



Project Information Document/ Identification/Concept Stage (PID)

Concept Stage | Date Prepared/Updated: 05-Feb-2023 | Report No: PIDC274224



BASIC INFORMATION

A. Basic Project Data

Project ID	Parent Project ID (if any)	Environmental and Social Risk Classification	Project Name
P180325		Moderate	Digitizing employment Services in Tunisia
Region	Country	Date PID Prepared	Estimated Date of Approval
MIDDLE EAST AND NORTH AFRICA	Tunisia	05-Feb-2023	
Financing Instrument	Borrower(s)	Implementing Agency	
Investment Project Financing	Ministry of Economy and Planning	National Agency for Employment and Self Employment (ANETI)	

Public Disclosure Copy

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	3.40
Total Financing	3.40
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	3.40
Free-standing Single Purpose Trust Fund	3.40

B. Introduction and Context

Country Context

Tunisia’s economic performance decelerated after the 2011 revolution and deteriorated further due to the COVID-19 pandemic. With a population of 11.8 million and a Gross Domestic Product (GDP) of \$42.06 billion, Tunisia is an upper middle-income country that transitioned to democracy following the 2010 revolution. However, GDP growth declined to 1.7 percent on average between 2011 and 2019, down from 3.5 percent between 2000 and 2011. Economic performance stagnated due to a significant decline in productivity growth from the already low growth of the pre-revolution era. Low investment, limited innovation, reduced trade



orientation, and excessive regulation of economic activity were major contributing factors. In particular, private investment as a share of GDP dropped from an average of 17.4 percent of GDP in 2000-2010 to 14.9 percent in 2011-2019. The COVID-19 pandemic exacerbated these vulnerabilities. Indeed, it caused a dramatic drop in GDP in 2020 (-9.2 percent), while the economic recovery was moderate, with a 3.1 percent growth in 2021 and an estimated 3.6 percent in 2022.

With worsening growth and job outcomes, Tunisia increasingly relied on the welfare state to meet citizens' aspirations for better livelihoods. The proposed measures include key fiscal instruments to support households' livelihoods and purchasing power and comprise consumer and producer subsidies, transfers to state-owned enterprises, social protection coverage, and public sector jobs. The measures have also helped many poor and vulnerable households at the early stages of the transition. For example, the increase in public sector recruitment may have created employment opportunities for some low-income households. The public sector has also tended to be considered the employer of last resort when social and youth unemployment pressures increased, leaving the country with one of the highest public sector wage bills globally (growing from 10 percent in 2010 to 15.6 percent in 2022) and a rising imbalance in the public pension system, which limited the budget available for development and public investments. Similarly, the significant scale-up of cash transfer programs for needy families helped support livelihoods.

Unemployment remains rampant, especially among youth, women, and graduates. The Tunisian uprising in 2011 was triggered by a call for employment when a young street vendor set himself on fire in Sidi Bouzid in the South. At that time, the unemployment rate hovered around 12 percent. The prospects for employment stagnated at 15 percent before the pandemic and worsened further with the pandemic (16.1 percent in Q1-2022). The recent political surges in Tunisia illustrate the dire situation of specific socio-economic groups, whose unemployment rate is significantly higher than the national average: youth aged 15-24 (38.5 percent in Q1-2022), graduates (30.1 percent in Q3-2020), and women (20.9 percent in Q1-2022 compared to 14.1 percent for men). The most affected group is graduate women (40.7 percent unemployment rate in Q3-2020)[1]. While the unemployment rate is high in tertiary education, the large stock of unemployed is among less educated people: out of the 750,000 unemployed, 280,000 are in tertiary education.

[1] National Institute of Statistics, Tunisia (*Institut national de la statistique (INS)*).

Sectoral and Institutional Context

The National Agency for Employment and Self Employment (*Agence nationale pour l'Emploi et le Travail indépendant - ANETI*) is a major player in the field of job placement and Active Labor Market Programs.

The demand for ANETI services is substantial: 110,000 people are currently registered at ANETI (to be compared to the 670 000 job seekers, INS 2020). In addition, the ANETI provides annually subsidized contracts for more than 100 000 first-time job seekers who managed to secure an internship in a firm. The ANETI is not the only provider of employment services. However, while private intermediation structures are present in Tunisia, they are not allowed by law to place job seekers into jobs.



