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**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
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**REPORT AND RECOMMENDATION OF THE PRESIDENT**

TO THE EXECUTIVE BOARD ON A PROPOSED LOAN TO THE

**REPUBLIC OF TUNISIA**

FOR THE

**AGROPASTORAL DEVELOPMENT AND LOCAL INITIATIVES PROMOTION  
PROGRAMME FOR THE SOUTH-EAST**





## TABLE OF CONTENTS

<b>CURRENCY EQUIVALENTS</b>	<b>iii</b>
<b>WEIGHTS AND MEASURES</b>	<b>iii</b>
<b>ABBREVIATIONS AND ACRONYMS</b>	<b>iii</b>
<b>MAP OF THE PROGRAMME AREA</b>	<b>iv</b>
<b>LOAN SUMMARY</b>	<b>v</b>
<b>PROGRAMME BRIEF</b>	<b>vi</b>
<b>PART I THE ECONOMY, SECTORAL CONTEXT AND IFAD STRATEGY</b>	<b>1</b>
A. The Economy and Agricultural Sector	1
B. Lessons Learned from Previous IFAD Experience	2
C. IFAD's Strategy for Collaboration with Tunisia	2
<b>PART II THE PROGRAMME</b>	<b>4</b>
A. Programme Area and Target Group	4
B. Objectives and Scope	5
C. Components	6
D. Costs and Financing	7
E. Procurement, Disbursement, Accounts and Audit	9
F. Organization and Management	9
G. Economic Justification	10
H. Risks	11
I. Environmental Impact	11
J. Innovative Features	11
<b>PART III LEGAL INSTRUMENTS AND AUTHORITY</b>	<b>11</b>
<b>PART IV RECOMMENDATION</b>	<b>12</b>
<b>ANNEX</b>	
<b>SUMMARY OF IMPORTANT SUPPLEMENTARY ASSURANCES     INCLUDED IN THE NEGOTIATED LOAN AGREEMENT</b>	<b>13</b>



## APPENDIXES

I.	COUNTRY DATA	1
II.	PREVIOUS IFAD LOANS TO TUNISIA	2
III.	<i>CADRE LOGIQUE</i> (LOGICAL FRAMEWORK)	3
IV.	<i>ORGANISATION DU PROGRAMME</i> (ORGANIZATION OF THE PROGRAMME)	7
V.	QUANTITATIVE INPUTS, TARGETS AND KEY FACTORS	9



### CURRENCY EQUIVALENTS

Currency Unit	=	Tunisian dinar (TND)
USD 1.00	=	TND 1.40
TDN 1.00	=	USD 0.71

### WEIGHTS AND MEASURES

1 kilogram (kg)	=	2.204 pounds (lb)
1 000 kg	=	1 metric tonne (t)
1 kilometre (km)	=	0.62 miles (mi)
1 metre (m)	=	1.09 yards (yd)
1 square metre (m <sup>2</sup> )	=	10.76 square feet (ft <sup>2</sup> )
1 acre (ac)	=	0.405 ha
1 hectare (ha)	=	2.47 acres

### ABBREVIATIONS AND ACRONYMS

AFESD	Arab Fund for Economic and Social Development
BNA	<i>Banque nationale agricole</i> (National Bank for Agriculture)
BTS	<i>Banque tunisienne de solidarité</i> (Tunisian Bank for Solidarity)
CRDA	<i>Commissariat régional du développement agricole</i> (Regional Directorate for Agricultural Development)
GDA	<i>Groupement de développement agricole</i> (Agricultural Development Group)
IsDB	Islamic Development Bank
OEP	<i>Office de l'élevage et des pâturages</i> (Office for Livestock and Pasture)
PMU	Programme Management Unit
STU	Socio-Territorial Unit

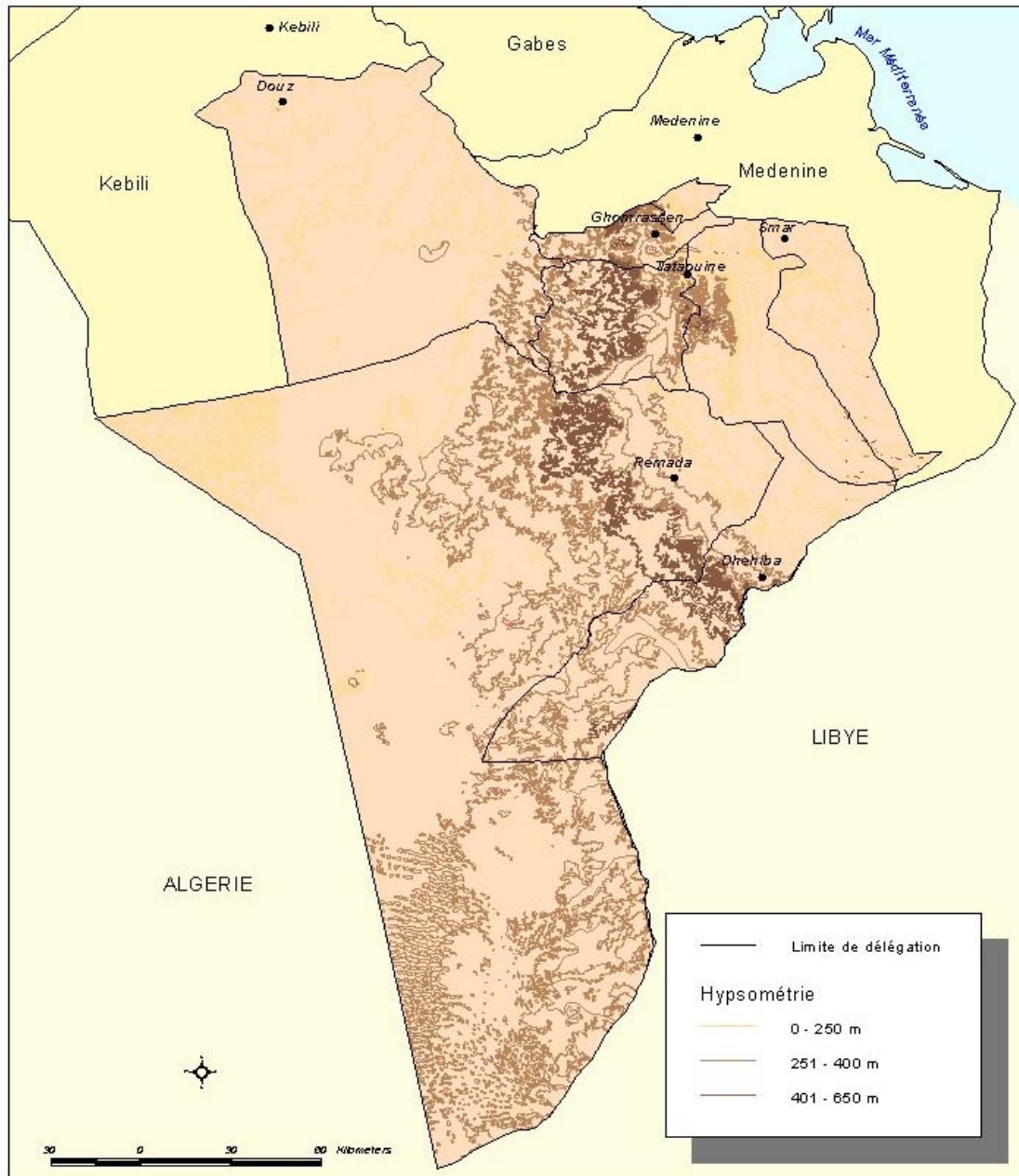
### GOVERNMENT OF THE REPUBLIC OF TUNISIA

#### Fiscal Year

1 January - 31 December



### MAP OF THE PROGRAMME AREA



**Source:** IFAD: Near East and North Africa Division

*The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.*



## REPUBLIC OF TUNISIA

### AGROPASTORAL DEVELOPMENT AND LOCAL INITIATIVES PROMOTION PROGRAMME FOR THE SOUTH-EAST

#### LOAN SUMMARY

<b>INITIATING INSTITUTION:</b>	IFAD
<b>BORROWER:</b>	Republic of Tunisia
<b>EXECUTING AGENCY:</b>	Ministry of Agriculture (MOA)
<b>TOTAL PROGRAMME COST:</b>	USD 44.3 million
<b>AMOUNT OF IFAD LOAN:</b>	SDR 14.1 million (equivalent to approximately USD 18.7 million)
<b>TERMS OF IFAD LOAN:</b>	18 years, including a grace period of three years, with an interest rate equal to the reference interest rate per annum as determined by the Fund annually
<b>COFINANCIERS:</b>	OPEC Fund
<b>AMOUNT OF COFINANCING:</b>	USD 7.0 million
<b>TERMS OF COFINANCING:</b>	To be determined
<b>CONTRIBUTION OF BORROWER:</b>	USD 16.9 million
<b>CONTRIBUTION OF BENEFICIARIES:</b>	USD 1.7 million
<b>APPRAISING INSTITUTION:</b>	IFAD
<b>COOPERATING INSTITUTION:</b>	United Nations Office for Project Services (UNOPS)



## PROGRAMME BRIEF

**Beneficiaries.** The programme covers the south-eastern part of the country. This area, which encompasses the Governorate of Tataouine and a large pastoral community in the Governorate of Kebili, Delegation of Douz, is sub-arid and arid. Its main potential is extensive pastoralism and marginal dry-land agriculture, with some scattered recent irrigation. The programme will affect some 10 000 households (66 000 people) in Tataouine and 1 000 households in Douz (7 000 people). The villages hold transhumant land rights over 25 socio-territorial units (STUs), in addition to two inter-community areas. Those households comprise a focal group of 6 500 farmer-herders, and 3 500 rural households that have no significant farming activities (landless). Through its income-generating and diversification activities, the programme will address the needs of about 17 000 young rural men and women who have little access to land and other productive assets.

