Early Warning System

AFDB-P-TN-BB0-010

Tunisia - Environmental Upgrading and Rehabilitation of the Production Units of the Tunisian Chemical Group Support Project (PAER-GCT)

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Quick Facts

Countries	Tunisia
Specific Location	Gabès, Skhira (Sfax) and M'Dhilla (Gafsa)
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	A
Voting Date	2026-01-28
Borrower	Government of Tunisia
Sectors	Energy, Industry and Trade, Mining
Investment Type(s)	Loan
Investment Amount (USD)	$ 110.00 million
Loan Amount (USD)	$ 110.00 million
Project Cost (USD)	$ 144.00 million

Project Description

As stated by the AfDB, the objective of the project is to sustainably improve the environmental and operational performance of the Tunisian Chemical Group by significantly reducing atmospheric emissions and rehabilitating critical production units. The project focuses on upgrading sulfuric and phosphoric acid units, modernizing the Triple Super Phosphate (TSP) workshop at M'Dhilla, installing advanced gas treatment systems to reduce sulfur dioxide and other pollutant emissions, and improving energy efficiency through cogeneration and the replacement of a turbo generator to enable 23 MW of self-generated electricity. These investments will reduce SO? and fluorinated emissions, improve air quality, enhance compliance with environmental standards, stabilize fertilizer production essential for agricultural value chains, and reduce greenhouse gas emissions by an estimated 122,900 tons of CO2 equivalent per year. The project also strengthens environmental and social governance, introduces improved monitoring systems, and enhances community dialogue to restore social acceptability of industrial activities in affected regions.

The Environmental Upgrading and Rehabilitation of the Production Units of the Tunisian Chemical Group Support Project (PAER-GCT) is a sovereign-guaranteed investment operation aimed at modernizing and environmentally upgrading the production facilities of the Tunisian Chemical Group (GCT) in Gabès, Skhira (Sfax) and M'Dhilla (Gafsa). The total project cost amounts to USD 144 million, of which USD 110 million is financed through an African Development Bank (AfDB) sovereign loan guaranteed by the Republic of Tunisia, while the Tunisian Chemical Group provides USD 34 million in counterpart funding. The project forms part of a broader USD 595 million industrial recovery and modernization program and aligns with Tunisia’s Vision 2035, the National Development Plan 2023–2025, and the AfDB Country Strategy Paper 2024–2029. It supports the Bank’s priorities on industrialization, climate resilience, energy efficiency, and sustainable development, while addressing urgent environmental challenges in environmentally sensitive and socially fragile regions.

The project will directly benefit approximately 4,300 employees of the Tunisian Chemical Group by improving occupational health and safety conditions, stabilizing employment, and enhancing career prospects. It is expected to create 3,864 jobs by 2030, including around 1,429 for women and a significant proportion for young people under 29 years old, particularly in disadvantaged regions. Local communities in Gabès, Skhira (Sfax), and M'Dhilla (Gafsa) will benefit from measurable reductions in air pollution, improved environmental compliance, and strengthened transparency and dialogue with the company. Farmers will benefit indirectly through improved availability and stability of fertilizer supply, contributing to agricultural productivity and food security. Institutional beneficiaries include the Government of Tunisia and regional authorities, who will benefit from improved industrial performance, strengthened environmental governance, enhanced resilience of the phosphate value chain, and increased economic stability in regions heavily dependent on industrial activity.

Investment Description

- African Development Bank (AFDB)

Private Actors Description

As stated by Devex, Tunisia is the second country in the world to value a large percentage of its phosphate rock production (85%). GCT processes approximately 6.5 million tonnes of Tunisian rock phosphate each year to produce Merchant Phosphoric Acid (MGA), Di-Ammonium Phosphate (DAP), Triple Super Phosphate (TSP) and Calcium Phosphate (DCP)).

In addition, GCT produces Agricultural Ammonium Nitrate and Porous Ammonium Nitrate intended primarily for the local market.

The GCT has 4 production sites spread over 4 regions of southern Tunisia: Gabes, Sfax, Skhira, and M'dhilla.

The GCT employs more than 6500 people.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	GROUPE CHIMIQUE TUNISIEN (Tunisian Chemical Group)	Client	Mining

Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents. Under the AfDBÕs Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process.

ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at: https://www.afdb.org/en/independent-review-mechanism/

Bank Documents

- AUDIT DE CONFORMITE ENVIRONNEMENTALE ET SOCIALE - Site de M’dhilla1
- AUDIT DE CONFORMITE ENVIRONNEMENTALE ET SOCIALE - Site de Skhira
- PROJECT APPRAISAL REPORT
- RAPPORT D’EVALUATION DE PROJET
- Réalisation d’une mission d’audit environnemental et social(E&S) - Site de Gabès
- Réalisation d’une mission d’audit environnemental et social(E&S) - Site de Gabès

Media

- Once an idyll, Tunisian protest hotspot Gabes now an environmental 'nightmare'-Reuters/October 2025