



Project Information Document/ Identification/Concept Stage (PID)

Concept Stage | Date Prepared/Updated: 01-Aug-2024 | Report No: PIDDC00827



BASIC INFORMATION

A. Basic Project Data

Operation Name Integrated Social Protection and Jobs Services in Tunisia	Operation Short Name Integrated SPJ
Operation ID P506533	Financing Instrument Investment Project Financing (IPF)
Beneficiary country/countries Tunisia	Region Tunisia
Environmental and Social Risk Classification Moderate	
Date PID Prepared 29-May-2024	Estimated Date of Approval 16-Sep-2024
Borrower(s) Republic of Tunisia	Implementing Agency Ministry of Social Affairs

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PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Operation Cost	1.80
Total Financing	1.80
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	1.80
Tunisia Economic Resilience and Inclusion Umbrella Program	1.80

B. Introduction & Context

Country Context

Tunisia’s economic performance decelerated after 2011 and has deteriorated further due to the COVID-19 pandemic. With a population of 12.3 million, a Gross Domestic Product (GDP) of US\$46.3 billion, and a GDP per capita of US\$3,747 as of 2022, Tunisia is a middle-income country. 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 has 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 have been major contributing factors. 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, causing a dramatic drop in GDP in 2020 (-8.7 percent), while the economic recovery has been moderate since with 4.4 percent growth in 2021 and 2.2 percent growth in 2022. However, GDP growth decreased to only 0.4 percent growth in 2023 due to the sixth consecutive year of below-average rainfall, which compromised Tunisia's agricultural production and slowed down further an already limited economic recovery.

Tunisia's challenging economic situation is negatively affecting its population, particularly the most vulnerable. Macroeconomic indicators such as public debt, unemployment, inflation, and poverty levels have deteriorated. Public debt nearly doubled from 40.7 percent of GDP in 2010 to 79.8 percent in 2022, limiting the state's fiscal space to invest in public programs. Tunisia has one of the highest unemployment rates in the MENA region, at 16.4 percent as of the fourth quarter of 2023. Despite slightly decreasing from its peak in February 2023, food inflation remained high at 10.2 percent in March 2024, particularly affecting households with lower incomes. Economic growth had been pro-poor from 2000 to 2015, reducing poverty levels from 25.4 percent to 15.2 percent. However, this previous positive trend has reversed as the poverty rate has risen from 15.2 percent in 2015 to 16.6 percent in 2021.

With worsening growth and job outcomes, Tunisia has increasingly relied on the welfare state to meet its citizens' aspirations for better livelihoods. The state's main policies have been fiscal instruments to support households' livelihoods and purchasing power, including consumer and producer subsidies, transfers to state-owned enterprises, social protection coverage, and public sector jobs. These measures have helped many poor and vulnerable households. For example, the increase in public sector recruitment has created employment opportunities for some low-income households. The public sector has been 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 (15.6 percent of GDP in 2022) worldwide. The large public sector wage bill, a rising imbalance in the public pension system, and the scale-up of cash transfer programs supported livelihoods, but they have also significantly limited the budget available for economic development and public investments.

Sectoral and Institutional Context

Protecting and developing the human capital of children of poor and vulnerable households is becoming more challenging in Tunisia. Once a leader in the region, Tunisia has experienced a slowdown in human capital accumulation over the past decade. The human capital index declined from 0.53 in 2010 to 0.52 in 2020 (one of only two countries in the MENA region to have registered a decline in the period), with a larger negative impact on the poor and vulnerable in lagging regions. The declining state of human capital can be attributed to the systemic challenges that hinder the capacity of the Government of Tunisia and its citizens to build, protect, and utilize human capital, which has been exacerbated by the recent macroeconomic situation. The COVID-19 pandemic further impacted early childhood development and has exposed gaps in access to social assistance for poor families with children, which aggravated the existing systemic challenges and regional disparities.

Since 1986, Tunisia has focused its non-contributive social protection system on cash transfer programming and free or subsidized access to health care programs. The poverty alleviation program (*Programme national d'aide aux familles nécessiteuses* - PNAFN) implemented by the Ministry of Social Affairs (MoSA) was based mainly on unconditional permanent cash transfers (PCT) to households who lack financial and family support, such as the elderly poor and individuals with disabilities.



Since 2019, the GoT has implemented a series of reforms to set up a new integrated social safety net program: the AMEN Social Program. The GoT's main objective has been to improve the efficiency of the social protection system to redress multidimensional poverty by reducing system fragmentation, increasing the coverage of poor and vulnerable households, and creating a social registry of beneficiaries to better assess their needs. In addition, the AMEN Social program aims to facilitate access for poor and vulnerable households to services, by facilitating links with education, housing, employment, healthcare, and social services such as legal aid. The design of the social protection reform has been supported by the World Bank since 2016 through the Tunisia Social Protection Reforms Support Project (MENA Transition Fund, Technical Assistance - P144674). In addition, the World Bank supported this reform process through two Development Policy Financing (DPF) operations; (i) Tunisia Investment Competitiveness and Inclusion DPF 2018 (P161483); and (ii) Tunisia First Resilience and Recovery Emergency DPF (P173324), which resulted in the preparation and approval of the AMEN Social Organic Law (Law 2019-10) and its implementation decrees.