ANETI is moving forward with a substantial reform, Vision 2030. In response to the job challenge, ANETI has put forward a new strategy, its Vision 2030. This reform will enhance services to job seekers for employability and self-employment and services to enterprises at the national level. This reform is organized around eleven (11) strategic axes: (i) an increased number of job offers collected and met; (ii) more efficient active labor market programs; (iii) a greater number of job seekers being placed in a job; (iv) a larger number of entrepreneurial projects that are bankable and can create jobs; (v) more job seekers being placed internationally by an ANETI known internationally; (vi) a new ANETI offering new services familiar to its clients; (vii) a sense of belonging to a new ANETI with employees who value performance and satisfaction of their clients; (viii) employees who are skilled, equipped, motivated, engaged, heard and opened to change; (ix) digitalizing for a more efficient ANETI; (x) services tailored to job seekers and enterprises in all parts of the country; and (xi) an agency that is driven by quality and results.

Vision 2030 envisions serving more job seekers with better quality employment services. Currently, the main service provided by the ANETI relates by far to subsidized contracts for first-time graduated job seekers (*Contrat d'Initiation à la Vie Professionnelle - CIVP*). In 2018, 108,900 job seekers were enrolled in a subsidized contract while 9,469 benefited from soft skills modules, 7,110 from a session with a job counselor on job opportunities, 7,050 from modules on job search, and 5,845 from entrepreneurship training.

The World Bank is supporting this reform through the large Bank-Executed Trust Fund (BETF) *Ambition "Good Jobs for All"* (P176501) Technical Assistance (TA) financed by the European Delegation. This TA supports part of the ANETI reform, namely: (i) the revamping of services to both job seekers; (ii) the development of services to enterprises; (iii) the digitalization of services and the dematerialization of services and internal procedures; (iv) job counselors' training on new employment programs being developed; (v) development of strategies; and (vi) project and change management.

The lack of digitization hinders ANETI's effectiveness. The ANETI is currently mainly focused on providing youth with subsidized contracts. Because of numerous and cumbersome paper-based procedures, a job counselor spends on average 60 percent of his or her time on creating, processing, and supervising subsidized contracts, 25 percent on administrative tasks, and only 15 percent on services to job seekers such as job assistance, training or placement. Digitization is thus a condition for implementing new services introduced by the Vision 2030 reform. Significant efficiency gains would be expected, mainly thanks to simplified procedures, reorganized work, digitalization of processes, and dematerialization of documents. These actions would put the support of job seekers back at the heart of the counselors' work. It also echoes the current political will in this area since two of the current government's "Economic and financial stability program" pillars are the performance of the public sector and digitalization. The digitalization of the ANETI is also part of the three-year plan (2022-2025) of the Ministry of Employment and Vocational Training that was recently presented to development partners on July 4th, 2022.

The diagnostic of the first phase which was supported by the BETF-financed *Ambition "Good Jobs for All"* Advisory Services & Analytics (P176501) (ASA), highlighted the need to strengthen the information system



(IS) foundations. Indeed, the BETF allowed to run a thorough diagnostic of ANETI’s existing IS (description of the current architecture, mapping of the IS, assessment of the state of the infrastructure, and impacts on both internal and external users) to provide a strengths, weaknesses, opportunities, and threats analysis of the current ANETI IS and formulate concrete recommendations on the way forward. In addition, the BETF supported the ANETI in defining the future needs, and specifications of the ANETI IS. Lastly, a roadmap was discussed with the ANETI to suggest an ambitious but realistic development plan for the different IS. Overall, the TA highlighted the various issues to be addressed, namely: (i) a fragmented system with various IS that were poorly interconnected, (ii) an IT system that was not meeting the needs of both internal (ANETI staff, including job counselors and other function support) and external users (job seekers and enterprises), and (iii) outdated technologies and equipment.

The limited number of counselors prevents ANETI from providing employment services to many job seekers; its services could be fulfilled by the private intermediation ecosystem. However, even the most experienced counselors have limited capacity to offer value-added services to job seekers, primarily due to the need to administer the high volume of subsidized contracts. The ratio of job seekers to counselors is around 780, which is relatively high compared to other public employment services agencies. In light of this imbalance, which ANETI cannot entirely absorb, the Agency is considering partnering with a private intermediation ecosystem to provide certain services. Yet this approach faces some challenges: (i) the capacity of this ecosystem is somewhat limited – but will be addressed through the BETF-financed *Ambition “Good Jobs for All”* (ASA) (P176501) that will train stakeholders from the ecosystem; and (ii) like many other ministries and implementing agencies, the ANETI faces challenges in procuring services. Any outsourcing could result in many procurement processes with potential delays and very little flexibility.