**Causes of poverty.** Poverty in Tunisia remains essentially a rural phenomenon. In 1990, two thirds of the nation's poor lived in rural areas. Poverty levels in rural areas can be as high as 13%, almost twice the national average of 7%. Poverty is endemic in the south-east as a result of harsh natural conditions and climatic hazards. Only those who have built up large herds and capital are able to resist recurrent droughts. For many decades, the bulk of the population has adopted survival strategies such as temporary wage labour, other precarious activities and emigration abroad. Although public investments have considerably improved infrastructure, water supply, electricity and other social services, there are still significant pockets of poverty. Women and youth, in particular, are likely to be poor as they have no economic autonomy and little access to decision-making. Small- and medium-scale agropastoralists, who are the most vulnerable to recurrent droughts, are also among the poorest people in these areas.

**Programme assistance to the poor.** The proposed programme aims mainly at initiating a process of sustainable development where the actors involved are firmly in charge. It will tackle the main sources of economic vulnerability. To this effect, it will establish institutional instruments and provide complementary resources and means to: (i) support the rehabilitation and sustainable management of natural pastures, which constitute the base of the local economy, and the improvement of the most viable part of agriculture; and (ii) promote local initiatives for small-scale income-generating activities in agriculture and other areas (such as handicrafts, services and ecotourism), which will mainly address the needs of women and youth.

**Beneficiaries' participation in the programme.** The programme goes beyond participation, seeking to promote a broad-based partnership between the people, the state and other operators. While a number of activities of general concern will be implemented through public investment and services, the main programme thrust will focus on activities programmed and implemented on a participatory basis through territory- and community-based agricultural development allocations. It is expected that programming and implementation of about 35% of total investments will be under the direct responsibility and control of community-based organizations.





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AGROPASTORAL DEVELOPMENT AND LOCAL INITIATIVES PROMOTION  
PROGRAMME FOR THE SOUTH-EAST<sup>1</sup>**

I submit the following Report and Recommendation on a proposed loan to the Republic of Tunisia for SDR 14.1 million (equivalent to approximately USD 18.7 million) on ordinary terms to help finance the Agropastoral Development and Local Initiatives Promotion Programme for the South-East. The loan will have a term of 18 years, including a grace period of three years, with an interest rate equal to the reference interest rate per annum as determined by the Fund annually. It will be administered by the United Nations Office for Project Services (UNOPS) as IFAD's cooperating institution.

**PART I – THE ECONOMY, SECTORAL CONTEXT AND IFAD STRATEGY<sup>2</sup>**

**A. The Economy and Agricultural Sector**

1. Tunisia is a middle-income country with a gross national income (GNI) per capita of USD 2 090. The structure of its economy, once dominated by primary production in agriculture and oil and phosphate extraction, has evolved and diversified since independence in 1956. In 2000, services contributed nearly 60% to the gross domestic product (GDP), industry 28% and agriculture 12%. The rate of economic growth reached 6.5% in 1999, declining to 3.3% in 2000. Tunisia had a population of about 9.8 million in 2001, with an average annual growth rate of 1.5%. About 65% of the population lives in urban or semi-urban areas. The rural population, some 3.5 million, is stagnating. Emigration is high and reaches about 15% of the active population.

2. Since 1986, the Government has implemented economic reform policies that have transformed the Tunisian economy from being highly regulated and protected to being open and market-oriented. The role of the state has focused on setting policies and creating conditions for competitive private-sector development, and on privatizing activities that do not produce public goods. Efforts have been made to reduce the budget deficit through fiscal policies, including simplifying and extending the tax system while lowering tax rates. Inflationary pressure has been contained and the allocation of credit improved. The exchange rate policy has been successful in maintaining exchange rate stability, preserving foreign exchange reserves and making the Tunisian dinar (TND) partly convertible to facilitate trade and investment. As a result, Tunisia has achieved average annual growth of about 5% over the last decade. The external debt is managed rigorously, and the total debt in 1999 represented 59% of GNI. The debt service represented a relatively moderate 16% of total exports in 1995.

3. Despite its declining importance in favour of services and manufacturing, agriculture remains one of Tunisia's major economic sectors. The sector contributes an average 13% to GDP, although with wide annual variations (depending on unreliable rainfall), and 10% to export earnings. It employs one fifth of the national workforce, and provides work and income to many household members, who go uncounted in the official labour statistics. About one quarter of the land area of 15.5 million hectares (ha) is extensive pasture or forest, and a further 19% is cultivated. Less than 8% of cultivated land is

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<sup>1</sup> The programme has been termed in short PRODESUD (*Programme de Développement du Sud*).

<sup>2</sup> See Appendix I for additional information.



irrigated and, given that 80% of exploitable water resources are already used, there is little scope for substantial expansion in this subsector. The arable land is devoted mainly to cereals (34%); fruit, mostly olives (35%); and fodder, legumes, pulses and industrial crops (11%). Livestock contributes 36% to the agricultural GDP. Sheep, some of which are raised on increasingly degraded rangelands and forests, are dominant.

## **B. Lessons Learned from Previous IFAD Experience**

4. IFAD has so far supported eight projects in Tunisia, with an aggregate cost of USD 236 million, of which IFAD loans contributed USD 95.3 million, or 46%. Cofinancing from the Islamic Development Bank (IsDB) and the *Agence française de développement* (AFD) totalled USD 41 million, while the Government financed USD 96.8 million (40% of costs). Four loans have been closed; and of the remaining three loans, 51% had been disbursed as at the end of May 2002. All loans but one were administered by a single cooperating institution, the Arab Fund for Economic and Social Development (AFESD). The World Bank supervised one project, the Sidi Bouzid Irrigation Project (Loan No. 139-TN). The first loan was on intermediate terms; all others were on ordinary terms.

5. All these IFAD interventions concerned integrated rural development activities, and their principal objectives included the improvement of livestock and crop production systems, the conservation and improvement of natural resources (conservation of water and soils, improvement of grazing ranges, forests and small-scale irrigation), farm credit and social infrastructure (particularly rural trails and drinking water).

6. Integrated area-based projects deal with the overall nature of the problems of a region and its population. In order for them to be effective, the natural resources development and management activities must include all the acreage concerned, regardless of farm size. In this context, the targeting of small-scale farmers is carried out through the selection of project areas, seeking to focus actions on disadvantaged areas that have a high concentration of small-scale farmers. IFAD's experience demonstrates, moreover, that interventions must be targeted to a greater degree towards women, given their growing importance in agriculture and rural activities as a result of the impact of labour emigration. All the IFAD-financed projects have dealt with infrastructure and soil and water conservation works. The quality of the work carried out has generally been satisfactory, but maintenance and management problems have arisen too frequently. One reason given for this is that project beneficiaries have been insufficiently associated with the programming and implementation process. The granting of credit to the target group through the country's normal financial institutions was not successful because of the problems posed by the required guarantees, and the difficulties encountered in loan repayment.

## **C. IFAD's Strategy for Collaboration with Tunisia**

### **Tunisia's Policy for Poverty Eradication**

7. Poverty has been steadily declining, from 40% of the population in the 1960s to less than 5% in 2000. Most of the decrease occurred between the 1960s and the mid-1980s (poverty incidence was 11.2% in 1985 and 7.4% in 1990). Such a large-scale decrease in poverty is the outcome of a sustained effort in social expenditures, effective income redistribution mechanisms (efficient and targeted transfers) and, finally, specific action in favour of the rural population. These results also bear witness to a good economic management capacity aimed at three broad development objectives, namely growth, equity and stability. Nevertheless, this overall impressive performance masks significant differences between conditions in the rural and urban areas, and, within rural areas, between regions well endowed in terms of natural resources and ecologically fragile regions. Poverty in Tunisia is essentially a rural phenomenon: in 1990, two thirds of the poor lived in the rural areas, while poverty in these areas can reach 13% of the rural population, nearly twice the national average of 7%. The severity and incidence of poverty, as well as standards of living, also vary significantly according to region, with a strong contrast between the richer northern and coastal regions and the less



advanced southern and inland areas of the country. In 1996, the Government formulated a poverty eradication strategy to, *inter alia*, increase rural income levels, generate employment, ensure sustainable development of natural resources and target public investment to regions where poverty is more acute.

### **The Poverty-Eradication Activities of Other Major Donors**

8. The principal donors supporting rural development in Tunisia are the African Development Bank (AfDB), the AFESD, the European Union, the IsDB, the World Bank, France, Germany and Japan. IFAD works closely with a number of these financiers, mainly through cofinancing. The World Bank is involved in formal credit, development in the mountainous areas of the north-west, forestry development, research and extension, the water sector and structural adjustment. The AfDB and the AFESD are involved mainly in the financing of large infrastructure investments in water management, and formal credit. The European Union is financing small-scale water management infrastructure, soil and water conservation programmes, and integrated development in the Governorate of Kef. German bilateral aid has been supporting the Sylvopastoral Development Authority for the Northwest (ODESYANO) in parallel with the World Bank, and is involved in rural drinking water supply. French bilateral aid emphasizes direct cooperation among operators in specific product lines, such as milk, fruit and vegetables. It finances rural development projects in the Sidi Bouzid and Kef Governorates, and cofinances another project with IFAD in the Siliana Governorate. The IsDB is also active in the Kairouan Governorate. The Government of Japan provides considerable support to the irrigation sector, and has provided financing for the preparation of a World Bank project on national research, extension and support to farmers' organizations. External assistance to Tunisia is well integrated in national long-term sectoral and subsectoral strategies. In recent years, there seems to be a trend by several major donors (the World Bank, European Union, Germany) to disengage at least in part from the agricultural sector, and give priority to environmental or urban-based economic activities.

