

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: AB6743

Project Name	Participatory Service Delivery for Reintegration
Region	MIDDLE EAST AND NORTH AFRICA
Sector	Health (40%); Vocational training (30%); Other social services (30%)
Project ID	P127212
Borrower(s)	REPUBLIC OF TUNISIA
Implementing Agency	Union Tunisienne de la Solidarité Sociale (UTSS) Address : Rue 8451, No. 1, Cité El Khadhra, Tunis 1003, Tunisie Tel. : +216 1 80 80 66 Fax: +216 1 80 77 07 E-mail: utss@planet.tn
Environment Category	<input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Date PID Prepared	August 9, 2011
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Date of SPF Committee Approval	July 21, 2011

1. Country and Sector Background

In January 2011, Tunisia experienced an unprecedented popular revolution, driven largely by underlying political and social disparities, allegations of corruption against the government and broad frustration with unemployment and prospects. Countrywide protests during December 2010 and January 2011 led to the ousting of the ruling regime after 23 years in power. In line with the Constitution, an interim president and parliament have been given powers to legislate by decree-law; there have been two interim presidents within the span of four months due to ongoing pressure by the public for transparency and reforms. The current interim government has been tasked with organizing free and fair elections for a Constituent Assembly, to be held on October 23, 2011 (initially set for July 24, 2011). Although the role of the interim authorities is primarily that of a caretaker government, the Government of Tunisia (GOT) has taken preliminary, short-term measures to prepare the way for greater social and economic inclusion. At the same time, its role remains limited and excludes it from committing the government to any medium- or long-term reforms. The interim government's Social and Economic Program, recently garnering the support of the May 2011 G8 Summit, seeks: (i) to improve transparency and accountability in a quick and visible way to respond to the aspirations of the population and to signal that Tunisia is creating a level playing field for private sector-led employment growth; and (ii) to take immediate measures to relieve the plight of the unemployed and the most vulnerable of families, and accelerate the development of lagging regions.

Tunisia's macroeconomic outlook is considered uncertain due to reduced tourism, trade and foreign investment following the revolution and the crisis in neighboring Libya. Prior to the revolution, Tunisia's economic growth in GDP was steady at 5 percent, relatively high for the

MENA region. Using a low poverty line of US\$1.25 per day, poverty in Tunisia was estimated to be 7 percent as of 2005, amongst the lowest in the MENA region. Following the revolution and using a higher poverty line of US\$2 per day, the Ministry of Social Affairs (MoSA) estimates that poverty has reached 24.7 percent. Unemployment is estimated to have grown from 13 percent (500,000 people) in 2010 to approximately 18 percent (700,000 people) as of early 2011. An estimated 39 percent of the unemployed have a secondary education and 32 percent have a university education. Therefore, while jobs entailing manual labor may attract low-skilled workers who are less educated, other types of employment opportunities will need to be generated for more highly-educated workers.

To address social disparities in the short-term, there is a consensus among government and civil society in Tunisia on the importance of promoting the quality of public services in underserved regions and of developing local civil society and government planning, management and evaluation capacities. As part of its Social and Economic Recovery Program supported by the Bank (Governance and Opportunity Development Policy Loan, approved in June 2011), the GOT has instituted policies to expand citizen participation and outreach social services through community-based initiatives, such as community-based social service delivery supported by the proposed project. The GOT has recently adopted a policy establishing a participatory process for the systematic monitoring of the performance of public services by civil society, citizens and service providers, notably for the social sectors, aimed at improving the performance of services. Civil society participation in public service planning, delivery and evaluation is low in Tunisia due to a relatively inhibiting environment and there has been little consultation and involvement of citizens, local communities and CSOs in policy and program formulation and implementation. The policy mandates the creation of an inter-ministerial and civil society working group to develop guidelines for implementing the participatory monitoring process at the local level. Implementation would entail creating local community committees and ensuring access to information on resources and outcome indicators necessary for transparent and effective monitoring by civil society.

The GOT has also passed a new policy creating outreach services in underserved regions based on a participatory approach, comprising the provision of a basic package of health, education, and social protection services. With this new measure, the government aims to create a national outreach services policy to expand free access to care in underserved governorates through services provided outside of traditional fixed facilities and in local community areas. The policy institutes a benefits package comprising basic educational services (such as childcare), health services (such as primary care), and social assistance. These services are to be provided by community-based workers and mobile teams rotating between fixed facilities and outposts such as schools, community/municipal centers and homes. The policy for outreach services will also include improved monitoring of beneficiary social needs.

2. Objectives

The development objective of the grant is to pilot participatory approaches to employment generation through a cash-for-service program for vulnerable Tunisian households. The project encompasses the financing of subprojects focusing on meeting social needs by improving service delivery at the local level. The project will contribute to: (i) fostering social cohesion and

stabilization among disadvantaged populations following the January 2011 revolution; and (ii) mitigating the socioeconomic risks faced by Tunisian returnees fleeing Libyan civil strife and by Tunisian communities near the border with Libya affected by depressed cross-border trade and commerce.

