



Tunisia: Third Governance, Opportunities, and Jobs DPL (P150950)

MIDDLE EAST AND NORTH AFRICA | Tunisia | Macro Economics & Fiscal Management Global Practice | IBRD/IDA | Development Policy Lending | FY 2016 | Seq No: 2 | ARCHIVED on 06-Dec-2016 | ISR25801 |

Implementing Agencies: Ministry of Development and International Cooperation

Key Dates

Key Project Dates

Bank Approval Date:01-Oct-2015

Effectiveness Date:23-Dec-2015

Planned Mid Term Review Date:--

Actual Mid-Term Review Date:--

Original Closing Date:31-Dec-2016

Revised Closing Date:31-Dec-2016

Program Development Objectives

Program Development Objective (from Program Document)

The objective of this DPL is to help Tunisia establish the policy foundations for a more competitive business environment, a strengthened financial sector, more inclusive and accountable social services, and more transparent public governance.

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Satisfactory	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● High	● High

Implementation Status and Key Decisions

Implementation of several reforms is moving forward (state-owned bank restructuring, access to information and transparency including on the finances of SOEs) but faces delays in other areas (telecom liberalization, simplification of procedures). Progress towards the development objective is moderately satisfactory.



Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● High	● High	● High
Macroeconomic	● Substantial	● Substantial	● Substantial
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Moderate	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Substantial	● Substantial	● Substantial
Fiduciary	● Moderate	● Moderate	● Moderate
Environment and Social	● Low	● Low	● Low
Stakeholders	● Substantial	● Substantial	● Substantial
Other	--	--	--
Overall	● High	● High	● High

Results

Results Indicators



► Quantitative Estimate of Compliance Cost Savings (in US\$) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	30000000.00
Date	30-May-2014	--	30-Sep-2016	30-Jun-2015

Comments

This indicator relates to the reform on the simplification of administrative procedures. The following results were achieved:

1. Among the 154 measures approved by the Council of Ministers to be simplified / cancelled, 137 reforms were adopted to end September 2016. The rest of reforms is being prepared or pending approval. The ministries of Social Affairs, the areas of the State and land Affairs and Justice have adopted all the reforms approved in the prior action. The 18 remaining reforms concern the ministries of Agriculture, transport, industry and trade.
2. The assessment of the implementation of the reforms is being finalized. The exercise was conducted in the main cities of the country and covered a sample of 33 procedures among the most used and with a potential to impact. Preliminary results show a low rate of application and thereby a limited impact in terms of savings in compliance costs for the private sector.
3. The extension of the project of simplification of procedures (Decree No. 2014 - 3484) allowed to include four (4) new departments (Department of environment and sustainable development, the Ministry of equipment, habitat and the development of the territory, of the Ministry of health, the Ministry of the Interior) and to reintroduce the ministries of tourism and handicrafts (initially included in the first phase). These departments have recorded 372 procedures, but the consultation launched some months ago, struggling to mobilize representatives of the private sector and therefore delays the prioritization of procedures to simplify. The coordination of the project is conducted by the Directorate-General of to the Administrative reform (DGAR) which has little support in the implementation.

► Number of Staff at Tunisie Telecom that have Taken Up the Early Retirement Plan (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1000.00	1300.00	3000.00
Date	30-May-2014	01-Apr-2016	30-Sep-2016	31-Dec-2016

Comments

This indicator relates to the reform measure on the restructuring of Tunisie Telecom (adoption and implementation of an early retirement plan). The early retirement plan was implemented in two phases, a first phase (targeting employees over 55 years) reached 300 employees. The second phase (targeting employees who are at least 50 years old) at least 1000 employees filed their application for voluntary departure (on the 1st September 2016). A total of 1,300 employees could thus benefit from this program which would make it the largest operation of a telecommunications operator in the region LED, with a reduction of about 17% of the number of employees even more TT took a year to implement the program. However this result remains however below the targets of the program (3,000 retirements voluntary).