### **IFAD Strategy in Tunisia**

9. Based on previous experience, and on an analysis of the rural poverty context and of opportunities and constraints in the agricultural sector, the IFAD Country Strategic Opportunities Paper (COSOP) for Tunisia was formulated with four main thrusts: (i) ensuring higher levels of beneficiary participation; (ii) seeking to attain gender balance; (iii) creating and strengthening rural financial services; and (iv) promoting the sustainable management of natural resources. The analysis of constraints common to most poor farmers and women indicates a need for IFAD to focus on the following thrusts: (i) sustainable management of natural resources; (ii) promotion of income-generating activities, mainly for women and youth; and (iii) increased participation and devolution of management responsibility to end users.

### **Programme Rationale**

10. There are very sound reasons for IFAD to support a development programme in the south-east of Tunisia. This area, although already modestly serviced with social infrastructure and amenities, is one of the poorest in Tunisia, as shown by the income and poverty levels, the unemployment rate and the poverty-induced labour migrations. Moreover, it includes a large part of the country's natural resources endowment, mainly natural rangelands, which have long been neglected and are now threatened by a serious process of degradation and desertification that further affects existing cultivated land. This trend will accentuate the already endemic poverty, jeopardizing achievements made so far. Finally, unlike in most other regions of Tunisia, women and young people in this area suffer from social and endemic marginalization, while older generations have not yet fully coped with the modernization trends.

11. IFAD's experience, both in Tunisia and in the region, gives it a comparative advantage in addressing the above issues through approaches and investments to support participatory rangeland management, and through the promotion of local initiatives for income-generating activities addressed in particular to the most vulnerable social strata. In turn, the Tunisian institutional context offers



valuable opportunities to develop new approaches that could be replicated in (and adapted to) other countries in the region.

## **PART II – THE PROGRAMME**

### **A. Programme Area and Target Group**

12. **Programme area.** The proposed programme concerns an area comprising the Tataouine Governorate and part of the Douz Delegation in the Kebili Governorate. It is located in the ‘lower arid’ and ‘Saharan’ climatic areas. The rural population in the Tataouine Governorate numbers some 66 000 persons, in approximately 10 000 rural households, while in the Douz Delegation some 1 000 households (about 6 500 persons) will be directly affected by the programme. Basic infrastructure in the Tataouine Governorate is satisfactory, as shown by the fact that 96% of households are connected to electricity and 91% of the population have access to drinking water. However, the area has very few roads. While there are adequate public services such as schools, health care, telecommunications and cultural activities, other public services, such as banks, wholesalers and other economic services, are limited, despite the level of growth achieved. Emigration plays an extremely important role in the area: remittances have increased local incomes, significantly improved the living conditions of the local population, and transformed their consumption and living habits. The income from emigrants has also helped finance livestock feed supplementation in bad years.

13. Livestock production is the regions’ economic engine and provides herders with net incomes of between TND 7 and 15 million. Taking into account decreases in the number of animals due to droughts, it is estimated that there are 491 000 small ruminants in the Tataouine Governorate and 65 000 in Douz/Kebili. In addition, there are some 22 000 adult camels in Tataouine and 7 000 in Douz/Kebili. The region has nearly 5 000 herders. Due to the number of herds held by associated groups of breeders, a far more limited number of herds are to be found on the grazing ranges. There are approximately 275 ‘large’ herders (in Tataouine). The livestock systems employ 800 shepherds. Animal feed supply relies heavily on concentrate feed (65%) in drought years. This level remains high in average years (48%), dropping to 18% in good years. An estimated 50 000 goats and 110 000 lambs are shipped from the region each year in order to be fattened for slaughter in regions such as the centre-south or Sahel of Tunisia. About 78 000 ha of land is cultivated. It includes some 43 125 ha of tree plantations, 31 000 ha irregularly cultivated with rainfed grain cereals and 3 650 ha equipped for irrigation but unevenly used for arboriculture, vegetables and fodder production. Because of difficult natural conditions, diversification of agricultural activities is limited and dependent on the mobilization of water resources.

14. The main institutions operating in the programme area are the Regional Directorate for Agricultural Development (CRDA), the *Office de développement du sud* (ODS), the special fund for agricultural development, the *Fonds spécial de développement agricole* (FOSDA), various financial institutions and the Office for Livestock and Pasture (OEP). Other development institutions, such as the general directorate for regional development, the *Commissariat général de développement régional* (CGDR) and the regional development council, the *Conseil régional de développement* (CRD), also play a role in the promotion and supervision of selected agricultural and rural activities.

15. Local communities have traditionally had land-use rights over a designated territory, which is described by the *terroir* concept. The *terroir* applies to vast and diversified territories, including grazing for local and community use and much larger areas that are available for collective grazing ranges. Such *terroirs* are traditionally managed in such a way as to facilitate the herd mobility that is the most characteristic trait of pastoral systems in general, and the most effective management method to adjust to climatic vagaries. This combination of a pastoral territory and a social group has led to the concept of socio-territorial units (STUs), which the programme will recognize as the basic unit for pasture and environment management. So far, 27 STUs have been identified, to which should be added two areas used in common by a number of users or by all communities.



16. **Target Group.** The overall target group of the programme comprises the population of the STUs. It amounts to 66 000 persons (10 000 households) in the Tataouine Governorate and about 7 000 persons (1 000 farming households) in the Douz Delegation. Of these, about 3 500 households are landless and rely heavily on precarious temporary wage labour. A case in point is that of a subgroup of 800 shepherds whose living conditions and professional status are well below average. Most (80%) of the farming households consist of small- and medium-scale agropastoral farmers. Large-scale herders represent only 5% of the farming population, but own up to one third of the herds. They play an important role in the local economy and social organization, and their adhesion to the programme's strategy and proposals will be a key to its success. The livestock and agricultural production activities that make up the bulk of the proposed development programme will therefore concern all the agricultural and livestock farmers. Those constitute a focal target group, numbering 6 500 farmers and herders, of whom 5 500 are in the Tataouine area. Another focal target group is represented by about 17 000 young people, both men and women, partly from these same families and partly from landless families. Young people generally have little decision-making power in agricultural and livestock activities and scarce opportunities to generate off-farm income. While young men can migrate in a search for work, women are at a disadvantage from this perspective. In any case, internal or external emigration cannot offer a solution for the vast majority of young people.

### **B. Objectives and Scope**

17. The proposed programme will seek to initiate a process of community-led sustainable development. To this end, it will create instruments to (i) promote participatory and sustainable management of pastures and water resources; (ii) improve livestock husbandry practices; and (iii) promote local economic initiatives. The proposed programme is expected to produce the following economic, environmental and socio-institutional outputs:

- Strengthened organizational structures and capacities of the rural people, which will enable them to participate in the planning and implementation of development policies more effectively.
- A government and administrative apparatus more responsive to people's expressed needs, and better able to carry out policies in partnership with professional and civil-society organizations.
- Increased presence of women and young people in the decision-making and economic management processes, particularly as a result of training programmes, measures providing access to on-farm responsibilities, and specific aid to promote microenterprises.
- Improved productivity of pasture land through investments and collective discipline.
- Rehabilitation of existing irrigation schemes, particularly as a result of improved management practices and facilities to retain farmers on the land. In addition to helping to improve the spatial distribution of settlements over the territory, these irrigation areas will also provide incentives for the diversification at local level of economic activities and services.
- Enhanced productivity of livestock production systems as a result of improved product marketing, genetic improvements, reinforced veterinarian coverage and training of shepherds.
- Increased and more diversified sources of incomes.



## C. Components

### Basic Socio-Economic Infrastructure

18. **Asphalted feeder roads.** Improved roads are a prerequisite to ensure mobility, enabling herders to reach the natural pastures easily for watering, feed transport and livestock marketing. The programme will finance 245 kilometres (km) of asphalted feeder roads .

19. **Livestock water supply.** The rational use of natural pastures depends on a well-distributed regional network of watering facilities. The programme will complement existing infrastructure through the financing of eight deep boreholes, 115 km of water distribution pipelines and eight large water tanks. In addition, four livestock services centres will be established.

20. **Soil and water conservation.** Runoff control requires medium-scale works that are beyond the target group's execution capability. The programme will finance 26 gabion dams to replenish groundwater resources, and 26 dams for spate irrigation.

21. **New small irrigation schemes.** This scheme will add to the ongoing programme of investment in the irrigation sector, the *Projet d'investissement dans le secteur de l'eau* (PISEAU)<sup>3</sup>, thus creating a new pole of growth. Financing will cover the costs of six boreholes, and equipment for 210 ha at El Ferch.

22. **Agricultural and environmental services.** The programme will also finance the improvement of animal health coverage, a pastoral seed production centre at Douz, the creation of a biosphere reserve (through the Ministry of Environment), together with applied research activities related to programme needs, mainly in the field of rangelands, livestock and environment.

### Integrated Socio-Territorial Development Schemes

23. **Establishment and management of local territorial organizations.** Pasture management and community development will rely on efficient new organizations in each STU, namely agricultural development groups (GDAs). In addition to training (see below), the programme will help finance GDA establishment and start-up needs, and the creation of a revolving fund.

24. **Fruit tree plantation creation and rehabilitation.** Traditional mountain fruit-tree plantations have been severely affected by droughts and lack of maintenance because of labour shortages. The programme will finance orchard rehabilitation and replanting (75 000 olive trees and 15 000 fig trees) and will also replant drought-affected plantations (20 000 olive trees and 15 000 fig trees).

