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# IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IBRD-82100, IBRD-83580, IBRD-85360)

ON A

SERIES OF THREE LOANS

IN THE AMOUNT OF US$1,250 MILLION

TO THE

REPUBLIC OF TUNISIA

FOR

GOVERNANCE, OPPORTUNITIES, AND JOBS DEVELOPMENT POLICY LOANS I–III

May 15, 2018

Macroeconomics, Trade, and Investment Global Practice
Maghreb Countries
Middle East and North Africa Region

## CURRENCY EQUIVALENTS

(Exchange Rate Effective as of March 14, 2018)

| | | |
|---|---|---|
| Currency Unit | = | Tunisian Dinar (TND) |
| US$1 | = | TND 2.3961 |
| TND 1 | = | US$0.4098 |
| €1 | = | TND 2.9577 |

## FISCAL YEAR

January 1 - December 31

## ABBREVIATIONS AND ACRONYMS

| | |
|---|---|
| AFD | *Agence Française de Développement* (French Development Agency) |
| ANETI | *Agence Nationale pour l'Emploi et le Travail Indépendent* (National Agency for Employment) |
| ALMP | Active Labor Market Program |
| BNA | *Banque Nationale Agricole* (National Agriculture Bank) |
| BH | *Banque de l'Habitat* (Housing Bank) |
| CAIP | *Contrat d'Adaptation et d'Insertion Professionnelle* (Adaptation and Professional Insertion Contract) |
| CAR | Capital Adequacy Ratio |
| CGSP | *Contrôle Général des Services Publics* (Public Services Control Entity) |
| CET1 | Common Equity Tier 1 |
| COSEM | *Commission de suivi et d'enquête sur les marches* (Public Procurement Monitoring Committee) |
| CPE | Country Program Evaluation |
| CPF | Country Partnership Framework |
| DPF | Development Policy Financing |
| DPL | Development Policy Loan |
| DPR | Development Policy Review |
| EPST | *Etablissement Public à Caractère Scientifique et Technologique* (Public Institution with Scientific and Technology Characteristic) |
| FDI | Foreign Direct Investment |
| GDP | Gross Domestic Product |
| GO DPL | Governance and Opportunity Development Policy Loan |
| GOJ | Governance, Opportunities, and Jobs |
| HAICOP | *Haute instance de la commande publique (*High Commission for Public Procurement) |
| IACE | *Institut Arabe des Chefs d'Entreprises* (Arab Institute for Entrepreneurs) |
| ICT | Information and Communications Technology |
| INEAQA | *Instance Nationale de l'Evaluation, de l'Assurance Qualité et de l'Accréditation* (National Commission for Evaluation, Quality Assurance, and Accreditation) |
| IEG | Independent Evaluation Group |
| IFC | International Finance Corporation |
| IMF | International Monetary Fund |
| INAS | *Instance Nationale de l'Accréditation en Santé* (National Commission for Health Accreditation) |

| | |
|---|---|
| INT | Integrity Vice Presidency |
| ISN | Interim Strategy Note |
| ISR | Implementation Status and Results Report |
| IT | Information Technology |
| M&E | Monitoring and Evaluation |
| MDICI | Ministry of Development, Investment, and International Cooperation |
| MENA TF | Middle East and North Africa Trust Fund |
| MHESR | Ministry of Higher Education and Scientific Research |
| MVNO | Mobile Virtual Network Operator |
| NPL | Non-Performing Loans |
| OECD | Organization for Economic Cooperation and Development |
| OECD-DAC | Organization for Economic Cooperation and Development-Development Assistance Committee |
| PA | Prior Action |
| PDO | Program Development Objective |
| PforR | Program-for-Results |
| SIVP | *Contrat de stage d'initiation à la vie professionnelle* (Internship Contract for Initiation to Professional Life) |
| SOB | State-Owned Bank |
| SOE | State-Owned Enterprise |
| SNCFT | *Société Nationale des Chemins de Fer Tunisienne* (National Railroad Company) |
| STB | *Société Tunisienne de Banque* (Tunisian Bank Company) |
| STEG | *Société Tunisienne d'Electricité et de Gaz* (Tunisian Gaz and Electricity Company) |
| TA | Technical Assistance |
| TT | Tunisie Télécom |
| TUNEPS | Tunisia e-procurement System |

| | |
|---|---|
| Senior Global Practice Director: | Carlos Felipe Jaramillo |
| Country Director: | Marie Françoise Marie-Nelly |
| Practice Manager: | Kevin Carey |
| Project Team Leader: | Abdoulaye Sy |
| ICR Team Leader: | Jose Luis Diaz Sanchez |
| ICR Primary Author: | Natsuko Obayashi |

**TUNISIA**
**Governance, Opportunities, and Jobs Development Policy Loans 1–3**
**(P128251, P132709, and P150950)**

**CONTENTS**

## A. BASIC INFORMATION

### Program 1

| | | | |
|---|---|---|---|
| Country | Tunisia | Program Name: | Tunisia - Governance, Opportunities and Jobs DPL |
| Program ID: | P128251 | L/C/TF Number(s) | IBRD-82100 |
| ICR Date: | 05/16/2018 | ICR Type: | Core ICR |
| Financing Instrument: | DPL | Borrower | GOVERNMENT OF TUNISIA |
| Original Total Commitment | US$500.00 million | Disbursed Amount | US$513.09 million |

**Implementing Agencies:** Ministry of Investment Development and International Cooperation

**Cofinanciers and Other External Partners:** The first DPL (GOJ-1) was closely coordinated with the European Union and the African Development Bank through a joint matrix and joint missions, including the preparation of the DPL and the supervision. There was also close collaboration with the French Development Agency (AFD) which participated in the joint missions and USAID.