Most job seekers are young women, but ANETI does not have specific treatments or programs for this target group. Sixty (60) percent of job seekers registered at the ANETI are women. This percentage is even higher in the ANETI entrepreneurship track, whereby more than 70 percent of beneficiaries are women. Yet, with more intensive programs, the attendance rate for married women with children is likely to drop significantly. Indeed, in Tunisia, married women, especially women with young children, are particularly disadvantaged in the labor market, with a large gap compared to single women that do not decrease over the life cycle. On average, labor force participation among women has been around 25 percent over the decade. The low use of childcare services can partly explain this percentage. Only about 1 percent of all children ages 3–36 months attend daycare centers in Tunisia.

Background on the available funding

On July 2019, the Delegation of the European Union (EU) in Tunisia signed a financing agreement with the Ministry of Development and International Cooperation for the EU4Youth Tunisia Project. The World Bank is responsible for implementing two objectives of this agreement, namely: (i) the governance and quality of the education system have been improved (R1.3); and (ii) the efficiency of intermediation services related to the labor market has been improved in coordination with both private and public stakeholders (R1.4).



Part of the overall funding was received under the Multi-Donor TF for the Tunisia Public Financial Management and Financial Sector Strengthening (TF072692) called Moussanada, which is expected to close on June 30, 2024. This is now associated with the Tunisia Economic Resilience and Inclusion (TERI) program, an umbrella for all Tunisia-related TFs. The remaining proceeds will be made directly under TERI, which is expected to close on December 31st, 2029. Additional EU funding from unused proceeds under the Moussanada TF were made available to this technical assistance. The proposed table details the different sources of funding for the preparation of the two operations.

Funding	Project code	Associated TF	Disbursement End Date	Disbursement rate (As of End of November 2022)	Disbursement + Outstanding commitments
US\$500k received in November 2020	P158138	Moussanada (TF072692)	June 30, 2024	96 %	96 %
US\$6,574,925 received in August 2021	P176501	Moussanada (TF072692)	June 30, 2024	22 %	69 %
EUR2 million	Not yet received	Moussanada (TF072692)	June 30, 2024	0 %	0 %
EUR4 million	Not yet received	TERI (TF073622)	December 31, 2029	0 %	0 %

Public Disclosure Copy

Given the tight timeline to disburse the proceeds under Moussanada (TF072692), the team is recommending preparing two projects to be financed by the two RETFs and to be implemented in parallel: (1) the Digitizing Employment Services Project (P180325) will be funded through the Moussanada (TF072692) and will finance the implementation of activities that could take less time to operationalize given the disbursement end date of June 30, 2024; and (2) the Modernizing Employment Services in Tunisia will be funded through the TERI Umbrella (TF073622) and will finance activities that could take longer to implement.

Relationship to CPF

The proposed Recipient-Executed Trust Fund (RETF) financed project is fully aligned with the World Bank Group (WBG) CPF (FY16-20) for Tunisia (Report No. 123957-TN) discussed by the Board on May 1, 2016, and extended by one year to FY21 through the CPF Performance and Learning Review (No. 123957) (May 22, 2018). It is a relevant contribution to growth, job creation, and social inclusion potential. These activities' objectives are fully aligned with pillar 2 "Shifting from an economy characterized by low value-added productivity and low-wage jobs to a "hub economy" and pillar 3 "Promoting Human Development and Social Inclusion" of the WBG CPF, which aims to reduce regional disparities and promote increased social inclusion. This engagement is also aligned with the Middle East and North Africa Regional enlarged strategy, in particular renewing the social contract and strengthening human capital by supporting the generation of employment opportunities, particularly in inland regions, and focusing on youth and women, thus helping to



forge greater social stability. It should be noted that the new CPF is under preparation and highlights the importance of aligning the skills with the private sector’s needs.

C. Project Development Objective(s)

Proposed Development Objective(s)

The proposed Development Objective (PDO) is to support the digital transformation of the ANETI.

Key Results

The following are the proposed indicators and should be refined with the ANETI team:

- Number of bureaus being equipped with relevant equipment and materials
- Number of bureaus being able to access the new software and licenses

D. Preliminary Description

Activities/Components

The Digitizing Employment Services RETF-financed project will be implemented closely with the BETF-financed Ambition “Good Jobs for All” ASA (P176501) and the Modernizing Employment Services Project (P179486). This project will build the foundations for more efficient services being provided to job seekers and enterprises by funding equipment, software and licenses. The project will be comprised of two components, namely: (i) the digital foundations for more efficient internal and external services component; and (ii) the project management and coordination component.