The AMEN Social program provides multiple services to poor and vulnerable households. The program covers 340,000 poor households, representing over 10 percent of the total population, and 620,000 vulnerable households (low income), representing roughly 20 percent of the total population. The social benefits provided to the poor households include: (i) the free health card (AMG1) to access medical care at public health centers at no charge; (ii) a monthly PCT of TND 180 (US\$58); (iii) a supplemental Family Allowance of TND 10 (US\$3.2) for each child 0-18 years old, which will continue until the age of 25 for children in education or training and a monthly Family Allowance of TND 20 (US\$6.4) for each child living with disabilities; (iv) back-to-school allowances of TND 50 (US\$16) for each child in primary and secondary school and of TND 120 (US\$39) for each university student; (v) a religious celebration assistance of TND 60 each (US\$19 each) for Ramadan, Aïd al-Fitr, and Aïd al-Idha; (vi) on-demand allocation of financial and material resources to encourage and support beneficiaries to engage in income generating activities to facilitate their economic and social inclusion; and (vii) one-off assistance (e.g., in-kind benefits) or temporary cash transfers (TCTs). Social benefits provided to vulnerable and low-income households include: (i) the subsidized health card (AMG 2) to access medical care in public health centers for a fixed annual fee (fiscal stamp) of TND 10 (US\$3.2); (ii) back-to-school allowances of TND 50 (US\$16) for each child in primary and secondary school, and of TND 120 (US\$39) for each university student; and (iii) one-off assistance (e.g., in-kind benefits) or TCTs.

The MoSA has implemented important reforms to improve efficiency, including the development of the AMEN Social Registry to identify poor and vulnerable households and enroll them in the AMEN Program. The main objective of the Social Registry is to cover the bottom 30 percent of the population. Moreover, the MoSA developed a new Management Information System (MIS) and deployed new processes, including a targeting system and Grievance Redress Mechanism (GRM). The MoSA, with support from the World Bank, is undertaking technical work on the AMEN Social Registry, interoperability platform, digital government-to-person payment platforms, and electronic health cards.

Relationship to CPF

The proposed Recipient-Executed Trust-Funded (REFT) project is aligned with the Tunisia CPF of May 11, 2023, for fiscal years 2023-27, Report Number 180304-TN. The project supports its High-Level Objective (HLO) II: "Strengthening Human Capital", Objective 2.3 "Strengthening the resilience of households to shocks" and their related indicators.

The project is also aligned with the GoT's strategy to improve the efficiency of the social protection system, especially its AMEN Social program. The proposed project was requested by the GoT to strengthen the AMEN Social program and support the implementation of the "Social Protection Emergency Response" project (P176352) Component 3 activities, namely (i) developing the AMEN Social program's MIS; (ii) supplementing the Delivery Unit's staff (DU) with additional consultants in critical areas such as Financial Management (FM), safeguards and Information Technology (IT); (iii) strengthening grievance redress, Monitoring and Evaluation (M&E), and communication, given MoSA's limited capacities to implement a program that involves complex coordination challenges between multiple ministries and actors, as well as adopting new approaches/tools for targeting, case management, interoperability, and mobile



payments. This needed support, and the associated financing gap were both identified in the parent project appraisal document and agreed upon with the GoT.

The project is also aligned with the 3rd Pillar of the Tunisia Economic Resilience and Inclusion (TERI) Umbrella Trust Fund (TF073622): “Enhancing services to citizens for social, economic, and regional inclusion.” This Pillar aims at increasing social, economic, and regional inclusion through access for all citizens to high-quality services such as health, education, water and sanitation, waste management, employment services, social protection, and social programs.

C. Development Objective

Development Objective

The Project Development Objective (PDO) is to improve the delivery of and access to integrated social services for poor and vulnerable households and individuals in Tunisia.

Key Results

1. *Improved access to integrated social services*
 - Number of beneficiaries of social safety nets (Baseline: TBD; End target: TBD)
 - Number of awareness-raising campaigns carried out by the project (Baseline: 0.0; End target: 2)
 - Number of MoSA’s employees who benefited from the project enhancements (of which at least 50% are female)
 - Number of poor and vulnerable households who benefit from improved social services (of which at least 50% are female)
 - Number of poor and vulnerable households better informed on the AMEN Social program thanks to information awareness campaigns (of which at least 50% are female)

2. *Improved delivery of integrated social services*
 - Number of new module features designed and developed for the AMEN Social program’s MIS (Baseline: 0.00; End target: 3)
 - Number of local units benefiting from functional equipment (Baseline: 0.00; End target: 13)

D. Preliminary Description

Activities/Components

The proposed project will be implemented closely with the Bank Executed Trust Funded projects “SPLA Project - Implementation Phase 1” (TF0C1183) and “SPLA Project - Implementation Phase 2” (under preparation) linked to the “Social Protection Emergency Response” Project (P176352). This RETF project is part of the holistic support provided by the World Bank to the AMEN Social program. The project will comprise four components:

Component 1: Development of the AMEN Social program’s MIS (US\$409,000)

Component 1 activities will accelerate the upgrading of the AMEN Social program’s MIS by developing new features and systems.