### Program 2

| | | | |
|---|---|---|---|
| Country | Tunisia | Program Name: | TN-Governance, Opportunities and Jobs DPL-2 |
| Program ID: | P132709 | L/C/TF Number(s) | IBRD-83580 |
| ICR Date: | 05/16/2018 | ICR Type: | Core ICR |
| Financing Instrument: | DPL | Borrower | GOVERNMENT OF TUNISIA |
| Original Total Commitment | US$250.00 million | Disbursed Amount | US$242.51 million |

**Implementing Agencies:** Ministry of Investment Development and International Cooperation

**Cofinanciers and Other External Partners:** There was a close coordination with the European Union through a joint preparation mission. There was also close collaboration with the African Development Bank and the IMF. The World Bank collaborated with bilateral partners such as the French development agency (AFD), Japan, and the United States.

**Program 3**

| | | | |
|---|---|---|---|
| Country | Tunisia | Program Name: | Tunisia: Third Governance, Opportunities, and Jobs DPL |
| Program ID: | P150950 | L/C/TF Number(s) | IBRD-85360 |
| ICR Date: | 05/16/2018 | ICR Type: | Core ICR |
| Financing Instrument: | DPL | Borrower | GOVERNMENT OF TUNISIA |
| Original Total Commitment | US$500.00 million | Disbursed Amount | US$497.63 million |

**Implementing Agencies:** Ministry of Investment Development and International Cooperation

**Cofinanciers and Other External Partners:** There was close coordination with the IMF program, notably on the reforms to the business environment and financial sector. There was also close collaboration with the European Union and African Development Bank.

## B. KEY DATES

Tunisia - Governance, Opportunities and Jobs DPL P128251

| Process | Date | Process | Original Date | Revised / Actual Date(s) |
|---|---|---|---|---|
| Concept Review: | 07/02/2012 | Effectiveness: | | 12/14/2012 |
| Appraisal: | 09/04/2012 | Restructuring(s): | | |
| Approval: | 11/27/2012 | Mid-term Review: | | |
| | | Closing: | 12/31/2013 | 12/31/2013 |

TN-Governance, Opportunities and Jobs DPL-2 P132709

| Process | Date | Process | Original Date | Revised / Actual Date(s) |
|---|---|---|---|---|
| Concept Review: | 09/18/2013 | Effectiveness: | | 08/11/2014 |
| Appraisal: | 03/03/2014 | Restructuring(s): | | |

| | | | | |
|---|---|---|---|---|
| Approval: | 04/29/2014 | Mid-term Review: | | |
| | | Closing: | 06/30/2015 | 06/30/2015 |

Tunisia: Third Governance, Opportunities, and Jobs DPL P150950

| Process | Date | Process | Original Date | Revised / Actual Date(s) |
|---|---|---|---|---|
| Concept Review: | 08/13/2014 | Effectiveness: | | 12/31/2016 |
| Appraisal: | 11/17/2014 | Restructuring(s): | | |
| Approval: | 10/01/2015 | Mid-term Review: | | |
| | | Closing: | 12/31/2016 | 12/31/2016 |

## C. RATINGS SUMMARY

### C.1 Performance Rating by ICR

| Overall Program Rating | |
|---|---|
| Outcomes | Moderately Satisfactory |
| Risk to Development Outcome | Significant |
| Bank Performance | Moderately Satisfactory |
| Borrower Performance | Moderately Unsatisfactory |

### C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)

Overall Program Rating

| Bank | Ratings | Borrower | Ratings |
|---|---|---|---|
| Quality at Entry | Moderately Unsatisfactory | Government: | Moderately Unsatisfactory |
| Quality of Supervision: | Moderately Satisfactory | Implementing Agency/Agencies: | NA |
| Overall Bank Performance | Moderately Satisfactory | Overall Borrower Performance | Moderately Unsatisfactory |

## C.3 Quality at Entry and Implementation Performance Indicators

### Tunisia - Governance, Opportunities and Jobs DPL P128251

| Implementation Performance | Indicators | QAG Assessments (if any) | Rating |
|---|---|---|---|
| Potential Problem Program at any time (Yes/No): | No | Quality at Entry (QEA) | None |
| Problem Program at any time (Yes/No): | No | Quality of Supervision (QSA) | None |
| DO rating before Closing/Inactive status | Moderately Unsatisfactory | | |

### TN-Governance, Opportunities and Jobs DPL-2 P132709

| Implementation Performance | Indicators | QAG Assessments (if any) | Rating |
|---|---|---|---|
| Potential Problem Program at any time (Yes/No): | No | Quality at Entry (QEA) | None |
| Problem Program at any time (Yes/No): | No | Quality of Supervision (QSA) | None |
| DO rating before Closing/Inactive status | | | |

