

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC579

Project Name	DZ-Improved Desert Ecosystems and Climate Resilient Oases (P128082)
Region	MIDDLE EAST AND NORTH AFRICA
Country	Algeria
Sector(s)	Irrigation and drainage (70%), General water, sanitation and flood protection sector (30%)
Theme(s)	Land administration and management (60%), Environmental policies and institutions (20%), Water resource management (20%)
Lending Instrument	Specific Investment Loan
Project ID	P128082
GEF Focal Area	Land degradation
Borrower(s)	Ministère de l'Aménagement du Territoire et de l'Environnement (MATE)
Implementing Agency	Ministere de l'Agriculture et du Developpement Rural (MADR)
Environmental Category	B-Partial Assessment
Date PID Prepared/ Updated	12-Oct-2012
Date PID Approved/ Disclosed	21-Aug-2013
Estimated Date of Appraisal Completion	
Estimated Date of Board Approval	20-May-2014
Concept Review Decision	Track II - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

1. Algeria is the largest country in Africa in terms of land mass. The Sahara Desert covers 87% of that land mass, but is home to just 9% of the national population. While the majority of the population, who are Arab or mixed Arab and Berber, identify with the common Algerian culture, the Berber tribes, particularly in the more isolated southern mountainous and desert regions of the Sahara, retain more of the traditional Berber culture. The mountainous desert areas of the Sahara—known collectively as “the South” – are less developed than the coastal areas and are the object of a major government sustainable development policy thrust. This initiative aims to spread development to all regions of the country equally, and to stop migration from marginal lands in the South to the larger urban areas of the country.

2. Algeria is a middle income country and is close to eradicating extreme poverty. In 2008, the number of rural poor was estimated at around 10.5% of the population. The highest incidence of poverty is among people in the South Saharan region. These poorer areas also have unique cultures and social structures, based on survival in the harsh conditions of the Saharan desert.

3. There exists a long-established traditional production system and social organization highly adapted to the extreme conditions of the Algerian South. Central to life in the harsh conditions of the Sahara desert are the oases – unique ecosystems that provide for the vital needs of the communities that inhabit them. They include productive systems (including ksours, palm groves, agroforestry, livestock production, et al.) and social organizations developed over centuries that allow human habitation of this area. But there are also opportunities in many oases for: i) more intensive development which could include a longer and more diverse value chain leading to job creation; ii) stronger support to preserve important biodiversity (e.g. date varieties, drought-resistant plants, wildlife); iii) support of culturally important links to natural resources developed over centuries of survival in a harsh environment (e.g. ksours, foggaras, artisanal products and handicrafts); and iv) development of tourism based on the exceptional natural beauty in the South.

4. Despite this economic potential, Algeria as a whole, and the South in particular, faces serious degradation of the environment and deterioration of natural resource value. National environmental degradation is estimated at 3.6 percent of GDP. And continued deterioration of natural resources is affecting the country's development potential, particularly in the desert where ecosystems are more fragile. This results from environmental, social and economic pressures including: (i) excessive water use and excessive water pumping leading to depletion of the water table, saline intrusion, and drying of the foggaras (traditional irrigation systems in use for the past seven to eight centuries); (ii) inadequate agricultural practices; (iii) abandonment of traditional villages (ksour); and (iv) loss of traditional know-how brought about by emigration of younger workers to urban areas. Moreover, climate change - changed rain pattern which produce a climate that is becoming dryer and hotter, is likely to exacerbate these pressures.

5. Poverty in the South is more directly linked to resource degradation and social impacts of a rapidly growing national economy on more traditional and isolated regions of a country than in almost any other part of the world. Reduction of groundwater and the gradual loss of traditional knowledge of how to harvest this scarce and irreplaceable resource are impacting the agricultural base of the economy in the Algerian South. The need to urgently address regional economic stagnation, and emigration of younger workers which results in an inability to transfer traditional knowledge, coupled with deteriorating agricultural infrastructure and likely accelerated loss of natural resources driven by climate change is recognized by the GoA.

Sectoral and Institutional Context

6. It is in this context that the Algerian Government has adopted a series of policies centered on developing the potential of desert ecosystem services by conserving desert resources in the Sahara. The most relevant economic planning and development document is the National Territorial Planning Scheme also known as Schéma National d'Aménagement du Territoire (SNAT) to 2030 which was adopted by the Government's Council in 2010. SNAT contains three Territorial Programmes of Action that focus primarily on integrated desert management, namely: i) n°8 (Option Développement du Sud); ii) n°3 (Ecosystèmes); and iii) n°19 (Ouverture à l'international). The National Environmental Action Plan (NEAP) is also relevant, and was adopted with the Bank's assistance in 2002. It remains the basis for policy making in the field of environment and

sustainable development. A more recent Environment Strategy for the period of 2001 to 2011, identified two major challenges: i) the promotion of sustainable development; and ii) poverty reduction.