25. **Pastoral improvement.** This activity will be the main component of the STU development plan. The programme will finance the costs of the progressive introduction of a rotational use of pastures (180 000 ha), the planting of drought-security fodder-tree reserves (4 000 ha) and pasture reseeded (4 000 ha). Rangeland equipment will also include shadow shelters for herds (10 units).

26. **Community infrastructure.** The programme will finance small-scale infrastructure of local interest, including small-scale irrigation improvements and development (420 ha), rehabilitation of traditional water conservation infrastructure (about 12 000 *jessours*<sup>4</sup>), improvement of community feeder roads (100 km), maintenance facilities and community buildings.

### Improvement of Production and Marketing Systems

27. **Livestock fattening units.** Creation of 350 lamb- and goat-fattening units, and 20 fattening units for young camels. A number of units will be created under the microenterprise support schemes (see below).

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<sup>3</sup> PISEAU is a programme cofinanced by the World Bank, the Government of Tunisia and other donors.

<sup>4</sup> A *jessour* is a traditional dam in mountain valleys to control runoff.



28. **Improvement of livestock productivity.** Productivity improvements will also be sought through the promotion of group-based genetic improvement schemes, group-based feed supply organizations and the training of shepherds.

29. **Agricultural intensification.** The programme will support these improvements through the financing of intensive fruit tree planting (1 000 palm trees and 15 000 early-maturing peach trees) and fodder crops in irrigated areas, through the introduction of product-quality labelling, for better marketing of local high-value products. It will also support the extension service.

#### **Support to Local Initiatives and Microenterprise Development**

30. **Specific support for income-generating activities among women and young adults.** The programme will support the financing of technical assistance for marketing, market information, display facilities, and technical training for craftspersons, both men and women.

31. **Microenterprise promotion.** This component will finance access to information, training and assistance services to support the creation of 350 microenterprises. These services will facilitate access to existing credit lines with the Tunisian Bank for Solidarity (BTS) and the National Bank for Agriculture (BNA). Such enterprises will involve a large range of agricultural and non-agricultural initiatives, from weaving, leather working, jewellery, bread baking and spice milling to ecotourism and commercially oriented rehabilitation of regional architectural assets.

#### **Support to Programme Implementation**

32. The programme will finance the services to support and monitor programme implementation. To this end, it will finance the strengthening of the regional agricultural development authorities concerned (CRDA and OEP) and the establishment of a programme management unit (PMU), which will include several specific units to support community organizations, microenterprise creation and gender activities. It will also finance a large training programme, critical methodological assistance, and technical and economic studies as needed.

### **D. Costs and Financing**

33. **Programme costs.** Total programme costs over a seven-year implementation period are estimated at USD 44.3 million, including physical and price contingencies. The foreign exchange costs represent 31% of total costs. Investment costs are estimated at USD 41 million, or 92.5% of total costs. Programme costs by component are summarized in Table 1.

34. **Programme financing.** The programme will be financed by an IFAD loan of USD 18.7 million, which will cover about 42.3% of total programme costs. The OPEC Fund contribution will amount to USD 7.0 million, or 15.8% of programme costs, entirely devoted to financing 63.3% of the cost of asphalted roads. Beneficiaries are expected to contribute USD 1.7 million, or 3.9% of the total programme cost. This represents a significant USD 155 per household. Beneficiary contributions will actually be higher, as borrowers are expected to repay part of the contribution of microfinance institutions and other development funds (USD 1.6 million, or 4.5% of total costs). The Government's overall contribution, including taxes, will be equivalent to USD 16.9 million (38% of total costs). The financing plan is presented in Table 2.

**TABLE 1: SUMMARY OF PROGRAMME COSTS <sup>a</sup>**  
(USD million)

Components	Local	Foreign	Total	% of Foreign Exchange	% of Base Costs	Total (Excl. Taxes)
A. Basic socio-economic infrastructure	10.8	6.6	17.4	38	46	<b>13.7</b>
B. Integrated socio-territorial development schemes	9.8	3.2	13.0	24	35	<b>10.3</b>
C. Improvement of production and marketing systems	0.5	0.1	0.7	17	2	<b>0.6</b>
D. Support to local initiatives and microenterprise development	1.2	0.3	1.5	23	4	<b>1.2</b>
E. Support to programme implementation	3.5	1.4	4.9	28	13	<b>4.0</b>
<b>Total base costs</b>	<b>25.9</b>	<b>11.6</b>	<b>37.5</b>	<b>31</b>	<b>100</b>	<b>29.8</b>
Physical contingencies	2.6	1.2	3.8	32	10	<b>3.8</b>
Price contingencies	2.2	0.9	3.1	30	8	<b>3.1</b>
<b>Total programme costs</b>	<b>30.6</b>	<b>13.7</b>	<b>44.3</b>	<b>31</b>	<b>118</b>	<b>36.6</b>

<sup>a</sup> Discrepancies in totals are due to rounding.

**TABLE 2: FINANCING PLAN <sup>a</sup>**  
(USD '000)

Components	IFAD		Government		Development Funds		Microfinance Institutions		OPEC Fund		Beneficiaries		Total		Foreign Exch.	Local (Excl. Taxes)	Duties and Taxes
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%			
A. Basic socio-economic infrastructure	7 499	36.2	5 936	28.7	-	-	-	-	6 987	33.7	288	1.4	20 710	46.7	7 790	9 209	3 711
B. Integrated socio-territorial development schemes	7 847	50.2	5 254	33.6	1 048	6.7	447	2.9	-	-	1 049	6.7	15 644	35.3	3 854	9 087	2 704
C. Improvement of production and marketing systems	215	27.9	396	51.5	53	6.9	39	5.1	-	-	66	8.5	769	1.7	130	552	86
D. Support to local initiatives and microenterprise development	417	24.6	340	20.9	312	18.4	304	18.0	-	-	320	18.9	1 693	3.8	382	1 050	261
E. Support to programme implementation	2 768	50.1	2 694	48.8	59	1.1	-	-	-	-	-	-	5 520	12.5	1 535	3 068	917
<b>Total disbursement</b>	<b>18 745</b>	<b>42.3</b>	<b>14 620</b>	<b>33.0</b>	<b>1 472</b>	<b>3.3</b>	<b>790</b>	<b>1.8</b>	<b>6 987</b>	<b>15.8</b>	<b>1 723</b>	<b>3.9</b>	<b>44 336</b>	<b>100</b>	<b>13 691</b>	<b>22 966</b>	<b>7 680</b>

<sup>a</sup> Discrepancies in totals are due to rounding.

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### **E. Procurement, Disbursement, Accounts and Audit**

35. **Procurement.** For the IFAD-financed expenditures, procurement will be in accordance with IFAD guidelines. To the extent possible, vehicles, material and equipment, and civil-works contracts for infrastructure will be bulked into sizeable bid packages. Contracts equal to or costing more than the equivalent of USD 300 000 for vehicles, material and equipment, and equal to or costing more than USD 1 000 000 for civil works, will be subject to international competitive bidding (ICB). Contracts costing less than USD 300 000 for vehicles, material and equipment, or less than USD 1 000 000 for civil works but more than USD 30 000, will be awarded through local competitive bidding (LCB) according to procedures considered satisfactory to IFAD. Contracts valued at USD 30 000 or less will be awarded on the basis of three quotations. Contracts with non-governmental organizations (NGOs) will be subject to LCB satisfactory to IFAD. Recruitment of consultants and other contracts will be negotiated as agreed with IFAD and in accordance with the procedures of the cooperating institution.

36. **Disbursement.** The IFAD loan will be disbursed over a period of seven years in accordance with the disbursement categories of Schedule 2 of the loan agreement. Withdrawals from the loan account may be made against statements of expenditure (SOEs) for categories of expenditures that will be jointly determined by the Government, IFAD and the cooperating institution. The relevant documentation justifying these expenditures will be retained by the programme and made available for inspection by supervision missions and external auditors. All other withdrawal from the loan account will be made on the basis of full supporting documentation.

37. **Special account.** The Government will open a special account in foreign exchange in the name of the programme with the Central Bank of Tunisia. Upon loan effectiveness, IFAD will make an initial deposit of USD 1 500 000, corresponding to the first six months of programme expenditure. The special account will be used to finance IFAD's share of eligible expenditures and will be replenished in accordance with established IFAD procedures.

38. **Accounts and audit.** Separate programme accounts and financial records relating to programme activities will be maintained with the different implementing agencies. The PMU will ensure that such accounts and records are maintained in accordance with government practices and procedures acceptable to IFAD. Consolidated programme accounts, to be prepared by the PMU, will be submitted to the Ministry of Agriculture (MOA). Programme accounts will be audited yearly by an independent auditor acceptable to IFAD. Certified audit reports will include a statement on the adequacy of the executing agency's accounting systems and internal controls, and contain a separate opinion in respect of the SOEs and the special account. They will be transmitted to IFAD no later than six months after the end of the fiscal year.

### **F. Organization and Management**

39. The programme will be implemented through two interactive approaches. The first will concern investments and services to be delivered under the full responsibility of public administration. The second will concern development activities by the community, including integrated community and land-use development plans, local initiatives and microenterprises promoted by programme-assisted small-scale farmer-herders, women and young adults.

40. **Organizational setting.** Programme management will basically be organized within the framework of the existing CRDAs and of other development institutions, such as the OEP. Overall supervision will be vested in a national consultative committee and two regional committees, one in each of the governorates. Programme implementation in Tataouine, where most of the investments will take place, will be entrusted to a new programme division in CRDA. In the Douz Delegation,



local activities will be coordinated by a division (*arrondissement*) within the CRDA of Kebili (see Appendix IV).

