

**PROJECT INFORMATION DOCUMENT (PID)  
CONCEPT STAGE**

Report No.: AB1733

<b>Project Name</b>	Tunisia Integrated Solid Waste Management Project
<b>Region</b>	MIDDLE EAST AND NORTH AFRICA
<b>Sector</b>	Solid waste management (100%)
<b>Project ID</b>	P095012
<b>Borrower(s)</b>	GOVERNMENT OF TUNISIA
<b>Implementing Agency</b>	
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	Government of Tunisia Tunisia
<b>Environment Category</b>	<input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
<b>Date PID Prepared</b>	July 8, 2005
<b>Estimated Date of Appraisal Authorization</b>	March 15, 2006
<b>Estimated Date of Board Approval</b>	September 15, 2006

**Key development issues and rationale for Bank involvement**

1. Despite all the efforts of the Tunisian Government in establishing an effective integrated system of solid waste management services from collection to final disposal, along with the involvement of the private sector. The government has also requested that the Bank provides assistance in addressing the major weaknesses and constraints that the current system suffers from at all levels, including institutional, financial and technical aspects.
2. At the institutional level, the set-up is first characterized by a high level of centralization, whereas the Government plays an enforcement and monitoring role with respect to solid waste regulation, provides technical advice to the municipalities and coordinates between the concerned partners such as the municipalities and the private sector, that doesn't play at present any major role. There is however an obvious lack of capacity to undertake all these functions at both the planning and operational levels in the municipalities.
3. At the technical level, the current design of the landfills is totally inadequate from both the design and the operation points of view, which causes major accident risks. The system also requires more efforts in matter of technology and new approaches for waste minimization and promotion of recycling industries.

4. At the financial level, the system relies solely on the national budget and the annual deficit is almost 5.1 million dinars in Greater Tunis and higher elsewhere.<sup>1</sup> The Bank will assist the Government in establishing a cost accounting and cost recovery system based on the state budget, the local taxes and any future pricing system.
5. The project will be in that respect contributing to the Strategic Objective 1 of the CAS, i.e. to strengthen the business environment to support the development of a more competitive private sector, as well as improve the delivery of the infrastructure services by both public and private firms. The government
6. The Government also requested the Bank to assist in introducing Tunisia into the carbon market by identifying CDM projects and purchasing carbon emissions reductions through the carbon finance unit of the Bank.

### **Proposed objective(s)**

7. The development objective of the project is to support the Government of Tunisia in establishing an integrated municipal solid waste management system and improving its health care waste disposal system. The project also aims at supporting the Tunisian Government in accessing the global markets for Green House Gas emission reduction and identification of opportunities under the Kyoto Protocole's Clean Development Mechanism (CDM).
8. More specifically, the project aims at:
  - Strengthening the institutional and financial frameworks, developing adequate cost recovery mechanisms and promoting the involvement of the private sector into the proposed system.
  - Building the necessary capacities for the reduction of the environmental and health risks associated with municipal and health care waste services across the entire spectrum and ranging from segregation at source, collection, transportation, treatment to final disposal.
  - Supporting the Government of Tunisia in the implementation of its 10<sup>th</sup> Development Plan (2002-2006) that calls for the establishment of nine sanitary landfills and the rehabilitation of the existing dump sites.
  - Purchasing Verified Emission Reductions that would be generated from certain CDM projects in Tunisia. Priority projects have already been identified by the project, and will be further developed. Upon request, the World Bank will assist the Government of Tunisia in the sale of emission reductions from other underlying projects to third party buyers.

### **Preliminary project description and project components**

9. The project will have 4 main components addressing (i) institutional strengthening and capacity building; (ii) municipal solid waste investment projects; (iii) health care waste management project; and (iv) solid waste Clean Development Mechanism projects.

### **Component 1: Institutional Support and Capacity Building (US\$3 million)**

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<sup>1</sup> Tunisia – Country Environmental Analysis, April 2004.

10. This component is intended to support the Ministry of Environment and Sustainable Development and the National Environmental Protection Agency (NEPA) in order to develop a strategic ISWM Policy and to establish a viable framework for urban solid waste management systems at national and municipal level to achieve strategic objectives and approaches. Focus will be mainly on :
- a) *Institutional level*: enhancement of the existing institutional framework; improving the financial system and developing adequate cost recovery systems; improve the level of coordination among municipalities and inter-communality;
  - b) *Economic/Financial level*: identification and adoption of appropriate fee systems and cost recovery mechanisms, taking into consideration the capacity of the poorer to pay, create an enabling environment for private sector participation, formulation of efficient market rules;
  - c) *Technical level*: support the development of tender documents, evaluation criteria and contracts; development of performance monitoring and benchmarking systems; sensitizing the general public to raise its willingness to pay for solid waste services; and organizing awareness campaigns on environmental and health impacts of solid waste.

**Component 2: Investment Component (US\$ 14 million)**

- a. Rehabilitation of the existing cells n° 1, 2 & 3 of the Grand Tunis landfill at Jebel Chekir.
- b. Financing the extension of the Jebel Chekir landfill.
- c. Financing the rehabilitation of 6 existing dumpsites, (in conjunction with the establishment of 9 new landfills financed by KfW and the EIB).
- d. Designing and implementing a composting plant project:

**Component 3: Health Care Waste Management and Reduction of Dioxins, Furans and Mercury Emissions (US\$ 6 -8 million)**

*(This component is a GEF funded activity and a separate concept note following the GEF criteria and requirements is under development.)*

11. This component aims at reducing the environmental threats caused by the emissions of persistent organic pollutants (dioxins, furans and mercury) to the environment, by demonstrating and promoting best techniques and practices for managing and reducing hazardous healthcare wastes.
12. The project will achieve its objectives through an institutional support component for the finalization of the legal and institutional frameworks; implementation of health care waste management plans in a select number of facilities; and the implementation of 2 demonstration HCWM projects, one in Greater Tunis and one in a secondary city.

**Component 4: Implementation of a Solid Waste Clean Development Mechanism Project (US\$ 3 million)**

13. The World Bank will purchase Verified Emission Reductions (VERs) that would be generated from the solid waste management operations in the Grand Tunis landfill in Jebel Chakir, the nine dumpsites and eventually from the emissions reduction of the nitrous oxide from Group Chimique's nitric acid manufacture facility in Gabes.
14. The purchase agreement will be of 30 to 50 percent of the potential emission reductions generated during the period 2006-2012 from the identified projects, which according to the preliminary estimates might amount to between 2.45 to 3.7 million tons CO<sub>2</sub>-equivalent to \$12.2 to \$18.5

million. Further, the Bank proposes to buy an additional 1 million tons of emission reductions generated in the period 2013-2015, worth almost \$5 million.

1. Safeguard policies that might apply

*[Guideline: Refer to section 5 of the PCN. Which safeguard policies might apply to the project and in what ways? What actions might be needed during project preparation to assess safeguard issues and prepare to mitigate them?]*

2. Tentative financing

Source:	(\$m.)
BORROWER	3-4
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	20
GLOBAL ENVIRONMENT - ASSOCIATED IBRD FUND	3-4
PROTOTYPE CARBON FUND	11
Total	37-39

3. Contact point

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