### Tunisia: Third Governance, Opportunities, and Jobs DPL P150950

| Implementation Performance | Indicators | QAG Assessments (if any) | Rating |
|---|---|---|---|
| Potential Problem Program at any time (Yes/No): | No | Quality at Entry (QEA) | None |
| Problem Program at any time (Yes/No): | No | Quality of Supervision (QSA) | None |
| DO rating before Closing/Inactive status | Moderately Satisfactory | | |

## D. SECTOR AND THEME CODES

TN-Governance, Opportunities and Jobs DPL-2 P132709

| | Original | Actual |
|---|---|---|
| **Major Sector** | | |
| Public Administration | | |
| Central Government (Central Agencies) | 20 | 20 |
| Information and Communications Technologies | | |
| ICT Infrastructure | 40 | 40 |
| Financial Sector | | |
| Banking Institutions | 20 | 20 |
| Social Protection | | |
| Social Protection | 20 | 20 |
| | | |
| **Major Theme/Theme/Sub Theme** | | |
| Private Sector Development | 145 | 145 |
| Business Enabling Environment | 45 | 45 |
| Regulation and Competition Policy | 45 | 45 |
| Jobs | 100 | 100 |
| Public Sector Management | 22 | 22 |
| Public Administration | 22 | 22 |
| Transparency, Accountability and Good Governance | 22 | 22 |
| Public Finance Management | 10 | 10 |
| Public Expenditure Management | 10 | 10 |
| Rule of Law | 20 | 20 |
| Legal Institutions for a Market Economy | 20 | 20 |
| Social Development and Protection | 20 | 20 |
| Social Inclusion | 20 | 20 |
| Participation and Civic Engagement | 20 | 20 |

| Tunisia: Third Governance, Opportunities, and Jobs DPL P150950 | | |
|---|---|---|
| | **Original** | **Actual** |
| **Major Sector** | | |
| Public Administration | | |
| Other Public Administration | 14 | 14 |
| Central Government (Central Agencies) | 14 | 14 |
| Information and Communications Technologies | | |
| ICT Infrastructure | 29 | 29 |
| Financial Sector | | |
| Banking Institutions | 29 | 29 |
| Industry, Trade and Services | | |
| Other Industry, Trade and Services | 14 | 14 |
| | | |
| **Major Theme/Theme/Sub Theme** | | |
| Private Sector Development | 145 | 145 |
| Business Enabling Environment | 45 | 45 |
| Investment and Business Climate | 14 | 14 |
| Regulation and Competition Policy | 45 | 45 |
| Jobs | 100 | 100 |
| Public Sector Management | 22 | 22 |
| Public Administration | 22 | 22 |
| State-owned Enterprise Reform and Privatization | 29 | 29 |
| Transparency, Accountability and Good Governance | 22 | 22 |

## E. BANK STAFF

Tunisia - Governance, Opportunities and Jobs DPL P128251

| Positions | At ICR | At Approval |
|---|---|---|
| Vice President: | Hafez M. H. Ghanem | Inger Andersen |
| Country Director: | Marie Francoise Marie-Nelly | Neil Simon M. Gray |
| Practice Manager/Manager: | Kevin Carey | Bernard G. Funck |
| Task Team Leader: | Abdoulaye Sy | Antonio Nucifora |
| ICR Team Leader: | Jose Luis Diaz Sanchez | |
| ICR Primary Author: | Natsuko Obayashi | |

TN-Governance, Opportunities and Jobs DPL-2 P132709

| Positions | At ICR | At Approval |
|---|---|---|
| Vice President: | Hafez M. H. Ghanem | Inger Andersen |
| Country Director: | Marie Francoise Marie-Nelly | Neil Simon M. Gray |
| Practice Manager/Manager: | Kevin Carey | Bernard G. Funck |
| Task Team Leader: | Abdoulaye Sy | Jean-Luc Bernasconi |
| ICR Team Leader: | Jose Luis Diaz Sanchez | |
| ICR Primary Author: | Natsuko Obayashi | |

Tunisia: Third Governance, Opportunities, and Jobs DPL P150950

| Positions | At ICR | At Approval |
|---|---|---|
| Vice President: | Hafez M. H. Ghanem | Hafez M. H. Ghanem |
| Country Director: | Marie Francoise Marie-Nelly | Marie Francoise Marie-Nelly |
| Practice Manager/Manager: | Kevin Carey | Auguste Tano Kouame |
| Task Team Leader: | Abdoulaye Sy | Jean-Luc Bernasconi |
| ICR Team Leader: | Jose Luis Diaz Sanchez | |
| ICR Primary Author: | Natsuko Obayashi | |

## F. RESULTS FRAMEWORK ANALYSIS

### Program Development Objectives

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

### Revised Program Development Objectives

The PDOs were not formally revised. However, objectives were articulated slightly different between operations to adjust the focus of the DPL support to the changing circumstances during the political transition.