41. **Programme coordination.** Coordination between the two governorates and funding allocations will be assured by the *Direction Générale du Financement, des Investissements et des Organismes Professionnels* (DGFIOF) in Tunis. Day-to-day coordination and liaison will be entrusted to the programme director.

42. Basic socio-economic infrastructure will be carried out by the relevant CRDA departments, according to standard procedures. Some of the activities will be vested in the OEP. Major road construction and maintenance will be entrusted to the Minister for Equipment. Some environmental activities (biosphere park) will be implemented under the Ministry of Environment. Credit will be supplied by the BTS, BNA and by existing microfinancial mechanisms.

43. The socio-territorial planning will concern each of the STUs and will be managed by the GDAs. The GDAs will be responsible for programming and executing all actions relating to integrated socio-territorial development schemes. Implementation will be on a contractual basis, either with the administration or with private operators. Funding will be provided to each STU according to an overall scheme for financial resources allocation among STUs (taking into account criteria such as population, poverty and natural resource endowment). Funding will be channelled to STUs on the basis of an approved long-term development plan and annual programmes, the latter being finalized as annual programme agreements. GDA boards will be required to involve marginalized groups, in particular women and young adults.

44. Individual or group economic initiatives will be promoted within the framework of either existing farms or emerging microenterprises. The programme will support activities in the field of information, constitution procedures, access to financing, market outlet knowledge and technical training. As far as possible, these activities will be identified within the framework of the integrated STU development schemes.

### G. Economic Justification

45. **Beneficiaries and benefits.** At full development, direct beneficiaries will include all households in the 25 STUs, i.e. some 11 000 families. Production activities in the agropastoral sector will directly benefit 6 500 farm households. The economic rate of return (ERR) is estimated to be 12.8% when all programme costs and only measurable direct economic benefits are accounted for. Excluding the cost of asphalted roads, but including the cost of community feeder roads, raises the ERR to 20.2%. A reduction of benefits of 10% or a one-year delay would bring the rate down to a still-acceptable level of 11.4%. A cost increase of 10% reduces the ERR to 10.2%, slightly below the opportunity cost of capital.

46. The above calculations do not account for important benefits that are tangible but difficult to measure, such as: (i) the emergence of improved local governance practices to sustain a long-term development process; (ii) a better regional infrastructure network, which would also have a positive effect on the regional economy as a whole; (iii) better control of water flow and erosion, in particular in combination with other actions, to reduce the impact of recurrent droughts; (iv) improvement in income distribution; and (v) an improved natural resource base.

47. **Gender aspects.** The programme will enhance the role of women in decision-making in local organizations, while it will also offer women increased opportunities to engage in income-generating activities that will contribute to their economic and social advancement.



## **H. Risks**

48. The main programme risk relates to the introduction of new approaches in a context where institutional capacity is still weak, although improving, with respect to the required understanding of the role of public structures in participatory development. An intensive training programme for government staff will prepare them for this new role. Specifically, the staff will be made more capable and better able to understand the process of change, modify their personal attitudes and find a reward in an advisory role that does not have the power and glamour of traditional managerial functions, and work more as a team. Such training is itself an innovation, and it will probably take time to bear fruit.

49. A second risk is staff turnover. Existing rules and regulations of the civil service do not allow for compensation or incentives for working in hardship areas. To mitigate this risk, the programme plans to improve the working and housing conditions of the staff and ensure their mobility. Providing extensive on-the-job training and easy access to computerized tools is also part of the agreed incentive framework. The risks involved in the devolution of managerial and developmental responsibilities to the communities at such a scale are real. However, during programme design, the feasibility of the approach was tested on a large community representing about 8% of the total population. Based on the results of that experiment, careful programme planning and detailed organizational settings have been built into the programme design. Admittedly, an early occurrence of drought could affect people's adhesion to proposed technologies.

## **I. Environmental Impact**

50. The proposed programme will have a positive impact on the environment. It is expected to: (i) halt the trend towards degradation and begin a dynamic evolution of pastures; (ii) contribute to an improved control of water flow and erosion through the rehabilitation of traditional terraces in mountain areas. Replanting on these terraces will help to safeguard what remain of disappearing fruit tree varieties, thereby contributing to biodiversity protection; (iii) improve the region's water resources and potential through increased investments in erosion control (CES) and works to mobilize water flows and recharge of aquifers, while reducing the destructive effects of uncontrolled water flows; and (iv) reverse the negative trend of cultivation beyond ecological limits. The depletion of groundwater resources represents a major environmental risk, and will be mitigated thanks to strict monitoring and the enforcement of existing regulations.

## **J. Innovative Features**

51. The programme will be the first in Tunisia to implement integrated participatory management for the natural resources endowment of an entire region. It will also be the first operating in such a difficult ecological context. It will adopt a participatory programming approach, tailored to the social and ecological environment and tested with both the population and the public operators most directly concerned. In addition, the test phase has laid the basis for proposing an organizational model, piloted by the people, which will be the first in Tunisia to introduce a more balanced distribution of roles between the public structures traditionally in charge of rural development and the representative grass-roots organizations. In the process, comprehensive databases have been generated, thus improving the basis for both programme planning and monitoring.

## **PART III – LEGAL INSTRUMENTS AND AUTHORITY**

52. A loan agreement between the Republic of Tunisia and IFAD constitutes the legal instrument for extending the proposed loan to the borrower. A summary of the important supplementary assurances included in the negotiated loan agreement is attached as an annex.

53. The Republic of Tunisia is empowered under its laws to borrow from IFAD.

54. I am satisfied that the proposed loan will comply with the Agreement Establishing IFAD.



#### **PART IV – RECOMMENDATION**

55. I recommend that the Executive Board approve the proposed loan in terms of the following resolution:

RESOLVED: that the Fund shall make a loan to the Republic of Tunisia in various currencies in an amount equivalent to fourteen million one hundred thousand Special Drawing Rights (SDR 14 100 000) to mature on and prior to 1 October 2020 and to bear an interest rate equal to the reference interest rate per annum as determined by the Fund annually, and to be upon such other terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

Lennart Båge  
President

## **SUMMARY OF IMPORTANT SUPPLEMENTARY ASSURANCES INCLUDED IN THE NEGOTIATED LOAN AGREEMENT**

(Loan negotiations concluded on 20 July 2002)

1. In addition to the loan proceeds, the Government of the Republic of Tunisia (“the Government”) includes each year in the national budget the national contribution to the programme drawn on its own resources and any programme cofinancing, in accordance with applicable national procedures and the provisions of the annual work plans and budgets (AWP/Bs). The Government’s contribution should cover the balance of the programme cost and include: all duties, taxes and levies; remuneration of programme personnel and other operating expenses; and a variable portion of the programme’s investment costs. The Government shall make available to the Ministry of Agriculture (the lead programme agency), in the course of the programme implementation period, the proceeds from the loan and the national contribution.
2. The Government shall ensure that the conditions for allocation of collective lands pursuant to Law 71-7 of 14 July 1971, of the Republic of Tunisia, and any amendments thereto, are applied rigorously, specifically with regard to protection of pastoral lands as defined in the agricultural map.
3. The Government shall ensure that the budgetary funds allocated each year to the plans of the socio-territorial units are equal to or more than 25% of the annual budget contained in the AWP/B, except for the AWP/B for the first year of the programme.
4. The Government shall ensure that its General Directorate for Water Resources (*Direction générale des ressources en eau*) applies, during programme execution, monitoring and evaluation controls with regard to groundwater used for irrigation in the programme area.
5. The Government shall confirm its support for the principle of compensation for rotational use of pastures and shall undertake to define modalities for the implementation and financing of such compensation before the end of the first year of the programme. These modalities may be revised subsequently in the light of experience gained.
6. The Government shall confirm its support for the research-development arrangements and shall undertake to define modalities for their implementation and financing before the end of the first year of the programme. These modalities may be revised subsequently in the light of experience gained.
7. The Government shall ensure that the following structures are created within CRDA of the Governate of Tataouine before the end of the first year of the programme: the small-scale rural enterprise support unit; the women and youth participation unit; and the grass-roots rural organization support service.
8. The Government shall ensure that programme monitoring and evaluation will be provided by the monitoring and evaluation unit within the programme steering unit in Tataouine, and by the Douz unit and the statistical division in Kebili. The monitoring reports from the two governates will be consolidated by the lead programme agency’s General Directorate for Finance, Investment and Professional Organizations (*Direction générale du financement, des investissements et des organismes professionnels*). The tools, methods and operation of the monitoring and evaluation system will be described in the programme’s implementation manual.
9. The Government shall insure programme personnel against illness and accident in accordance with usual practices followed within the territory of the Republic of Tunisia.



10. The Government shall ensure equal treatment for men and women when considering candidates for posts to be filled under the programme.

11. The following are specified as additional conditions precedent to the effectiveness of the loan agreement:

- (a) the programme coordinators for the Governate of Kebili and the Governate of Tataouine have been appointed by the lead programme agency, in accordance with the provisions of the loan agreement;
- (b) the programme steering unit has been established within the CRDA in Tataouine and its financial officer has been appointed by the lead programme agency, in accordance with the provisions of the loan agreement;
- (c) an engineer to be responsible for the grass-roots rural organization support service has been appointed by the CRDA in Tataouine;
- (d) the loan agreement has been duly signed and the Government has received, from its Chamber of Deputies, full powers to authorize and execute said agreement; and
- (e) a favourable legal opinion, issued by the legislative and legal counsel of the Government, acceptable in form and substance, has been delivered to IFAD by the Government.