The specific modules and features to be developed and enhanced by the project will strengthen the system’s capacity to exchange data with other existing systems (social registry, health and education MISs). In addition, the project will



(i) improve the MIS front office, (ii) improve the case management of beneficiaries, and (iii) develop a GM to be managed through the MIS.

An Information Systems (IS) development firm will be recruited to implement these proposed activities.

The technical and functional evolutions of the AMEN Social program’s MIS are expected to increase the efficiency and transparency of the different steps of the AMEN Social program implementation. They will also align the IS with the recent changes in the regulatory framework. The World Bank will support and monitor the implementation of these activities through the SPLA BETF grants.

Component 2: Procurement of Essential Work Equipment and Vehicles (US\$1,061,000)

Component 2 activities will facilitate the procurement of essential equipment and vehicles to improve the working conditions and services provided by the MoSA. Most local offices have outdated IT equipment and need more resources or conditions to host existing and new beneficiaries and provide the necessary services. In addition, some local offices need vehicles to carry out the planned visits to households for M&E purposes.

This component activities are informed by a needs analysis carried out as part of the BETF-financed project “SPLA Project-Implementation Phase 1”. Activities to be implemented include the procurement of (i) IT equipment for the local offices; (ii) six (6) vehicles; (iii) office furniture for local offices; and (iv) small rehabilitations (painting, replacement of Air conditioning, and the upgrading of electricity circuits) in thirteen (13) local offices. Through these activities, the project intends to improve the working conditions of social workers and facilitate the provision of integrated social services to beneficiaries.

Component 3: Implementing Information and Awareness-Raising Campaigns (US\$162,000)

Component 3 activities will implement the information and awareness-raising campaigns the MoSA is designing for the AMEN Social program.

These component activities are informed by a national communications strategy being drafted as part of the BETF-financed project “SPLA Project-Implementation Phase 1” current activities. The campaigns will improve the communication and information to poor and vulnerable populations about their legal and social rights and access to integrated services.

The proposed Project expects to conduct at least two (2) communication campaigns. The communication campaigns would include, in total, (i) the development of eight (8) videos on different social protection topics; (ii) the development of a TV program targeted to national students from thirteen (13) to twenty (20) years old; and (iii) the enhancement of MoSA’s website content and social media.

Communication experts or a firm will be recruited by MoSA to carry out these activities.

Component 4: Project Management and Coordination (US\$168,000)

Component 4 activities will finance costs related to MoSA’s coordination, management, and monitoring of project activities. This will include contracting additional support services to the MoSA DU team to strengthen its M&E capacities.

This component will also contribute to the overall monitoring of the AMEN Social program by recruiting a survey firm to conduct high-frequency surveys of the AMEN Social program beneficiaries in 2025 and 2026, respectively.

In addition, for project management and coordination, the component will finance the recruitment of consultants to support the MoSA in (i) training delivery, (ii) environmental and social safeguards management, (iii) procurement, and (iv) FM .

Environmental and Social Standards Relevance

E. Relevant Standards

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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	
Projects in Disputed Area OP 7.60	No	

Summary of Screening of Environmental and Social Risks and Impacts

The environmental risk rating for this project is considered moderate. The project involves moderate-risk activities like replacing window panes, painting walls, minor plumbing (e.g., changing faucets), upgrading air conditioning systems, and purchasing IT equipment. These tasks are confined to office settings and present moderate environmental impact. Primary environmental risks include noise, dust, and waste generation during renovations, as well as the procurement and disposal of IT equipment. These risks are manageable with proper waste management practices and mitigation measures, such as dust barriers, scheduled noisy activities, PPE for workers, and proper ventilation. The project will implement standard mitigation measures for e-waste and renovation debris disposal. A grievance mechanism within the project’s information system will address environmental concerns promptly. Although activities are nationwide, resulting in cumulative impacts, these are predictable, temporary, and site-specific with low magnitude, ensuring environmental sustainability with minimal adverse impacts. Social risks for this project are assessed moderate and entail discrimination between civil servants and social exclusion of beneficiaries including among vulnerable groups and social workers . At the same time this project will maximize the advantages for Amen Social Program beneficiaries by facilitating their access to digital platforms and online services. In addition, the project will contribute to the modernizations of the central, regional and local services of the MoSA for an improved delivery on social protection services. Persons with disability among beneficiaries and especially severe visually impaired persons and beneficiaries residing in remote areas might be excluded from project outcomes. Shortcomings in terms of digital infrastructure and



connectivity may exclude some beneficiaries and prevent social workers from the potential of the project in terms of public services modernization. Other social risks are pertaining to non meaningful consultations including NGOs representing vulnerable group interests and to labor and working conditions; OHS risks including SEA/SH risks. Mitigation measures of the above-mentioned risks – including cumulative impacts as relevant - will be provided by several E&S instruments, notably SEP, LMP and ESMPs or checklists, as needed. These measures will be implemented in part under the Borrower System.

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