(i) PDO 1

GOJ-1: Attracting Investment and Jobs Creation

GOJ-2: Promoting Private Investment and Establishing a More Competitive Environment

GOJ-3: Promoting a More Competitive Business Environment

(ii) PDO 2

GOJ-1: Strengthening the Financial Sector

GOJ-2: Restructuring the Financial Sector

GOJ-3: Strengthening the Financial Sector

(iii) PDO 3

GOJ-1: Improving the Quality of Social Sector Services and Inclusive Policies

GOJ-2: Improving the Quality and Accountability of Social Sector Services

GOJ-3: Providing More Inclusive and Accountable Social Services

(iv) PDO 4

GOJ-1: Strengthening Governance, Transparency and Accountability

GOJ-2: Increasing Transparency and Accountability in Public Policies and Finance

GOJ-3: Increasing Transparency and Accountability in Public Governance

**(a) PDO Indicator(s)**

| Indicator | Baseline Value | Original Target Values (from approval documents) | Formally Revised Target Values | Actual Value Achieved at Completion or Target Years |
|---|---|---|---|---|
| **OBJECTIVE 1: Promoting a more Competitive Business Environment** | | | | |
| **Indicator 1:** | **Quantitative estimate of compliance cost (only covering few priority business formalities)** | | | |
| Value | Baseline will be determined once an inventory of business formalities is completed (in December 2012) | Reduction by 20% of compliance costs with selected business formalities | GOJ-2: US$3.6 million<br>GOJ-3: US$30 million (of cost saving) | Compliance cost saving for formalities with expected large impact for assessment of reduction in time and cost as a result of the reforms: US$18,164,222 |
| Date achieved | 2012 | 12/31/2014 | 12/31/2016 | June 2017 |
| Comments (including % achievement) | Partially achieved: As part of the IFC Tunisia Investment Climate Reform project (591087), IFC selected three formalities with expected large impact and assessed their compliance cost savings (CCS).[1] The formalities included were *Attestation of tax situation of motor vehicles* and *Declaration of tax withholding* at the Ministry of Finance, and *Temporary admission of imported or exported goods* at the Ministry of Industry, Energy, and Mines. A total of US$18 million on cost savings was calculated for these three formalities in 2017. | | | |
| **Indicator 2:** | **Price of international telecommunications (Skype Termination Rate to Tunisia in cents/min)** | | | |
| Value | US¢39.5/minute | End 2013: US¢20/minute<br>End 2014: US¢10/minute | GOJ-2 and 3: -50%, or US¢20/minute | Skype incoming call to Tunisia was US¢39.5/minute from 2012 to October 2016, but increased to US¢87.1/minute starting November 2016 |
| Date achieved | 2012 | 12/31/2014 | 12/31/2016 | 12/31/2016 |
| Comments (including % achievement) | Not achieved: Price of incoming calls increased since October 2016 (as of September 2017, US¢72.0/minute on Skype). It is important to note, however, that the costs of outgoing calls and roaming charges fell significantly. Few Tunisians currently use telephone fixed line to call abroad, due to a rapid penetration of Internet and smartphones. The average local outgoing call cost decreased from TND 0.5/minute (about US¢32) in 2012 to TND 0.08/minute (about US¢4) in 2016. | | | |
| **Indicator 3:** | **Available international bandwidth** | | | |
| Value | 37.7 Gbps | 2013: 120 Gbps<br>2014: 220 Gbps | GOJ-3: 200 Gbps | 199 Gbps |

[1] IFC Compliance Cost Savings (CCS) indicator measures the impact of reforms aimed at improving administrative and institutional procedures to reduce the time and costs associated with the procedures required of private businesses. The CCS estimates savings that resulted from the difference in the pre- and post-reform annual costs (adjusted for taxes and discounted to the baseline year). Compliance costs include official fees, other financial costs and labor costs each time a firm completes a procedure. The CCS methodology is a one-sided view of the reforms' benefits to the private sector and it provides an indication of the resulting extra resources that private businesses may have as a result of the cost savings.