## APPENDIX I

## COUNTRY DATA

## TUNISIA

<b>Land area (km<sup>2</sup> thousands) 2000 1/</b>	155	<b>GNI per capita (USD) 2000 1/</b>	2 090
<b>Total population (million) 2000 1/</b>	9.6	<b>GNP per capita growth (annual %) 2000 1/</b>	3.3
<b>Population density (people per km<sup>2</sup>) 2000 1/</b>	62	<b>Inflation, consumer prices (annual %) 2000 1/</b>	2.9
<b>Local currency</b>	Tunisian Dinar (TND)	<b>Exchange rate: USD 1 = TND 1.40</b>	TND 1= USD 0.71
<b>Social Indicators</b>		<b>Economic Indicators</b>	
Population (average annual population growth rate) 1980-99 2/	2.1	GDP (USD million) 2000 1/	19 462
Crude birth rate (per thousand people) 2000 1/	17 a/	Average annual rate of growth of GDP 2/ 1980-90	3.3
Crude death rate (per thousand people) 2000 1/	6 a/	1990-99	4.6
Infant mortality rate (per thousand live births) 2000 1/	24 a/	Sectoral distribution of GDP 2000 1/	
Life expectancy at birth (years) 2000 1/	73 a/	% agriculture	12
Number of rural poor (million) (approximate) 1/	0.7	% industry	28
Poor as % of total rural population 2/	22	% manufacturing	18
Total labour force (million) 2000 1/	3.8	% services	59
Female labour force as % of total 2000 1/	32	Consumption 2000 1/	
<b>Education</b>		General government final consumption expenditure (as % of GDP)	14
School enrolment, primary (% gross) 2000 1/	118 a/	Household final consumption expenditure, etc. (as % of GDP)	61
Adult illiteracy rate (% age 15 and above) 2000 1/	29	Gross domestic savings (as % of GDP)	25
<b>Nutrition</b>		<b>Balance of Payments (USD million)</b>	
Daily calorie supply per capita, 1997 3/	3 283	Merchandise exports 2000 1/	5 970
Malnutrition prevalence, height for age (% of children Under 5) 2000 1/	n.a.	Merchandise imports 2000 1/	8 740
Malnutrition prevalence, weight for age (% of children Under 5) 2000 1/	n.a.	Balance of merchandise trade	-2 770
<b>Health</b>		Current account balances (USD million)	
Health expenditure, total (as % of GDP) 2000 1/	5.1	before official transfers 1999 1/	-1 345
Physicians (per thousand people) 1999 1/	0.70 a/	after official transfers 1999 1/	-443
Population without access to safe water (%) 1990-98 3/	2	Foreign direct investment, net 1999 1/	347
Population without access to health services (%) 1981-93 3/	10	<b>Government Finance</b>	
Population without access to sanitation (%) 1990-98 3/	20	Overall budget deficit (including grants) (as % of GDP) 1999 1/	-2.3
<b>Agriculture and Food</b>		Total expenditure (% of GDP) 1999 1/	31.7
Food imports (% of merchandise imports) 1999 1/	8	Total external debt (USD million) 1999 1/	11 872
Fertilizer consumption (hundreds of grams per ha of Arable land) 1998 1/	417	Present value of debt (as % of GNI) 1999 1/	59
Food production index (1989-91=100) 2000 1/	127.2	Total debt service (% of exports of goods and services) 1999 1/	15.9
Cereal yield (kg per ha) 2000 1/	853	Lending interest rate (%) 2000 1/	n.a.
<b>Land Use</b>		Deposit interest rate (%) 2000 1/	n.a.
Arable land as % of land area 1998 1/	18.7		
Forest area (km <sup>2</sup> thousand) 2000 2/	5		
Forest area as % of total land area 2000 2/	3.3		
Irrigated land as % of cropland 1998 1/	7.8		

a/ Data are for years or periods other than those specified.

n.a. = not available

Sources: 1/ World Bank, *World Development Indicators* database.

2/ World Bank, *World Development Indicators*, 2001.

3/ UNDP, *Human Development Report*, 2000

## PREVIOUS IFAD LOANS TO TUNISIA

Project ID	Project Name	Lending Terms	Project Type	Financing Type	IFAD Approved Financing (USD '000)	IFAD Current Financing (USD '000)	Board Approval	Loan Signing	Loan Effectiveness	Current Closing	Project Completion Date	Cooperating Institution	Project Status
59	Development Project of Small and Medium-Size Farms in the Governorates of Kef and Siliana	I	CREDI	F	19 000	18 937	05 Dec. 80	09 Dec. 80	02 Oct. 81	31 Dec. 88	30 Jun. 88	AFESD	Closed
139	Sidi Bouzid Irrigation Project	O	IRRIG	E	7 300	7 196	13 Dec. 83	31 Jan. 84	05 Jul. 84	30 Jun. 93	31 Dec. 92	World Bank; IBRD	Closed
175	Sidi Bouzid Rainfed Agriculture Development Project	O	AGRIC	F	6 000	5 538	05 Sep. 85	25 Sep. 85	27 Mar. 86	30 Jun. 94	31 Dec. 93	AFESD	Closed
227	Pilot Project in Algeria and Tunisia for the Integrated Rural Development of the Mellegue Watershed	O	RURAL	F	12 000	12 000	15 Sep. 88	08 Feb. 89	01 Jun. 89	30 Sep. 99	31 Mar. 99	AFESD	Closed
298	Sidi M'Hadheb Agricultural and Fisheries Development Project	O	AGRIC	F	11 851	11 851	12 Dec. 91	07 Jan. 92	07 Aug. 92	30 Jun. 01	31 Dec. 00	AFESD	Closed
348	Integrated Agricultural Development Project in the Governorate of Kairouan	O	AGRIC	F	12 507	12 507	02 Dec. 93	25 Apr. 94	07 Aug. 95	31 Mar. 03	30 Sep. 02	AFESD	On-going
483	Integrated Agricultural Development Project in the Governorate of Siliana	O	AGRIC	F	11 261	11 261	06 Dec. 95	18 Jan. 96	17 Jun. 96	31 Dec. 03	30 Jun. 03	AFESD	On-going
1104	Integrated Agricultural Development Project in the Governorate of Zaghuan	O	AGRIC	E	16 052	16 052	03 Dec. 98	17 Feb. 99	14 Dec. 99	31 Dec. 05	30 Jun. 05	AFESD	On-going
<b>Total</b>	<b>8 projects (5 closed and 3 ongoing)</b>				<b>95 971</b>	<b>95 342</b>							





## CADRE LOGIQUE

Résumé descriptif	Indicateurs de vérification	Moyens de vérification	Suppositions /risques
<b>Objectifs de développement</b>			
<ul style="list-style-type: none"> <li>- Engager un processus de développement durable solidement pris en charge par ses acteurs</li> </ul>	<ul style="list-style-type: none"> <li>• Organisations et institutions rurales aptes à participer à la définition/exécution des politiques</li> <li>• Appareil étatique et administratif plus réceptif aux besoins de la population</li> <li>• Ressources Pastorales et en Eau restaurées et mieux gérées</li> <li>• Statut social et situation économique des jeunes et des femmes améliorés</li> <li>• Revenus des ménages diversifiés et accrus</li> </ul>		
<b>Objectifs du programme</b>			
<ul style="list-style-type: none"> <li>- <u>Impact Economique</u>: une amélioration et stabilisation des revenus et un développement équitable n'excluant aucune catégorie</li> <li>- <u>Impact Social</u> : Une meilleure présence des jeunes et des femmes dans les processus de décision et de gestion économique – Un apprentissage progressif des règles de la gouvernance locale</li> <li>- <u>Impact sur l'environnement</u> : un équilibre nouveau entre les activités sociales et économiques et l'environnement.</li> </ul>	<ul style="list-style-type: none"> <li>- 6 500 exploitants agriculteurs, agro-éleveurs et éleveurs et 800 bergers bénéficient des actions du Programme</li> <li>- 370 micro-entrepreneurs fournisseurs de services économiquement viables et diversifiés</li> <li>- Taux de rentabilité économique en année 15 supérieur au coût d'opportunité du capital (11%)</li> <li>- Participation active des jeunes et des femmes dans les GDA et les associations professionnelles</li> <li>- 10 000 familles s'engagent autour d'une vision du développement local valorisant les produits et atouts de la région contrastant avec les stratégies d'émigration</li> <li>- les tendances à l'évolution régressive des ressources naturelles (parcours, ressources en eau) auront été stoppées</li> <li>- gestion participative et durable des parcours</li> <li>- un patrimoine architectural reconstitué et une ressource paysagère embellie.</li> </ul>		<p>Une séquence climatique ne s'écartant pas trop du scénario moyen</p>



