



# Project Information Document/ Identification/Concept Stage (PID)

---

Concept Stage | Date Prepared/Updated: 23-Jan-2018 | Report No: PIDC113033



**BASIC INFORMATION**

**A. Basic Project Data**

Project ID	Parent Project ID (if any)	Environmental Assessment Category	Project Name
P163624		C - Not Required	Tunisia Governance, Financial Sector and Local Governments Trust Fund
Region	Country	Date PID Prepared	Estimated Date of Approval
MIDDLE EAST AND NORTH AFRICA	Tunisia	23-Jan-2018	
Financing Instrument	Borrower(s)	Implementing Agency	Initiation Note Review Decision
Investment Project Financing	Ministry of Local Affairs and Environment	Caisse des Prêts et de Soutien aux Collectivités Locales (CPSCL)	The review did authorize the preparation to continue

Public Disclosure Copy

**PROJECT FINANCING DATA**

**FINANCING**

**FINANCING SOURCES**

Select all that apply

Counterpart Funding

Trust Funds

Parallel Financing

**SUMMARY (USD)**

<b>Total Project cost</b>	<b>2,241,523</b>
<b>Total Financing</b>	<b>2,200,000</b>
Trust Funds	2,200,000
<b>Financing Gap</b>	<b>41,523</b>

**DETAILS**



---

**Trust Funds**

Source	Currency	Amount	USD Equivalent	Country
Miscellaneous 1(MSC1)	USD-US Dollars	2,200,000	2,200,000	Tunisia

**B. Introduction and Context**

Country Context

Tunisia is a beacon of hope for democracy in the MENA region. In a context of deep turmoil in most of the MENA region, Tunisia stands as an exception where a change of regime following the so-called Arab Spring has been translated into a democratic transition. The National Constitutional Assembly (ANC) elected in October 2011 adopted a new Constitution that entered into force on January 27, 2014. The ensuing parliamentary and presidential elections led to the constitution of a government which took office in January 2015. The new constitution profoundly modified Tunisia’s governance framework by strengthening the checks and balances between the executive, the legislative and the judicial powers, by empowering the government and local governments and fostering more open and participatory democracy based on the principles of transparency, accountability and participation. The Government has sought the support from its development partners to implement these deep and comprehensive constitutional reforms across the public sector.

Sectoral and Institutional Context

Marginalization of the interior regions was at the heart of the Tunisian revolution in 2011. One of the root causes of the Tunisian revolution was the profound disparities in development – according to many indicators including revenues, unemployment, literacy, access to healthcare etc. – between the leading coastal regions and the lagging interior regions, reinforced by a perception of deep inequity in their treatment by public institutions. Through a highly centralized political system, the interior regions did not have the institutional means to have their voices heard by the authorities, which created a sentiment of injustice among these regions’ populations. It is thus not a surprise that the protests that eventually led to the overthrow of President Ben Ali and his administration started in the Center-west governorates of Sidi Bouzid and Kasserine.

Decentralization is a core principle of the new Tunisian Constitution. To address these issues and provide Tunisia with a modern representative political system, the ANC included in the new Constitution an entire chapter on “Local Authorities” (Chapter VII), establishing very ambitious principles in terms of decentralization and setting up a new institutional landscape for local governance. An electoral calendar for local elections has been set and revised, with a current target date towards the end of 2016 or early 2017.

There are, however, several challenges in implementing decentralization in Tunisia. Implementing Chapter VII of the Constitution entails many challenges for Tunisia. The Constitutional requirement of a fully “communalized” country – meaning that the country’s whole territory and population are administered by

Public Disclosure Copy



municipal entities and administrations – is currently fulfilled over only 10% of the territory representing 2/3rd of the population. Consequently, many new municipalities are being created and many others will need to be over the next years. In addition, most existing Tunisian municipalities are facing important difficulties, including equipment, staffing numbers and staff skills, roles and responsibilities, governance and financial and revenue management (most of them being in chronic budget deficit). Decentralization is also a challenge for the various central-state agencies which are entrusted with new responsibilities with very limited human and financial resources. For example, the Court of Auditors, the Controller General of Public Services, the Administrative Tribunal and the newly created Ministry of Local Affairs have all expressed specific needs to enable them to undertake their new responsibilities under a decentralized system. Indeed, international experience shows that, for local governments to be effective, a range of reforms, investments and capacity building is required to strengthen: central-local oversight and co-ordination, inter-governmental transfers, local administration and human resource management, accountability mechanisms, revenue management, inclusive economic planning and investment, and outreach/engagement of citizens. All these challenges need to be overcome if decentralization is to be successful, with more competences devolved to municipalities. Supporting municipalities on all these fronts is therefore considered an utmost pre-requisite for the success of Tunisia's decentralization process and for improving development outcomes, in both urban and rural areas.

The proposed grant comprises only the Recipient-executed trust fund (RETF) of the MDTF, which emerged through the restructuring of the original Tunisia MDTF ('Support to Local Governments and Decentralization', TF072287), adding a third TF sector on local government and changing the original MDTF name to the new name: "Tunisia Governance, Financial Sector and Local Governments Trust Fund". This RETF under the new local government window is accompanied by a separate Bank-executed TF (BETF).

#### Relationship to CPF

Increasing transparency, accountability and performance of the public sector is a priority for renewing the social contract and improving service delivery. Addressing public sector governance and public financial management is identified as a key priority in the Tunisian government's Note d'Orientation du Plan stratégique de développement économique 2016-2020. This priority has been reflected in the Tunisia CPF

### **C. Project Development Objective(s)**

#### Proposed Development Objective(s)

The Development Objective is to supply equipment to Tunisia's central and local governments.



Key Results

The expected results are better equipped central and local governments organizations, who can better carry out their missions in the context of decentralization. Specifically, the improved physical ability of central and local organizations to perform their function will better enable them to provide services to Tunisian citizens.

**D. Preliminary Description**

Activities/Components

The RETF activities focus on procuring equipment for Tunisia’s central and local governments to provide impoverished existing, or expanded municipalities as well as newly created municipalities to have minimum material means to accomplish their missions as requested by law and to meet citizens’ expectations for service provision.

With basic equipment supplies (such as desks, computers, telephones and fax, heating and air-conditioning), these municipalities will be expected to have the physical ability to perform their function and to provide expected services to citizens.

This will also create a working environment able to attract and retain needed skilled staff.

Public Disclosure Copy

**SAFEGUARDS**

**E. 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	



## CONTACT POINT

### World Bank

Contact : Sabine W. Beddies Title : Sr Urban Spec.  
Telephone No : 473-0722 Email :

Contact : Ayah Mahgoub Title : Senior Urban Development Speci  
Telephone No : 473-4747 Email :

### Borrower/Client/Recipient

Borrower : Ministry of Local Affairs and Environment

### Implementing Agencies

Implementing Agency : Caisse des Prêts et de Soutien aux Collectivités Locales (CPSCL)

Contact : Sami Mekki Title : General Director of CPSCL  
Telephone No : 21698589411 Email : samy.mekki@gmail.com

## FOR MORE INFORMATION CONTACT

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: <http://www.worldbank.org/projects>