Component 1: Digital foundations for more efficient internal and external services (US\$3.00 M)

Component 1 activities will support the digital transformation required to implement ANETI’s Vision 2030 reform. This transformation will improve the efficiency of the delivery system and support the simplification of processes.

The activities under this component are informed by the digital roadmap supported by the BETF and will fund part of ANETI’s digitalization. Component 1 activities will include: (i) setting up the governance, organization, and Information System management; (ii) bringing greater efficiency to all support functions through electronic management of mail and documents, setting up an enterprise resource planning management system, and human resources IS, to name a few; (iii) upgrading the information technology infrastructure and security, including equipment, materials, and software, and (iv) the matching solution to match job offers with job seekers. The World Bank will support the implementation of these activities through the BETF.



Component 2: Project management and coordination (US\$0.4 M)

Component 2 activities will provide resources to the implementing agency to guarantee the successful implementation of the TA, procure contracts, and operate the Training for Jobs Account and the stipends for childcare services while meeting the Bank's fiduciary and safeguards requirements.

Component 2 will also provide resources to the ANETI to (i) coordinate and supervise activities preparation and implementation; (ii) manage resources in compliance with the Bank's fiduciary requirements; (iii) ensure compliance of activities preparation and implementation with the Bank's environmental and social safeguards requirements; (iv) establish a monitoring and evaluation system; and (v) report to the Bank on Project technical and financial execution.

Public Disclosure Copy

Environmental and Social Standards Relevance

E. Relevant Standards

ESS Standards		Relevance
ESS 1	Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10	Stakeholder Engagement and Information Disclosure	Relevant
ESS 2	Labor and Working Conditions	Relevant
ESS 3	Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4	Community Health and Safety	Relevant
ESS 5	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
ESS 6	Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
ESS 7	Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
ESS 8	Cultural Heritage	Not Currently Relevant
ESS 9	Financial Intermediaries	Not Currently Relevant

Legal Operational Policies

Safeguard Policies	Triggered	Explanation (Optional)
Projects on International Waterways OP 7.50	No	n/a
Projects in Disputed Areas OP 7.60	No	n/a



Summary of Screening of Environmental and Social Risks and Impacts

The environmental risks of the project are deemed moderate. The main environmental risks are related to the small-scale civil works within the existing buildings of ANETI offices for the installation of equipment and supporting IT infrastructure as part of Component 1. The project will include the removal and replacement of old and obsolete computers and cables resulting in the generation of e-wastes. The environmental risks and impacts are expected to be limited, localized, site specific, mostly temporary and/or reversible, and can be mitigated in a predictable manner. The ESMP will assessed all risks/impacts and mitigated them. The social risk is deemed moderate. The potential social risks include the exposure of ANETI workers to risks associated with their working conditions in the workplace in addition to similar risks within its contractors. Project workers entail those who are employed and/or engaged by ANETI and contractors. Exclusion of some key actors within this component such as SMEs, Startups and individual entrepreneurs providing equivalent digital equipment and software services to those offered by big Firms on the national and international markets, is also perceived as a social risk of this project that required mitigation through a transparent procurement procedures that are to guarantee competition, access to market for small businesses, and equal opportunities for enterprises and individual entrepreneurs. The migration of job seekers data to the new information system may engender risks of lose and/or other insecurity risks related to personal data.

Public Disclosure Copy

CONTACT POINT

World Bank

Contact :	Eric Zapatero Larrío	Title :	Senior Social Protection Speci
Telephone No :	5220+81130 /	Email :	
Contact :	Johanne Buba	Title :	Senior Social Protection Speci
Telephone No :	473-4446	Email :	

Borrower/Client/Recipient

Borrower : Ministry of Economy and Planning

Implementing Agencies

Implementing Agency :	National Agency for Employment and Self Employment (ANETI)		
Contact :	Mohamed Abichou	Title :	Directeur Général Adjoint
Telephone No :	93436765	Email :	mohamed.abichou@emploi.nat.tn

FOR MORE INFORMATION CONTACT



The World Bank

Digitizing employment Services in Tunisia

The World Bank

1818 H Street, NW

Washington, D.C. 20433

Telephone: (202) 473-1000

Web: <http://www.worldbank.org/projects>

Public Disclosure Copy