Current)		Actual Achieved at Completion	
	Result	Month/Year	Result	Month/Year	Result	Month/Year	Result	Month/Year
Physical Infrastructure completed in selected lagging regions operational supported by the project (Number)	0	Mar/2017			10.00	Mar/2024	23	Jul/2024
	Comments on achieving targets		Achieved					
Number of value chains supported by the porject (Number)	0	Mar/2017			2.00	Mar/2024	2	Jul/2024
	Comments on achieving targets		Achieved					

B. KEY OUTPUTS

Improve landscape management and access to economic opportunities for targeted rural communities	
PDO Indicators	2. Land area under sustainable landscape management practices 3. Producer organizations (GDA) with facilitated access to key buyers and/or markets 4. Area of forests and pastures managed according to co-management plans
Key Outputs (linked to the achievement of the PDO Outcome)	1. 11,330.00 ha of land under sustainable land management practices. 2. 17 GDAs supported. 3. 63,979.70 ha of forests and pastures managed according to agreed co-management plans.

Fostering sustainable regional investments	
Intermediate Results Indicators	1. Physical Infrastructure completed in selected lagging regions operational supported by the project 2. Number of value chains supported by the porject 3. Forests, pastures, and alfalfa areas with management plans prepared according to revised standards and approved by the Forest Administration
Key Outputs (linked to the achievement of the Component)	1. 23 physical infrastructures completed 2. 2 value chains supported
Laying the foundations for sustainable management of agricultural resources	
Intermediate Results Indicators	1. Knowledge and planning base for forests, pasture and olive trees established 2. Integrated landscape development plans in selected lagging regions developed and approved 3. Milestones achieved in reform of the institutional frameworks for the agriculture and forestry sectors 4. Legal framework reviewed and revised
Key Outputs (linked to the achievement of the Component)	1. 2 knoweldge products developed 2. 15 ILDPs developed and approved 3. 2 institutional reform proposals developed 4. 3 legal frameworks reviewed and revised

ANNEX 2. BANK LENDING AND IMPLEMENTATION SUPPORT/SUPERVISION

A. TASK TEAM MEMBERS

Name	Role
Amos Abu	Team Leader
Lorenzo Bertolini	Team Leader
Samia Karboul Ep Guerfala	Financial Management Specialist
Ahohouindo Mongnihoude Jean L Gbaguidi	Financial Management Specialist
Karim Chabir	Procurement Specialist
Lova Niaina Ravaoarimino	Procurement Specialist
Sultana Ajem	Environmental Specialist
Jessey A. Niyongabo	Environmental Specialist
Antoine V. Lema	Social Specialist
Elena Segura Labadia	Counsel
Gael Gregoire	Safeguards Advisor/ESSA
Jean Charles Amon Kra	Team Member
Sandrine Georgette Christiane Jauffret	Team Member
Victoria Ahlonkoba Bruce-Goga	Team Member
Noushig Chahe Kaloustian	Team Member
Yosra Bouaziz Ep Derbel	Team Member
Kanako Hasegawa	Team Member
Phoebe Girouard Spencer	Team Member
Chaogang Wang	Team Member
Elena Gagieva-Petrova	Team Member
Narjes Jerbi	Team Member
Carole Megevand	Team Member
Leila Chelaifa	Team Member
Emeran Serge M. Menang Evouna	Team Member
Andrianirina Michel Eric Ranjeva	Team Member