7. The Policy of Agricultural and Rural Renewal (Politique de Renouveau Agricole et Rural) is the Algerian national policy in the agriculture sector, launched in 2009. In the Saharan context, rural renewal refers to an innovative approach to rural development and led to projects to rejuvenate palm oases, rehabilitate foggaras and ksours, and to provide support to women for handicrafts. In contrast, agricultural renewal focuses on improving food self-sufficiency by modernizing traditional oases, intensifying horticultural production in greenhouses and modernizing agroforestry practices in the oases. The Five Year Agricultural Plan (FYAP) that the Algerian Government adopted (the current period is for 2010-2014 and is automatically renewable) aims to implement the Policy of Agricultural and Rural Renewal by addressing basic needs and to create jobs for rural communities, including vulnerable desert communities. The substantive financial resources for the FYAP implementation will serve as major co-financing for the ALG-DELP project.

8. Better coordination among different sectors with stronger local focus is needed. Sectoral government strategies which are conducive to sustainable development of desert regions exist, but they are not well coordinated and their individual effectiveness is low. They tend to be developed at the central level and are implemented in a top-down fashion which has difficulty delivering strong results at the local level. Institutional incentives within government tend to be aligned towards serving the interests of the centre rather than those of the regions. This top-down approach to economic development is mirrored in the environmental and social protection sectors. And because development planning is largely sector-based, visions for environmental and social sustainability can vary. The situation is similar in the private sector as little formal development planning in most of the relevant sectors is currently directed at leveraging and supporting “internal” (i.e. national and local-level entrepreneurs) private sector investment in the South.

Relationship to CAS

9. The proposed project is fully aligned with the Country Partnership Strategy (CPS) for FY11-14. The CPS’ second area of intervention - Promoting Sustainable Development and Reducing Spatial Disparities - is based on two pillars: (i) Strengthening sustainable development through environmental protection, and (ii) Spatial development and tourism. The proposed project directly supports the first pillar by providing institutional training and capacity building to reduce environmental degradation in selected desert areas; and to the second pillar, by improving spatial integration and ecotourism prospects in the Algerian Sahara. Moreover, the project also contributes to the third area of intervention – Strengthening Growth through Diversification of the Economy – by supporting income diversification through crafts and ecotourism. Project investment includes development of pilot “spatial development plans” that use local stakeholder input to decide which of the available options for use of an area (for example as identified in the agriculture sector’s 5 year development plans) is appropriate given the need to protect: i) critical aquifers that support irrigation, culturally and socially important sites; ii) areas harboring important biodiversity; and iii) areas having valuable touristic values. Project investment will also provide an incentive to undertake and marry bottom-up spatial planning with the existing Government investment planning processes by supporting pilot projects that sustainably use the natural resources of areas identified through spatial planning as appropriate for the activities.

10. Finally, the project supports and benefits from several World Bank ongoing Reimbursable

Technical Assistance (RTAs) activities: (i) Assistance to the Ministry of Land Planning and Environment and Villes (MATEV) to strengthen the institutional capacity in integrated desert management (AGID); (ii) Assistance to the Ministry of Agriculture and Rural Development (MADR) for Agricultural Statistics, Information and Monitoring-Evaluation Systems (SASISE), and (iii) Assistance to MADR for the Support Program to Rural Renewal (PSRR).

II. Proposed Development Objective(s)

Proposed Global Environmental Objective(s) (From PCN)

The project's PDO is to pilot, in selected and representative oases, the integrated management of desert ecosystems (IMDE), thereby reinforcing the resilience of those communities to climatic and social changes, with the intent of replicating successful initiatives across major Government investments in agriculture and rural development.

Key Results (From PCN)

12. The Project will lay the groundwork for IMDE, an integrated, bottom-up, development process which seeks to improve environmentally and socially sustainable use of limited natural resources (see definition in Section III: Project Context, below). Activities will enhance existing Government programs in the targeted communities, will explicitly promote new private sector investment through support of pilot investments that make use of local traditional knowledge, and create jobs through expansion and diversification of value chains associated with dry-land agriculture and eco/socio tourism.

13. The following physical outputs expected to support these short to medium term development goals are:

- (i) Area of palm groves restored and expanded, including replanting of "retired" palm plants;
- (ii) Selected traditional irrigation systems (foggara) rehabilitated that would also result in improved and more sustainable agriculture, and buffering against the observed climate change that has resulted in a hotter and dryer climate in the pilot areas;
- (iii) Number of local people benefiting, both directly through participation in pilots and indirectly through more focused Government interventions resulting from adoption of the successful methods piloted under the Project.

III. Preliminary Description

Concept Description

13. There is a clear need to improve the livelihoods of people living in rural (desert) areas to help them utilize scarce natural resources in a more sustainable and profitable manner and to facilitate adaptation to both climate and social changes likely to put even great demands for resource use efficiency into play in the future. This is expected to result from leverage of successful pilot participatory development activities that support environmentally and socially sustainable livelihood improvement in a small number of communities that represent different types of oases in the Algerian desert.