| Indicator | Baseline Value | Original Target Values (from approval documents) | Formally Revised Target Values | Actual Value Achieved at Completion or Target Years |
|---|---|---|---|---|
| Date achieved | 2011 | 12/31/2014 | 12/31/2016 | 12/31/2016 |
| Comments (including % achievement) | Achieved: 99.5% of the target achieved.<br>• Status at the time of GOJ-2: 90 Gbps<br>• Status at the time of GOJ-3 2012: 93.9 Gbps; 2013: 131.2 Gbps | | | |
| **Indicator 4:** | **Number of broadband wholesale access** | | | |
| Value | 0 | 15,000 | | 0 |
| Date achieved | 31/12/2014 | 12/31/2016 | | 12/31/2017 |
| Comments (including % achievement) | Not achieved: This indicator was added in GOJ-3, associated with the Prior Action (PA) 2. By the time of the ICR evaluation, there was no local loop unbundling and no bitstream access. | | | |
| **OBJECTIVE 2: Strengthening the Financial Sector** | | | | |
| **Indicator 5:** | **Minimum solvency ratio for banking system (CAR)** | | | |
| Value | Minimum 8% | Minimum 9% | Minimum 9% | 11.3% |
| Date achieved | 2012 | 12/31/2014 | 12/31/2016 | 12/31/2016 |
| Comments (including % achievement) | Achieved: Minimum Solvency ratio (CAR) increased to exceed the target value of 9% and reached 10% at end-2016. The actual CAR respects the minimum and was 11.3% at end-2016. | | | |
| **Indicator 6:** | **Restructuring strategies for STB, BH and BNA** | | | |
| Value | GOJ-1: 0 | Restructuring strategies for STB, BH and BNA have been approved by the Minister of Finance | GOJ-2: Implementation of restructuring strategies for STB, BH and BNA has been initiated under supervision of the Minister of Finance<br>GOJ-3: Implementation of restructuring strategies for STB, BH and BNA has been initiated, as exemplified by the award of contracts to modernize the banks' IT infrastructures. | STB, BH, and BNA have started implementing restructuring strategies, notably for internal reorganization. |
| Date achieved | 2012 | 12/31/2014<br>Achieved in 2015 | 12/31/2016 | 12/31/2016 |
| Comments (including % achievement) | Achieved: The three public banks have started implementing the restructuring plans adopted in 2015. The bidding process is under way and the award of contracts to modernize the banks' IT infrastructure is expected in 2018 (BH in June 2018 and BNA in November 2018), except for STB which opted for internal development of its IT system (launched in November 2017). | | | |
| **Indicator 7:** | **Common Equity Tier 1 ratio of the restructured banks STB and BH** | | | |
| Value | STB CET-1: -5.7%<br>BH CET-1: 4.6%.<br>BNA CET-1: 6.3% | STB CET-1: 7% or more<br>BH CET-1: 7% or more<br>BNA CET-1: 7% or more | | STB CET-1: 8.5%<br>BH CET-1: 7%<br>BNA CET-1: 7.3% |
| Date achieved | 12/31/2014 | 12/31/2016 | | 12/31/2016 |

| Indicator | Baseline Value | Original Target Values (from approval documents) | Formally Revised Target Values | Actual Value Achieved at Completion or Target Years |
|---|---|---|---|---|
| Comments (including % achievement) | Achieved: The indicator was associated with PA#4 of GOJ-3 and therefore introduced in GOJ-3. All three banks met the target value and were equal or above the minimum CET-1 requirement of 7%. Similarly, their capital adequacy ratios (CAR) were also equal or above the minimum requirement of 10% (with 12.1% for STB, 10%for BH and 11.2% for BNA). | | | |
| | **OBJECTIVE 3: Providing More Inclusive and Accountable Social Services** | | | |
| **Indicator 8:** | **Number of beneficiaries of the Labor Market Programs (of which female %)** | | | |
| Value | 45,000 (of which 59% female) | Maintain number of beneficiaries under new programs (of which 60% female) | 45,000 (of which 60% female) | 63,742 (of which 67.7% female) *(Beneficiaries under SIVP only)* |
| Date achieved | 2011 | 12/31/2014 | 12/31/2016 | 12/31/2016 |
| Comments (including % achievement) | Partially achieved: The baseline indicator referred to the government program SIVP (internship program *Stage d'initiation a la vie professionnelle*), which was identified as the most effective labor program to increase insertion rates. This ICR rated this indicator as partially achieved, even though it surpassed the target because the original target was referred to the two new voucher programs that were part of the consolidation strategy of the Government. However, the design of the voucher programs required an overhaul of ANETI, which was not possible to conduct during the DPL implementation period. As a result, the Government opted to consolidate the labor programs by increasing the coverage of the most effective programs for labor insertion and duration in the working place (SIVP and CAIP), while phasing out the less effective (CIDES, CRVA, SCV). | | | |
| **Indicator 9:** | **Insertion rate of the Labor Market Programs (as measured by share of individuals who get a contract after program completion)** | | | |
| Value | 14%<br>SIVP: 21.3%<br>CAIP: 66.2% | 20% | 20% | N/A<br>SIVP: 35.4%<br>CAIP: 75.4% |
| Date achieved | 2011 | 12/31/2014 | 12/31/2016 | 12/31/2016 |
| Comments (including % achievement) | Partially achieved: Average insertion rate of SIVP and CAIP (insertion program *Contrat d'adaptation et d'insertion professionnelle*) increased from 39.4% in 2011 to 46.5% in 2016. SIVP increase from 21.3% to 35.4% between 2011 and 2016, and CAIP from 66.2% to 75.4%. Data on insertion rates for the other programs was not available. | | | |
| **Indicator 10:** | **Number of hospitals that have conducted and published results of evaluations of hospital services and have instituted improvement plans (among regional and university hospitals, n = 55)** | | | |
| Value | 0 | At least 5 (increase by at least 10%) | At least 5 (increase by at least 10%) | 0 |
| Date achieved | 2012 | 12/31/2014 | 12/31/2016 | 12/31/2016 |
| Comments (including % achievement) | Not achieved: The health accreditation agency INAS was established by PA#6 in GOJ-1 in 2012, and became operational in 2013–2014 with staffing and budget. To obtain an international recognition, the INAS has started the accreditation process of its experts training module and evaluation manuals by an international health accreditation agency (ISQua). While the target has not been achieved, the reform is ongoing and the evaluation and accreditation of health structures by the INAS is expected to start in 2018. | | | |
| **Indicator 11:** | **Programs and institutions evaluated and accredited (higher education)** | | | |