3. Rationale for Bank Involvement

The State and Peace-building Fund (SPF) is an appropriate vehicle for supporting state building by mitigating the negative effects associated with the conflict in Libya and political and economic instability following the revolution. The project supports the regions of Tataouine and Medenine that border Libya. In terms of **state building**, the project will help to promote inclusive development by increasing employment and income-generating opportunities as well as access to key basic services in conflict-affected areas. In terms of **peace building**, the project will help to reintegrate conflict-affected populations socially and economically, and provide assistance to build trust between communities and government. The SPF intervention will therefore assist the transition government foster social inclusion for unemployed, marginalized households and Tunisian migrants from Libya in conflict-affected regions bordering Libya.

4. Description

To achieve the above-mentioned objective, the Project consists of three components: pilot local service delivery sub-projects (estimated cost: US\$4.3 million), local service delivery sub-project training (estimated cost: US\$0.43 million); and project management, monitoring and evaluation (estimated cost: US\$0.27 million). The total cost of the project would be US\$5.00 million fully financed by the SPF.

Component A: Pilot Local Service Delivery Sub-Projects (USD 4.3 million). This component will finance wages and consultants' services under sub-projects that create job opportunities in basic social service delivery, managed by the Implementing Agency (IA), the *Union Tunisienne de la Solidarité Sociale* (UTSS). All project finances will be managed by the IA through a Project Implementation Unit (PIU) established within the UTSS. Sub-projects will be demand-driven and selected from proposals submitted by local NGOs (legally established as "associations") based on community and local government consultations.

Component B: Local Service Delivery Sub-Project Training (US\$0.43 million). This component will support Component A and would finance consultants' services and goods for training and skills development for workers and technical assistance to sub-project teams and local government. Training would be organized and managed by UTSS and provided to local government and civil society on planning and management of service delivery sub-projects, including administrative and financial management, social needs assessment, and human resource management.

Component C: Project Management, Monitoring and Evaluation (US\$0.27 million). This component will finance consultants' services, goods and office equipment and supplies for the PIU of the UTSS for day-to-day management and monitoring of the project. It will support evaluating the performance of sub-projects, including periodic interim and final evaluations. The

PIU will be staffed by UTSS staff as well as consultants hired through the project for additional support.

5. Financing

Source:	(\$m.)
Borrower	0
State and Peace Building Fund	5
Total	5

6. Implementation

Project organizational structure: The implementing agency is UTSS, which will include a PIU. The UTSS is a non-governmental organization which is well-established, having operated since 1964 and which administers welfare programs on behalf of MoSA. UTSS administers programs such as cash transfer schemes and in-kind benefits such as free medications and school supply donations, childcare for needy families, and social care for older people and people with disabilities, benefiting nearly 1 million Tunisians annually. It has a managing board of 18 members (of whom three represent the Ministries of Finance, Social Affairs and Interior). After the revolution in January 2011, the bylaws of the UTSS were changed and now stipulate that the UTSS chair be independent (i.e., not affiliated with any political party) and unpaid. A new chair has since been nominated accordingly. UTSS has representation countrywide, with an office in every governorate (24 offices) and a total staff of 1,800 people. So far, its budget has been largely subsidized by the Government, with additional funding from revenues from periodic fundraising campaigns, grants from Tunisians living abroad and other funds from bilateral and multi-lateral organizations.

Community participation: Community participation in service delivery has not been implemented widely in Tunisia. The proposed project therefore adopts a gradual approach to introducing participatory approaches in terms of sub-project design, beneficiary selection and participatory monitoring of service delivery. The project will involve communities in the following way:

- (a) In advance of implementation, UTSS and hired local facilitators will prepare a communication and outreach campaign to mobilize local community meetings.
- (b) UTSS and community facilitators hired as consultants will be responsible for communicating and mobilizing community members through regular local community meetings (monthly) for purposes of identifying potential beneficiaries (workers) and service delivery gaps. Local NGOs and local government will be invited to attend local community meetings, which will be moderated by local facilitators in an open and transparent manner (i.e., meeting minutes regularly disseminated).
- (c) Local NGOs, under supervision by community facilitators, UTSS and periodic Bank supervision missions, will prepare sub-project proposals based on community requests and decisions reached during community meetings.

- (d) Sub-projects proposals are to be submitted by local NGOs on behalf of communities and local government to ensure they reflect local community needs and priorities and the identification of names of potential workers who meet eligibility criteria.

At the baseline, interim and final evaluations of the project, local facilitators will assist in training communities on identifying gaps and needs in health, education and social assistance services through simple participatory monitoring approaches (i.e., community scorecards).