<b>Outputs</b>			
1. Une infrastructure économique et des services de développement renforcés	1.1.Réalisation du Schéma des Eléments Structurants (schéma directeur régional)		
2. Des aménagements intégrés conçus et gérés à l'échelle des unités socio-territoriales	2.1.Volume, répartition des investissements par UST 2.2.Cohérence avec le Schéma des Eléments Structurants (échelle régionale) 2.3.Productivité des parcours (offre fourragère accrue)	Le système de suivi et évaluation mettra en oeuvre une panoplie d'instruments complémentaires :  - Un système de suivi des convention - Un suivi quantitatif des réalisations - Un suivi qualitatif et technique des réalisations - Un suivi de premier impact - Un suivi participatif associant la population - Un système d'information géographique	La détermination et la motivation de la société rurale/locale lui permet de s'approprier le programme et d'apporter des réponses nouvelles aux problèmes soulevés par la mise en oeuvre
3. Amélioration de la productivité des systèmes et de production et des filières associées	3.1.Evolution des productions animales totales de la région 3.2.Evolution des productions végétales totales de la région		
4. Diversification et accroissement des revenus non –agricoles	4.1.Evolution des revenus générés par les micro-entreprises 4.2.Evolution des revenus générés par les micro-projets		
5. Capacités institutionnelles accrues en matière d'orientation et de stimulation d'un processus de développement régional et local	5.1. Efficacité de la mise en oeuvre du PRODESUD 5.2. Opinion des principaux acteurs 5.3. Apparition de nouvelles initiatives complémentaires des actions engagées par le PRODESUD		
<b>Activités</b>			
1.1. Routes rurales revêtues	1.1.1 Km réalisés	- Voir ci-dessus - Programme de Travail Annuel et Budget	Une action de communication réussie auprès des acteurs du développement conduisant à une vision partagée de l'avenir
1.2. Maillage d'hydraulique pastorale	1.2.1 Nb.Forages, réservoirs, km conduites		
1.3. Amélioration potentialités hydriques	1.3.1 Nb. ouvrages épandages crues, recharge		
1.4. Création 1 périmètre irrigué nouveau	1.4.1 Ha irrigués, consommation eau/ha		
1.5. Centre production semences pastorales	1.5.1 Réalisation, production semences/an		
1.6. Couverture sanitaire du cheptel	1.6.1 Nb unités mobiles, cliniques; animaux vaccinés		
1.7. Actions de recherche-développement	1.7.1 Nb, diversité Publications de vulgarisation		
1.8. Parc réserve de la biosphère	1.8.1 Réalisation, fonctionnement		
2.1. Promotion organismes gestion des terroirs	2.1.1 Résultats financiers		



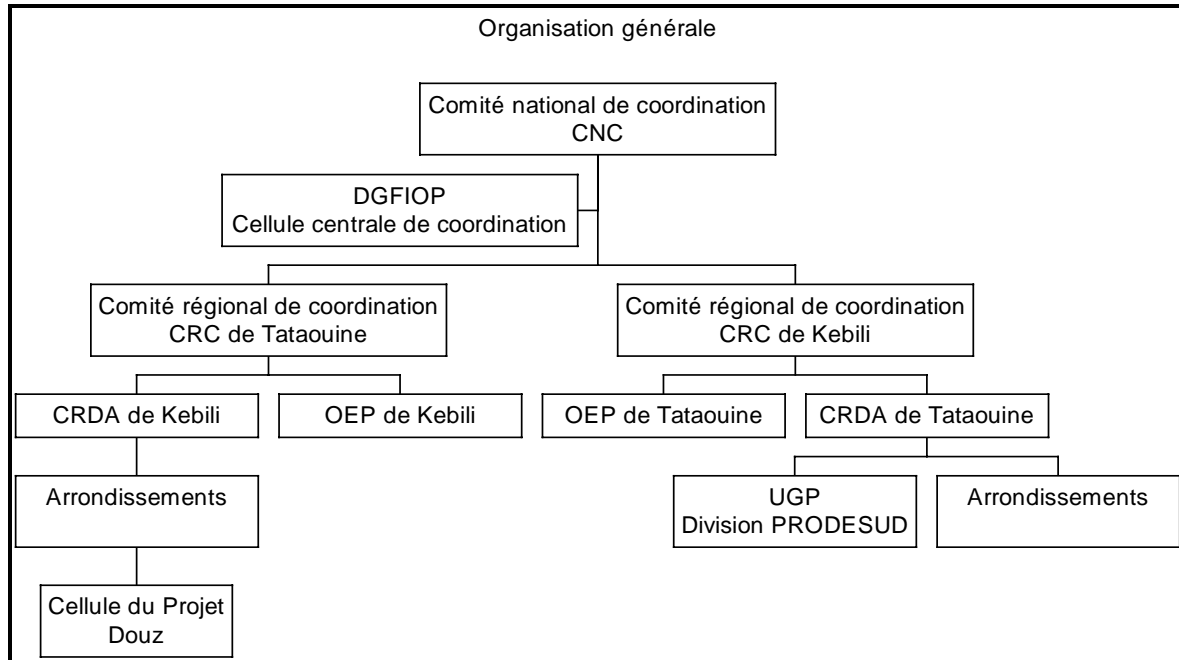
2.2. Reconstitution potentiel arboriculture	2.2.1 Production d'olives		<p>Le système de suivi et évaluation mettra en oeuvre une panoplie d'instruments complémentaires :</p> <ul style="list-style-type: none"> <li>- Un système de suivi des convention</li> <li>- Un suivi quantitatif des réalisations</li> <li>- Un suivi qualitatif et technique des réalisations</li> <li>- Un suivi de premier impact</li> <li>- Un suivi participatif associant la population</li> <li>- Un système d'information géographique</li> </ul>	<p>Travaux CES contrôlent efficacement l'érosion et à la recharge des nappes</p>
2.3. Réhabilitation et gestion des parcours	2.3.1 Richesse floristique, réapparition graminées, couverture végétale			
2.4. Création d'ombrières	2.4.1 Nb unités réalisées ; suivi des conventions.			
2.5. Travaux d'irrigation identifiés localement	2.5.1 Ha irrigués ; Suivi des conventions.			
2.6. Petite hydraulique pastorale (locale)	2.6.1 Indicateurs du système de suivi des conventions			
2.7. Conservation Eaux & Sols (locale)	2.6.2 Idem			
2.8. Pistes de dessertes locales	2.6.3 Idem ; Km réalisés			
2.9. Constructions communautaires	2.6.4 Idem ; unités réalisées			
3.1. Développement atelier engraissements	3.1.1 Nb ateliers ovins/caprins/camelins			
3.2. Amélioration Performances cheptel/sélection	3.2.1 Productivité viande de l'UZ (ovins, caprins, camelins)			
3.3. Promotion élevage camelin	3.3.1 Nb reproducteurs présentés au concours d'élevage			
3.4. Promotion métier de berger	3.4.1 Nb bergers formés, embauchés après formation			
3.5. Intensification périmètres irrigués existants	3.5.1 3.5.1 Coefficient d'intensification=sup.cultivée/sup.irriguée			
3.6. Valorisation produits du terroir	3.5.2 Vente de produits labellisés et à haute valeur ajoutée			
3.7. Promotion organisations professionnelles	3.5.3 Nb, diversité, dynamisme des organisations profess.			
4.1 Aide installation jeunes agriculteurs	3.5.4 Nb jeunes agriculteurs installés avec appui du projet			
4.2 Développement activités génératrices revenus	3.5.5 Nb, objet, chiffre d'affaire des AGR développées			
4.3 Promotion des micro-entreprises	3.5.6 Nb, objet, chiffre d'affaire, profits des micro-entrepr.			
4.4 Valorisation Ksours de montagne, patrimoine	3.5.7 Nb, nature, volume d'investissement des sous-projets			
5.1 Renforcement des CRDA et de l'OEP				
5.2. Mise en place, fonctionnement Unité Pilotage	5.1.1 Réalisations physiques/ financières; respect calendrier			
5.3 Unité soutien organisations rurales de base	5.2.1 Idem			
5.4 Unité soutien initiatives économiques rurales	5.3.1 Idem			
5.5 Coordination centrale (DGFIOF)	5.4.1 Idem			
5.6 Études économiques et techniques				
5.7 Assistance méthodologique	5.6.1 Réalisations physiques et financières ;			
	5.7.1 Adhésion des cadres à l'approche participative			
	5.7.2 Qualité des plans de développement des UST			
5.8 Formation	5.8.1 Nb. personnes formées selon les thèmes de formation			
	5.8.2 Emergence de formateurs parmi les cadres formés			



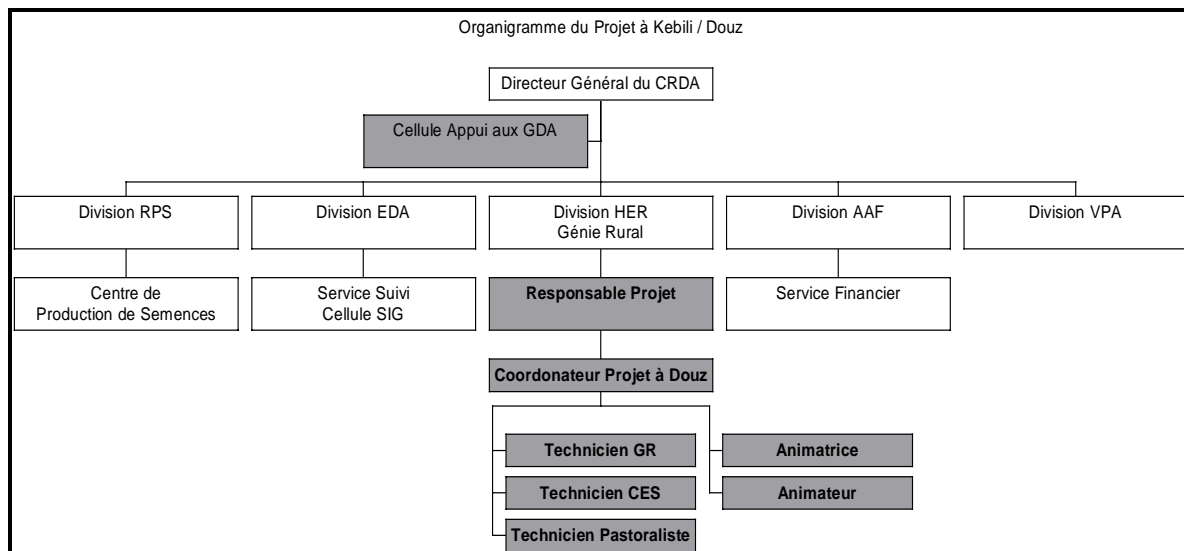
<b>Inputs</b>		<b>Financement</b>		
	<u>USD '000</u>		<u>USD '000</u>	
Études	472	FIDA	18 746	Une volonté politique affirmée de la part de l'Etat de mettre les moyens humains et matériels derrière les objectifs affichés
Génie Civil	26 370	OPEP Fund	5 062	
Véhicules	1 557	Bénéficiaires	1 723	
Équipement	9 793	Gouvernement	17 805	
Assistance technique	557			
Formation	546	Total	44 336	
Fonds & Crédit	1 716			
Salaires, indemnités	786			
Autres coûts d'opération	2 539			
<b>Total</b>	<b>44 336</b>			