| Indicator | Baseline Value | Original Target Values (from approval documents) | Formally Revised Target Values | Actual Value Achieved at Completion or Target Years |
|---|---|---|---|---|
| Value | 33 programs have been evaluated, none have been accredited. No programs have been accredited | At least 40 programs have been evaluated<br><br>At least 3 institutions have started the accreditation process | At least 40 programs have been evaluated<br><br>At least 3 institutions have started the accreditation process | 13 programs have been evaluated<br><br>17 institutions have been evaluated<br>No institution has started the accreditation process |
| Date achieved | 2012 | 12/31/2014 | 12/31/2016 | 12/31/2016 |
| Comments (including % achievement) | Not achieved: 32.5% of targeted program evaluation was achieved, but no accreditation was produced. | | | |
| **Indicator 12:** | **Annual publication of performance indicators at the governorate level** | | | |
| Value | New program (no evaluations) | 24 governorates publish indicators on an annual basis with a focus on priority sectors | | The Public Services Control entity (*Contrôle Général des Services Publics*, CGSP) conducted and published annual performance evaluation of municipalities in 2016, but evaluation was not participatory as initially planned |
| Date achieved | 2014 | 12/31/2016 | | 31/12/2016 |
| Comments (including % achievement) | Not achieved: This indicator was associated with PA#4 GOJ-2 to institutionalize the mechanisms for participatory evaluation of public service performance improvements. | | | |
| **OBJECTIVE 4: Increasing Transparency and Accountability in Public Governance** | | | | |
| **Indicator 13:** | **Number of information request granted** | | | |
| Value | 0 | 25 requests for information have been granted | 50% increase from H1 2013 | 2,606 requests for information have been granted (out of 2,740) |
| Date achieved | 2012 | 12/31/2014 | 12/31/2016 | 09/20/2016 |
| Comments (including % achievement) | Achieved: The indicator was associated with the access to information measures (PA#8 GOJ-1 and PA#6 GOJ-3) which largely exceeded its target. After the adoption of the Law (PA#6 GOJ-3), the new Information Commission's members were appointed in August 2017 and its operational budget was included in the 2018 budget. The work on harmonization of legal texts, such as the Protection of Personal Data, Public Servant Law, and so on is ongoing. The status at the time of GOJ-2 was 80 in H1 2013. | | | |
| **Indicator 14:** | **Information on public finances is published on the Ministry's website** | | | |
| Value | The draft budget and budget execution reports are not regularly published. Public expenditure | The draft budget and budget execution reports are published on a regular basis.<br>Public expenditure data are available online, | | The draft budget (proposal) and budget execution reports are published.<br>Public expenditure data are available online, |

| Indicator | Baseline Value | Original Target Values (from approval documents) | Formally Revised Target Values | Actual Value Achieved at Completion or Target Years |
|---|---|---|---|---|
| | data are not available online | including the mapping of regional investment projects | | notably through Mizaniatouna platform, an open budget portal. A citizen budget, a simplified budget with explanations, as well as local government budget data are published. However, mapping of regional investment projects is yet to be published |
| Date achieved | 2012 | 12/31/2014 | | 12/31/2016 |
| Comments (including % achievement) | Achieved: Significant progress was made on budget transparency, with the MoF publishing on a regular basis its budget execution reports, as well as establishment of an open budget portal. The MoF revised its budget classification to be able to publish regional and programmatic budget data. | | | |
| **Indicator 15:** | **Consolidated financial data on SOEs is published on the Government's website** | | | |
| Value | SOE report published for first time at end-2014 | SOE report published in 2015 and 2016 | | SOE report for 2014 was published by 2016. The summary report for 2010–2016 was published in February 2018 |
| Date achieved | 2014 | 12/31/2016 | | 12/31/2016 |
| Comments (including % achievement) | Achieved: In September 2015, a summary of the financial status of SOEs for 2010–2013 was published on the website of the Prime Minister's Office. At end-2016, the report for 2010–2014 was published. The report on SOE financial status covering 2010–2016 was published in February 2018 and has been presented and discussed at public events. | | | |
| **Indicator 16:** | **Average time needed to award a contract (from bid submission to date of contract signing)** | | | |
| Value | Average duration of contract award process = 200 days | Decrease by 30% in average duration of contract award process (from bid submission to date of contract signing) = 140 days | | 129 days (through e-procurement) |
| Date achieved | 2014 | 12/31/2014 | | 12/31/2016 |
| Comments (including % achievement) | Achieved: TUNEPS, an e-procurement system has been operational since 2014, extending its coverage from 10 to 29 largest public buyers in 2016, then to 168 largest public buyers in 2017. It achieved significant simplification and reduction in the procurement process, with 129 days on average through TUNEPS. | | | |

## G. RATINGS OF PROGRAM PERFORMANCE IN ISRs

| No. | Date ISR Archived | DO | IP | Actual Disbursements (US$, millions) |
|---|---|---|---|---|
| GOJ-1 | 11-Jul-2013 | Moderately Unsatisfactory | Moderately Unsatisfactory | 513.09 |
| GOJ-3 | 26-May-2016 | Moderately Satisfactory | Moderately Satisfactory | 497.63 |
| GOJ-3 | 06-Dec-2016 | Moderately Satisfactory | Moderately Satisfactory | 497.63 |

The second operation GOJ-2 of an amount of US$250 million was supervised in parallel with preparation of GOJ-3, the program document for which provides the status of reforms.