B. STAFF TIME & COST

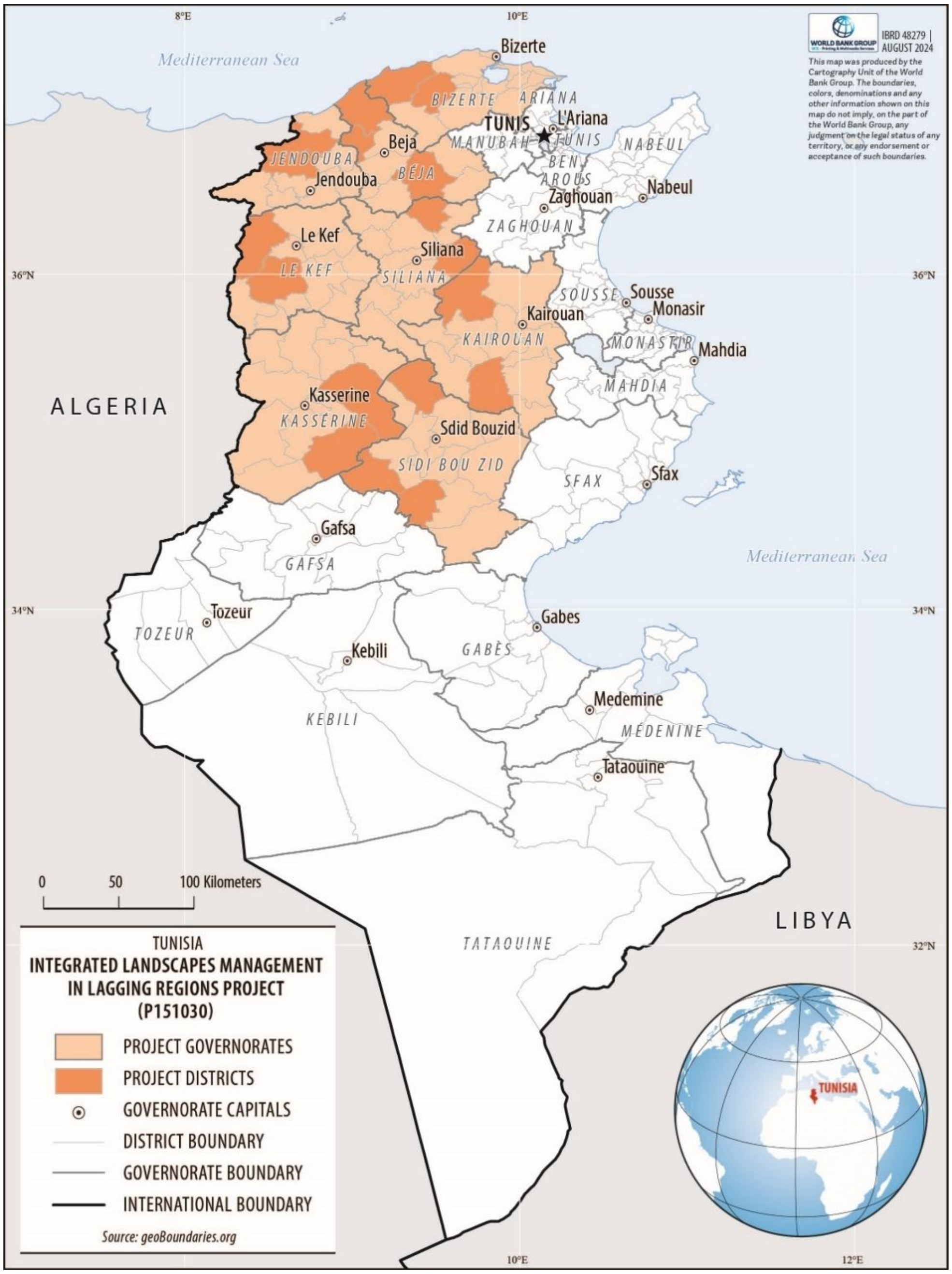
Stage of Project Cycle	Staff Time & Cost	
	No. of Staff Weeks	US$ (including travel and consultant costs)
Preparation		
FY15	16.464	196,060.58
FY16	20.582	291,411.70
FY17	45.715	585,927.39
Total	82.76	1,073,399.67
Supervision/ICR		
FY17	0.500	6,992.20
FY18	12.265	121,448.24
FY19	18.407	152,659.40
FY20	14.113	143,964.95
FY21	35.477	282,822.41
FY22	32.160	240,463.00
FY23	26.427	164,637.12
FY24	38.333	318,110.75
FY25	7.466	62,942.18
Total	185.15	1,494,040.25

ANNEX 3. PROJECT COST BY COMPONENT

Component	Amount at Approval (US$M)	Actual at Project Closing (US$M)
Laying the foundations for sustainable management of agricultural resources	14	10.1
Fostering sustainable regional investments	80	11.2
Project Management, Monitoring and Evaluation	6	1.7

ANNEX 4. MAP OF PROJECT LOCATION

Map of Location of Project Activities (in dark orange)



ANNEX 5. BORROWER, CO-FINANCIER AND OTHER PARTNER/STAKEHOLDER COMMENTS

The client submitted its project completion report "*Mission d'appui à l'élaboration du rapport d'achèvement national*" in August 2024.