14. A powerful tool for the sustainable and fruitful management of the sensitive ecosystems of desert regions is called "integrated management of desert ecosystems", or IMDE. For the purposes of this project, IMDE is defined as an integrated approach to management focusing on enabling economic opportunities specific to deserts that integrate the health and diversity of the desert biome with the vast potential for innovative livelihood opportunities that also sustain valuable repository

knowledge linked to adaptive practices. It is intended that such an approach ultimately enhance desert livelihood opportunities and increase the resilience and adaptation responses of desert communities and ecosystems to projected pressures, in particular climate change impacts.

15. IMDE provides a methodology in which all relevant government sectors work together, in a transparent and decentralized way, and in close cooperation with desert residents and stakeholders. The objective of this locally based management is to ensure that any development that occurs in this sensitive area does so in an environmentally and socially sustainable fashion. It is an approach which links development to sustainable management of ecologically sensitive and protected/conservation areas, promotes co-management of resources between government and local stakeholders, and integrates management by government through cooperation of sectors. Because of the fragility of desert ecosystems generally, IMDE requires that all development sectors (e.g. agriculture, tourism, public works, local government, etc.) plan and integrate their annual work programs to be complementary and to recognize the very real possibility of unintended consequences across sectors.

16. Presently, the existing 5 year plan of the Ministry of Agriculture, SNAT, and other sector plans follow basically traditional processes requiring little local participation in development. The process appears to have limited impacts of Government investment in the South. As such, “Business as usual” will not be sufficient to deliver what is needed to address environmental, social and development issues in the South over the long run, and the current system is deeply engrained in the Government and will not be easy to change. What the project can do to leverage a change to this top-down approach to development planning is to present real examples of the potential benefits of combining environmental and social protection into the agriculture and rural development sector planning model. It can also introduce an element of local stakeholder participation in the prioritization of sector development investment in their localities. Existing government and community systems necessary to support a program of integrated desert management are in place, but there is a strong need for capacity building, particularly in support of spatial planning at the local level and on specific management methodologies.

17. Project financing will complement existing government programs in the pilot areas, making them more environmentally and socially sustainable. The project will be supported by an US\$8 million grant, comprising US\$5 million from GEF and US\$ 3 million from the Special Climate Change Fund. It will finance activities that complement existing Government programs that reduce environmental degradation and improve rural livelihoods in the country’s South. The Project concentrations on two broad agendas. These are: (i) capacity building (training, legislative support, equipment) in the integrated management of desert ecosystems (IMDE) for all concerned stakeholders (e.g. central governments, wilayas, managers, development agents, researchers, local beneficiaries, associations); and (ii) pilot investments to the IMDE in selected demonstration areas.

18. Selected project sites represent different types of oases in the South. Four sites were selected as particularly representative of arid zones in Algerian Sahara, based on rigorous criteria: Taghit (wilaya of Bechar, MADR sub-project), Tamentit (wilaya of Adrar, MADR sub-project), Tinerkouk (wilaya of Adrar, MATEV sub-project) and In Guezzam (wilaya of Tamanrasset, MADR sub-project). The sites are located in wilayas that host important biodiversity (date varieties, plants with high level of endemism, endangered wildlife), traditional values (ksour, artisanat), and an exceptional endowment with renewable energy (solar, wind). They are representative of different irrigation sources (surface water, and groundwater) and methods (foggaras, wells) used in the South.

Based on the above, the project includes the following components:

19. Component 1. Strengthening capacity for integrated management of desert ecosystems (IMDE).
20. Component 2. Piloting the IMDE approach in investment. This component will pilot the IMDE approach focusing on restoring and conserving the traditional oases system and protect its biodiversity in Taghit, Tamentit, In Guezzam and Tinerkouk.
21. Component 3. Project management.
22. The selected project sites represent different types of oases in the South. Four sites were selected as particularly representative of arid zones in the Algerian Sahara:
- Taghit (wilaya of Bechar),
 - Tamentit (wilaya of Adrar),
 - Tinerkouk (wilaya of Adrar) and
 - In Guezzam (wilaya of Tamanrasset).
23. The sites are located in wilayas that host important biodiversity (date varieties, plants with high level of endemism, endangered wildlife), traditional values (ksour, artisanat), and an exceptional endowment with renewable energy (solar, wind). They are representative for different irrigation sources (surface water, groundwater) and methods (foggaras, wells) used in the South.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04			x
Forests OP/BP 4.36		x	
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11			x
Indigenous Peoples OP/BP 4.10			x
Involuntary Resettlement OP/BP 4.12	x		
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50	x		
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	31.40	Total Bank Financing:	0.00
Total Cofinancing:		Financing Gap:	0.00
Financing Source		Amount	
BORROWER/RECIPIENT		24.00	
Global Environment Facility (GEF)		7.40	
Total		31.40	

VI. Contact point

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