## H. RESTRUCTURING (if any)

N/A

# 1. Program Context, Development Objectives and Design

1. This Implementation Completion and Results Report (ICR) assesses the results of the programmatic series of Governance, Opportunity, and Jobs (GOJ) Development Policy Loans (DPLs) to the Republic of Tunisia. The GOJ DPL series aimed to (i) promote a more competitive business environment, (ii) strengthen the financial sector, (iii) provide more inclusive and accountable social services, and (iv) increase transparency and accountability in public governance. The GOJ DPL included a series of three DPLs totaling US$1,250 million. The first DPL (GOJ-1) of US$500 million was approved by the World Bank's Board of Directors on November 27, 2012. The second DPL (GOJ-2) of US$250 million was approved on April 29, 2014, and the third one (GOJ-3) of US$500 million was approved on October 1, 2015.

## 1.1 Context at Appraisal

2. **Tunisia, the first of the Arab Spring countries, ended a 23-year authoritarian regime in January 2011.** It represented the leading model to other Arab Spring countries. Before the revolution, the country had made significant progress in terms of economic and social development. The average growth rate was near 5 percent over 1997–2007, and even during the global financial crisis, growth remained above 3 percent (2008–2010). This resulted in a steady increase in per capita income and rapid poverty reduction. Meanwhile, unemployment remained at a high rate, about 13–14 percent. Poverty decreased rapidly before the revolution, from 32.4 percent in 2000 to 23.3 percent in 2005 and to 15.5 percent in 2010, but regional disparities remained large, with poverty rates in 2010 ranging from a low of 8–9 percent in the Center East region and Grand Tunis to a high of 26 percent and 32 percent in the North West and Center West regions, respectively. Further, while most unemployed individuals were young, low skilled, and male urban workers, unemployment increasingly affected university graduates.

3. **The revolution was fueled by widespread anger and frustration over lack of social and political inclusion, censorship and secrecy, governance and corruption problems, and mounting unemployment among youth and graduates.** Despite significant economic and social progress, educated youth aspired to greater freedom and opportunity. Internet and media were under Government control and some economic and social indicators were considered state secrets. Further, tangible economic development, including in terms of business environment indicators, hid growing governance problems. Substantial discretion in the application of laws and regulations, corrupt procurement processes, rigged privatization, improper use of public banks, and state-owned enterprises (SOEs)—all hampered state legitimacy. The highly centralized decision-making process undermined the system of checks and balances. The lack of adequate participation, transparency, and accountability exacerbated the population's sense of unfairness.

**Box 1: Democratic Transition Period**

**The transition took significantly longer than planned and was characterized by political and social instability.** After the October 2011 election of a Constituent Assembly and the formation of a new Government, led by the once-banned party Ennahda, Tunisia was entangled in a prolonged period of constitutional reform and political instability. While initially the Constitution was expected to be prepared within one year, the finalization of the draft Constitution and subsequent elections were postponed several times and the transition lasted four years instead of one. In total, Tunisia went through five governments and four cabinet reshuffles during the four years covered by this DPL series.

**Despite continuous political and security tensions, Tunisia completed its democratic transition.** Assassinations of two opposition politicians in February and July 2013 gave way to a series of isolated but violent attacks across the country and unprecedented security operations against radical groups. On the political front, following the second assassination, the opposition called for the resignation of the Ennahda Government. As a result of the crisis, the work of the Constituent Assembly was suspended in August 2013. Starting in October 2013, the governing coalition and the opposition engaged in a National Dialogue, a process brokered by key civil society organizations (the so-called 'Quartet' spearheaded by the confederation of trade unions, and gathering the Employer's Association, Bar Association, and Human Rights League; the Quartet was awarded a Nobel Prize in 2015 for its role). The dialogue focused on constitutional and electoral timetables, as well as on the Quartet's proposition to replace the coalition government by a non-partisan, technocratic government to oversee the final year of the transition. In December 2013, a new transition government was in place, and the Constitution was promulgated on January 27, 2014. The parliamentary and the presidential elections, which took place in the last quarter of 2014, saw the secular Nidaa Tounes party win over the Ennahda party. Headed by a nonpartisan prime minister, a new coalition government was put in place in January 2015. In the meantime, the security situation deteriorated dramatically following the March 18 terrorist attack at the Bardo Museum in Tunis and the second attack on the beach resort in Sousse on June 26. The Government increased the security budget to face increasing security incidents notably along the border with Libya, which was in the midst of a civil war. The combined effect of the security situation and the prolonged economic crisis took its toll on the stability of the first coalition government. The Prime Minister was removed by a vote of confidence in July 2016, and a new unity government was formed, headed by Prime Minister Youssef Chahed.

