

**Republic of Tunisia****Third Governance, Opportunity and Jobs Development Policy Loan****Chair Summary\***

October 1, 2015

Executive Directors approved an IBRD Loan in the amount of Euro 455.5million (US\$500 million equivalent) for the Third Governance, Opportunity and Jobs Development Policy Loan (DPL) to the Republic of Tunisia on the terms and conditions set out in the President's Memorandum.

Directors commended the Tunisian authorities for the recent successful transition, while noting the challenges faced by the country on the security, social and economic fronts. Directors welcomed the timeliness of the DPL and supported its objectives. They stressed that staying the course of reforms is essential for the transformation of Tunisia into a competitive and job-generating economy. Directors welcomed the alignment of the DPL's objectives with the pillars of the new MENA Regional Strategy, notably with respect to supporting citizen engagement and social contract, improving governance, enhancing access to basic infrastructure, building capacity and skills, managing risk, and addressing fragility and rural development. Directors noted that the macroeconomic situation remains challenging and urged the Government to remain on the path of fiscal consolidation and sustainability, emphasizing the importance of continued coordination between the World Bank Group, the IMF and other development partners.

As the current DPL series is closing, Directors welcomed the continued engagement and expected effective implementation of reforms in the context of the upcoming Systematic Country Diagnostic and Country Partnership Framework. They appreciated the Government's commitment to prepare a reform package that builds upon DPL-supported policy actions in their new Five-Year Development Plan. In that regard, Directors welcomed the efforts in making further progress on the unfinished reform agenda, and stressed the need to mitigate potential social impacts. Directors supported IFC and MIGA involvement, with particular emphasis on private sector-led, job-creating growth, especially among youth, women and the poor. More broadly, the importance of ensuring effective labor market policies and promoting gender equality was also underlined. Finally, Directors encouraged further collaboration between Tunisia and other countries through south-south cooperation, as well as employing the World Bank Group's knowledge resources, technical expertise and convening power to support developmental efforts in light of the WBG's goals.

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\*This summary is not an approved record.