## ORGANISATION DU PROGRAMME

### 1. Organigramme du Programme



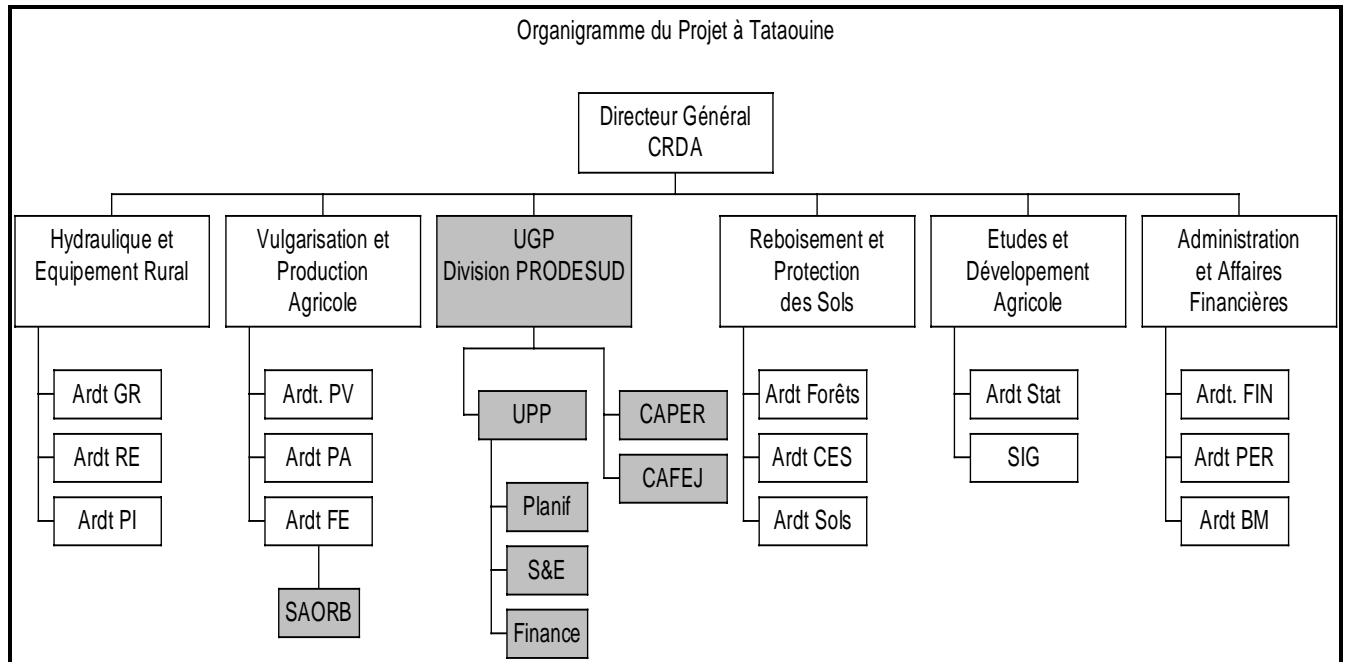
### 2. Organigramme du Programme dans le CRDA de Kebili



*Note: Les services du CRDA concernés par la mise en œuvre du programme sont colorés en gris sur le graphique.*



### 3. Organigramme du Programme dans le CRDA de Tataouine



*Note: Les structures qui seront créées par le Programme sont indiquées en gris sur le graphique.*

## QUANTITATIVE INPUTS, TARGETS AND KEY FACTORS

1. Quantitative Targets	Unit	2003	2004	2005	2006	2007	2008	2009	Total	5. Beneficiaries	Households	Population
<b>A. REGIONAL AND GENERAL INTEREST PUBLIC INVESTMENTS</b>												
1. Asphalted feeder roads	km	-	49	70	71	40	20		245	<b>Total:</b>	<b>11 000</b>	<b>71 500</b>
2. Pastoral water supply regional network												
• Deep boreholes	unit	-	-	2	1	2	1	2	8			
• Distribution waterpipes	km	-	35	40	20	20	-	-	115	<b>6. Project Objectives</b>		
• Tanks	unit	-	-	2	1	2	-	-	8	-	To rehabilitate and improve productivity of rangelands, which constitute the	
• Services Centres	unit	-	-	-	-	2	1	1	4	natural major asset and a basis for extensive livestock for meat production exports and raising agricultural productivity		
<b>B. SOCIO-TERRITORIAL UNITS INTEGRATED LAND USE AND DEVELOPMENT PLANNING</b>												
1. Rangeland and pasture rehabilitation												
• Natural Pasture Resting	ha	-	10 000	20 000	50 000	10 000			180 000			
• Forage tree planting	ha	-	500	1 000	1 500	1 000			4 000			
• Re-seeding natural pastures	ha	-	100	200	450	750	1 000	1 500	4 000	<b>7. Project Area</b>		
2. Local small-scale irrigation works	ha	-	70	70	70	70	70	70	420	Semi-arid and presaharian environment, with dryland agriculture in mountains and		
3. Local feeder roads improvement	km	-	20	20	20	20	20	20	100	scattered irrigation		
<b>C. PRODUCTION SUPPORT SERVICES</b>												
1. Animal health												
• Mobile units	unit	-	-	1	-	-	-	-	-			
• Health Centres	unit	-	-	1	-	-	-	-	-			
<b>D. PROMOTION OF LOCAL INITIATIVES AND MICRO ENTERPRISES</b>												
1. Livestock-based micro-projects												
• Fattening Units	unit	-	40	60	60	60	60	70	350	<b>8. Target Group</b>		
• Sheep and goat-mini herds for women	unit	-	10	10	10	10	10	10	40	The whole of rural population, with emphasis on a producer focal target group (6 500		
• Hatchers	unit	-	10	10	10	10	10	10	50	households) and on women and young adult (more than one-third of population)		
• Feed sales sites	unit	-	1	1	1	1	1	1	5			
• Cheese-making units	unit	-	1	1	1	1	1	1	6	<b>9. Project Strategy</b>		
2. Craft-based micro-projects										Project will finance public investments, among which roads, which will be of general benefit for regional development. Its main thrust, however, will be on promotion of participatory based activities.		
• Weaving	unit	-	-	1	1	1	1	1	6	Those will include Socio-Territorial Units Land use and integrated development planning and the promotion of microenterprises. Sustainable use of natural resources management will be sought through land use planning and community users' organizations		
• Leather working	unit	-	-	2	2	2	2	2	10	<b>10. Project Instrument</b>		
• Camelhair processing	unit	-	-	2	2	2	1	-	7	- Community organization on a socio-territorial basis (GDA) and integrated participatory planning		
• Jewels	unit	-	1	1	-	-	-	-	2	- Introducing a tested participatory planning methodology and knowledge management tools		
• Bread baking	unit	-	-	4	4	4	4	4	20	- Training GDA board members as well as administration staff		
• Tanneries	unit	-	1	1	1	1	1	-	1	- Introducing large-scale techniques for sustainable natural pasture management		
• Spice milling	unit	-	1	1	1	1	1	-	5	- Setting up a PMU that will coordinate execution by CRDA operative branches while supervising directly actions not relevant to usual CRDA activities.		
<b>E. MANAGEMENT CAPACITY STRENGTHENING</b>												
• Training workshops for GDA boards	workshop	-	3	4	10	10	10	10	47			
• Participation to workshops (number of boards members at sessions)		-	94	213	333	333	333	333				
<b>2. Project Cost Summary (USD '000)</b>												
		IFAD	Beneficiaries	Government	OPEC Fund	Development Funds	Banks	Total				
Regional and general interest public investments		8 176	288	7 184	5 062	-	-	20 710				
Socio-territorial Units integrated land use and development planning		7 171	1 049	5 929	-	1 048	447	15 644				
Production Support services		215	66	396	-	53	39	769				
Promotion of Local Initiatives and Microenterprises		417	320	340	-	312	304	1 693				
Management Capacity Strengthening		2 768	-	2 694	-	59	-	5 520				
<b>TOTAL</b>		<b>18 746</b>	<b>1 723</b>	<b>16 543</b>	<b>5 062</b>	<b>1 472</b>	<b>790</b>	<b>44 336</b>				
<b>3. Economic Rate of Return and Sensitivity Analysis:</b>												
<b>12.8%</b>												
<b>Base Case</b>												
Costs increased by 10%: 11.4%												
Benefits reduced by 10%: 11.4%												
Costs up 10%, benefits down 10%: 10.2%												
Net benefits lagged by one year: 11.4%												
Net benefits lagged by two years: 10.3%												
Without feeder roads: 20.2%												
<b>4. Overall Project Targets for Production</b>												
Natural pasture, production												
Average supply 187 million forage units												
<b>Additional production (animal)</b>												
Meat: 4 020 tonnes + 46%												
Wool: 64 tonnes + 18%												
Manne: 9 480 tonnes + 18%												
Olive oil: 3 644 tonnes + 200%												