The World Bank shared the draft ICR with the client on October 30, 2024, and received a commented version on November 13, 2024, with editorial edits and thematic comments. The following table summarizes the thematic comments by issue/sub-chapter:

Issue/sub-chapter	MARHP Comment
Third party contract with FAO to produce the national forest, pastoral and olive tree inventory (IFPON) (PDO1)	The IFPON has not been the subject of final validation by the project, because the expected deliverables have not been fully completed.
Key factors during preparation	The project setup did not provide for the required management structure, both at the central and regional levels, to be able to achieve the targeted objectives, particularly with the doubling of the loan amount. On the other hand, there is a clear adequacy between the ILMP procedures manual and the Tunisian organic budget law.
Procurement Performance Rating	Despite the positive findings cited in the section on procurement, the procurement performance was deemed insufficient, which does not reflect the efforts made by the PMU to be up to date on STEP and rationalize procurement.
Financial Management – Observations on Principle Deficiencies	The delay in the transmission of IFR did not exceed a few days and this was justified for the Bank team, while for the auditors' reports, the delay does not amount to a failure of the PMU since the financial statements of the ILMP are transmitted to the CGF on time each year without exceeding the deadline of February 28. The project was initially implemented knowing that the MARHP does not have an internal audit body or system. The initial evaluation document did not mention the subject of internal audit, but it judged the existing internal control system as satisfactory. Therefore, this indicator should have been eliminated in the final evaluation of the project. The fiduciary team has remedied all the deficiencies noted by the auditors except for those of an irreversible nature and a status of implementation of the auditors' observations is reported each year to the Bank's financial team.
Financial Management – Undocumented Use of Resources	The financial team continues to make efforts to ensure rigorous monitoring of the financial situation of the ILMP throughout the duration of the project. All financial operations relating to the closure of the project and for which the PMU is responsible were completed before 09/30/2024 except for the FAO contract situation, the management and financial closure of which depends on the FAO.

	All project expenses were justified by the BCT services, a final DRF of the "documentation" type was submitted to the Bank on 09/27/2024 and the unspent balance is exactly EUR 2,805,100.71 (the conversion of this figure into USD is the responsibility of the Bank). The BCT services were unable to reimburse this amount without the Bank's agreement for a separate return of funds operation independently of the funds remaining at the level of the FAO agreement. The PMU coordinated well with the Bank and the BCT to have a favorable opinion on 04/11/2024 following which the BCT asked the MEP to authorize the transfer of the balance before the closure of the special account of the project.
Financial Management performance - rated Moderately Unsatisfactory	The PMU can't accept this judgment in relation to the failures noted from the design of the project and during its execution and considering all the efforts that were deployed to resolve the various problems encountered throughout the duration of the project.

ANNEX 6. SUPPORTING DOCUMENTS

Relevant Project Documents

MAHRP (2021). RAPPORT DE REVUE À MI-PARCOURS.
MAHRP (2022). *Rapport d'évaluation de la mise en œuvre des conventions de cogestion signées dans Ie cadre du Projet de Gestion Intégrée des Paysages dans les Régions les Moins Développées en Tunisie (PGIP)*.
MAHRP (2022) "*Conventions de Cogestion des Ressources Forestieres et Contrats d'Alliance Productives dans le Cadre du PGIP*".
MAHRP (2024) "*Mission d'appui à l'élaboration du rapport d'achèvement national - Rapport Provisoire*"
World Bank (2017). *Project Appraisal Document*
World Bank (2019). *Restructuring Paper*
World Bank (2021). *Mid-term Review – Aide Memoire*.
World Bank (2022). *Restructuring Paper*
World Bank. *Implementation Status & Results Report*. Sequence 1-15

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Association « Femmes et leadership », 2021. Rapport final de la consultation sur les contraintes et les menaces à l'égard des femmes dans l'accès aux paysages forestiers dans le cadre du PGIP. 108 p.

MARHP/AFVA, 2016. Référenciel du développement agricole en Tunisie. Document de base pour la formation et le conseil agricole. 60 p.
http://www.onagri.nat.tn/uploads/Etudes/160314_Tunisie_referentiel%20agriculture%20durable_web.pdf

MAHRP/DGACTA, 2017. Nouvelle Stratégie pour l'Aménagement et la Conservation des Terres Agricoles (ACTA) – Rapport de synthèse. 31 p. *http://www.onagri.nat.tn/uploads/docagri/168-AG.pdf*.

FTDES, 2022. Forêts tunisiennes : Entre marginalité territoriale et valorisation des ressources naturelles. Regards croisés entre gestionnaires et usagers. Cahiers du FTDES, n6. 14 p.

MARHP/DGACTA, 2010. Gestion Durable des Terres en Tunisie. Bonnes pratiques agricoles. 116 p.
https://www.wocat.net/documents/138/Best_Practices_Tunisia_x1OTtx2.pdf

MARHP/DGACTA. Decision Support for Mainstreaming and Scaling Out Sustainable Land Management (DS-SLM) project.
https://www.wocat.net/en/projects-and-countries/projects/ds-slm/countries/tunisia/

MARHP/DGF, 2014. Stratégie nationale de développement et de gestion durable des forêts et des parcours, 2015-2024. Note de synthèse. 31 p.