Operational Manual: The OM will be prepared prior to grant effectiveness and will describe guidelines for implementing project components. Guidelines will outline procedures for: (i) roles and responsibilities of the IA and local NGOs, including supervision and reporting arrangements; (ii) community participation; (iii) project selection; (iv) beneficiary targeting; (v) wage level; (vi) outreach communication with local government and citizens; (vii) procurement; (viii) financial management, including payment systems; and (ix) project monitoring and evaluation. The OM will also include a negative list of expenditures which sub-projects should not include, e.g., activities and items which could harm the environment, cause involuntary resettlement, promote child labor, cause conflict, etc. A screening process using criteria developed by the Bank will be used to ensure that sub-projects financed by the SPF grant will not trigger World Bank environmental or social safeguards. Sub-project proposals that entail potential environmental or social impacts will not be approved. The screening process will be reviewed by the Bank safeguards team and will be defined in the OM before any of the sub-projects are funded.

7. Sustainability

The project activities directly support temporary employment through social service delivery that fit well within the current Government strategy. If successful, this project can serve as a basis for alternative models of service delivery and job creation for semi-skilled workers that involve the private sector and NGOs. Job creation and regional development remain priority policy areas for Tunisia for the foreseeable future. While the GOT cannot commit funding at this stage to extend the project beyond the intended time frame, the benefit of providing income support and essential services in the current transition period outweighs the risk that services will be phased out after 2-3 years. Given the political commitment by the GOT to improve service outreach and employment in underserved regions, financing for continuing community services is projected to come either from governmental funds, private funding and/or international assistance. It is expected that semi-skilled workers who are further trained through the project will be more viable candidates for the job market, including self-employment. The GoT has also recently created a policy on outreach social services, involving training of community-based workers to provide basic health, education and social support. Recent policy reforms also ease freedom of association for NGOs and permit greater funding from private sources, which will support the continuation of activities in this project. A new employment program has been instituted targeting youth, and the project can be scaled up under this program. MoSA is also in the process of evaluating ways to improve the productivity and efficiency of its current cash transfer scheme for supporting transition to the job market, and lessons learned can potentially be gleaned from this innovative project for Tunisia.

8. Lessons Learned from Past Operations in the Country/Sector

The project leverages new policies adopted by the GOT under the World Bank Governance and Opportunity DPL to institute participatory monitoring of service delivery and the creation of outreach community services in social protection, education and health. The project complements the DPL by piloting participatory approaches in social service delivery and job creation, providing a basis for input to the post-revolution Bank partnership strategy for Tunisia. The design of the project also draws on the experience of the Tunisia Natural Resources Management Project II and the Fourth Northwest Mount and Forest Area Development Project, both of which focus on rural development and involve community-driven activities. The project will leverage the experience and lessons learned from implementing these projects in the area of community capacity-building.

9. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment (OP/BP 4.01)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Natural Habitats (OP/BP 4.04)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pest Management (OP 4.09)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Indigenous Peoples (OP/BP 4.10)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Physical Cultural Resources (OP/BP 4.11)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Involuntary Resettlement (OP/BP 4.12)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Forests (OP/BP 4.36)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Safety of Dams (OP/BP 4.37)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects on International Waterways (OP/BP 7.50)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects in Disputed Areas (OP/BP 7.60)*	<input type="checkbox"/>	<input checked="" type="checkbox"/>

10. List of Factual Technical Documents

1. Ben Gardane, Multi Sectoral Assessment, Save the Children (2011).
2. Community-Based Social Services: Practical Advice Based upon Lessons from Outside the World Bank. Social Protection Discussion Paper No. 0327, World Bank (2003), Washington DC.
3. Iraq Consultative Service Delivery Program, State and Peacebuilding Fund Project Document, 2009, World Bank, Washington DC.
4. Libyan Arab Jamahiriya Crisis Situation Report No. 41, 31 May 2011, United Nations Office for the Coordination of Humanitarian Affairs (OCHA).
5. Migration and Remittances Factbook 2011, The World Bank.

* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

6. Moving from Residential Institutions to Community-Based Social Services in Central and Eastern Europe and the Former Soviet Union, The World Bank (2000), Washington DC.
7. Piloting Community Approaches in Conflict Situation in Three Southernmost Provinces in Thailand, State and Peacebuilding Fund Project Document, World Bank (2009), Washington DC.
8. Poor Places, Thriving People: How the Middle East and North Africa Can Rise Above Spatial Disparities. World Bank (2011), Washington DC.
9. Situation Report June 17, 2011, International Organization for Migration.
10. Social Assistance for New Employment: from pilot to policy: Introducing community-based social services in Bulgaria, United Nations Development Program (UNDP) project review, 2009, UNDP.
11. Spatial patterns and geographic determinants of welfare and poverty in Tunisia. Working Paper, Economic Research Forum 15th Annual Conference - Ayadi M and Amara M (2008).
12. The Macedonia Community Development Project: Empowerment through Targeting and Institution Building. World Bank (2007), Washington DC.
13. UN Office for the Coordination of Humanitarian Affairs (OCHA) Situation Report No. 45 (June 16, 2011).
14. UN Regional Appeal: UN OCHA Regional Flash Appeal for the Libyan Crisis (May 18, 2011).

11. Contact point

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