► Number of broadband wholesale access (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	15000.00
Date	30-May-2014	31-Dec-2015	31-Dec-2015	31-Dec-2016

► Restructuring plans for STB, BNA and BH approved by their respective Board of Directors (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3.00	3.00	3.00
Date	31-Dec-2014	01-Apr-2016	01-Apr-2016	31-Dec-2016

Comments

4. Only restructuring of the BH and the NBI plans were adopted in its final version. The STB restructuring plan was adopted in its interim version. 3 public banks have initiated some transformations (such as the reorganization of services, realization of targeted audits, contract for the modernization of information systems). The BH is the highest stage of the three banks.
5. The three banks have appointed their respective general managers, a concrete outcome of the call for expressions of interest. All three Directors General come from the private sector. Their pay has been set in accordance with the practices of the private sector.
6. The ratios of common equity Tier 1 of the three banks settle to 30 June 2016 has: BNA (6.8%); STB (9%) and BH (7.5%)
7. The minimum of the ratio of credit in the banking system is at 10% (June 30, 2016). Through the recapitalisation completed in 2015, the three public banks solvency ratios settle in June 30, 2016 to: STB (13.6%), BH (10.6%) and the BNA (10.1%)

► Common equity tier-1 ratio the three state-owned banks STB, BH and BNA (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	STB (-5.7 %), BH (4.6 %) and BNA (6.3 %)	STB(7.65%), BH(7.69%) and BNA(6%).	STB (9%); BH (7.5%) and BNA (6.8%)	STB, BH and BNA (1.7^%)
Date	31-Dec-2014	--	30-Jun-2016	31-Dec-2016

Comments

- The ratios of common equity Tier 1 of the three banks settle to 30 June 2016 has: BNA (6.8%); STB (9%) and BH (7.5%)
- The minimum of the ratio of credit in the banking system is at 10% (June 30, 2016). With the recapitalization completed in 2015, the three public banks solvency ratios are, as of June 30, 2016 to: STB (13.6%), BH (10.6%) and the BNA (10.1%)



► Publication of the annual report on the finances of State-Owned Banks for the period 2010-2012 (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No publication	The reports on the finances on State-Owned Enterprises for the years 2010, 2011, 2012 and 2013 have been published on the website of the Prime Minister's Office on September 2014. The report for 2014 is under preparation.	The reports on the finances on State-Owned Enterprises for the years 2010, 2011, 2012 and 2013 have been published on the website of the Prime Minister's Office on September 2014. The report for 2014 is under preparation.	The reports have been published in 2015 and 2016.
Date	31-Dec-2014	01-Apr-2016	01-Apr-2016	31-Dec-2016

Comments

8. The Prime Minister's Office (Unite de Suivi des Systemes de Productivite dans les Entreprises Publiques) published on September 2014 an aggregate report on the finances of State-Owned Enterprises covering the period 2010-13.
9. The report on the financial situation of public enterprises for the year 2014 is being finalized; its publication is scheduled for early November 2016. This considerable delay is due mainly to the fact that some large companies have encountered delays in preparing for their 2014 financial statements as well as in the certification of their accounts this within the deadlines set by law. These delays are due to deficiencies in the level of information systems of the public companies that do not allow the collection and consolidation of information for the preparation of financial statements which can be audited in a timely, and on the other hand to the allocation of the final amount of the grants that will be granted by the State to public enterprises before the final of its fiscal year closing.

► Number of access to information requests that have been responded to (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	80.00	1809.00	2606.00	120.00
Date	31-Dec-2015	01-Apr-2016	30-Sep-2016	31-Dec-2016

Comments

- The number of access requests increased significantly and reached 2740-20 September 2016. Similarly, the number of responses reached 2606. So, between mid-April 2016 and September 20, 2016, there was 908 requests and 797 additional responses. The goal (end of 2016) 120 requests for access to information having received a response has been largely exceeded. The final number for 2016 will be provided as soon as available data for the period from 1st January to the 31 December 2016.
- To date, there were 37 cases of referrals to the Tribunal in terms of denial of access to administrative documents. These referrals are expected to decrease with the mediation of the Authority for Access to Information (Authority created by the Access to Information Law which is in charge of supporting the implementation of the law), the training of public service and the awareness of the general public.

Overall Comments

**Data on Financial Performance****Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P150950	IBRD-85360	Effective	USD	500.00	500.00	0.00	497.63	0.00	100%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P150950	IBRD-85360	Effective	01-Oct-2015	02-Oct-2015	23-Dec-2015	31-Dec-2016	31-Dec-2016

Tranches**Restructuring History**

There has been no restructuring to date.

Related Operations

P128251-Tunisia - Governance, Opportunities and Jobs DPL ,P132709-TN-Governance, Opportunities and Jobs DPL-2