4. **Political and social instability, security incidents, slow growth in Europe, war in Libya, and delays in economic reforms all contributed to the deterioration in the macroeconomic situation.** Following the revolution, the economy contracted (−1.9 percent) in 2011 as a result of ongoing social tensions, the Eurozone crisis, and the war in Libya, and unemployment increased. The interim government sought to mitigate the revolution's impact on the economy in 2011 and boost recovery using a combination of fiscal and monetary policy, with mixed success. The authorities' macroeconomic response was only partially effective. The initial fiscal stimulus aimed to accelerate investments, but low investment absorption and uncontrolled increase in recurrent spending resulted in decline in capital spending.

5. **The immediate post-revolution context led to a stand-alone DPL, which contained a package of 'emblematic' reforms that emerged from the population's aspirations, notably governance, jobs, and social inclusion.** The immediate World Bank Group response post-revolution was a US$500 million single-tranche multisector Governance and Opportunity Development Policy Loan (GO DPL), which introduced a few measures to promote social peace. Given the worsening international and domestic economic outlook, the World Bank committed a large share of Tunisia's IBRD envelope for budget support through the GOJ DPL programmatic series. The GOJ DPL series built on the progress made under the 2011 GO DPL operation. It aimed to consolidate the gains made in governance and to support the Government to start tackling structural reforms to accelerate growth and job creation.

6. **By the time GOJ-1 was appraised in 2012, growth was recovering slightly but was short-lived due to the persistent internal and external shocks.** The Government had been pursuing an expansionary fiscal policy since the revolution, increasing current spending (mainly wages and subsidies) rather than capital spending, and the fiscal deficit reached a record high 7.5 percent of gross domestic product (GDP) in 2013. The impact of higher international fuel and food prices on inflation and the fiscal and external sectors was further exacerbated by a continuous depreciation of the Tunisian dinar, in the context of weakened export performance and lower foreign direct investment (FDI). Despite a tightening of monetary policy, inflation peaked in 2013 at 5.8 percent, and the current account balance deteriorated, to reach a record high of 9.1 percent of GDP in 2014. GOJ-1 referred to the Government's medium-term socioeconomic development strategy with five pillars, called 'Development Strategy for New Tunisia' for 2012–2016 presented to investors and partners in May 2012 by the interim Government.

7. **Faced by growing pressure on its forex reserves, Tunisia signed a Standby Arrangement with the International Monetary Fund (IMF) in June 2013**, for a total amount of US$1.7 billion over 24-month period. While performance under the IMF program was mixed, the fund and the authorities agreed on a policy stance for 2014 to maintain macroeconomic and financial stability without jeopardizing prospects for accelerating growth and protecting priority social spending programs. The World Bank was in dialogue with the authorities for the preparation of GOJ-2 during this time, but since completion of prior

actions (PAs) were delayed, the World Bank agreed with the client to split GOJ-2 into two. GOJ-3 would continue supporting the reform areas, but it would also respond to Tunisia's financial needs in the wake of exogenous shocks. GOJ-2 was approved in April 2014, and GOJ-3 was planned for the following year.[2]

8. **Despite successful completion of its democratic transition with the new Constitution and elections, the security situation deteriorated with the terrorist attack in June 2015, affecting further the country's political and social stability and consequently the economic outlook**. Both fiscal and current account deficits remained high. Slow growth, a deteriorating fiscal and external situation, political instability, and high unemployment worsened social stability with regular demonstrations and strikes that disrupted economic activity in key economic sectors. To respond to the country's urgent growing financing needs arising from the sharp decline in tourism and the economic shocks following the terrorist attacks of 2015, GOJ-3 was approved in October 2015. GOJ-3 referred to a '*Note d'Orientation*', a Concept Note prepared in 2015 that became the basis for the five-year development plan for 2016–2020. The plan was approved by the Parliament in April 2017.

9. **The DPL series represented a key component of World Bank Group support during the political transition in Tunisia and contributed to strengthening the World Bank Group overall engagement in the country.** The GOJ DPL series built on the progress made by the interim government and 2011 stand-alone GO DPL operation and became central to the World Bank's Interim Strategy Note (ISN) for FY13–14. The new ISN, which was discussed by the World Bank Board of Directors in July 2012,[3] aimed to support Tunisia until a new government was elected under a new constitution. The four areas of reforms included in the GOJ DPL series were fully aligned to the ISN's three areas of engagement: (a) Laying the Foundation for Renewed Sustainable Growth and Job Creation; (b) Promoting Social and Economic Inclusion; and (c) Strengthening Governance: Voice, Transparency, and Accountability. As the 2014 Independent Evaluation Group (IEG) Country Program Evaluation (CPE)[4] pointed out, since 2011, the World Bank Group has had a more robust relationship with authorities managing a difficult transition. The World Bank took a leading role in coordinating donors, worked closely with the IMF, and strengthened its partnership base in Tunisia. The use of multisector DPLs, underpinned by sound analysis, helped focus support, reinforce coordination across donors, and generate enhanced responsiveness to the Government's needs.

## 1.2 Original Project Development Objectives (PDO) and Key Indicators

10. **The development objectives of this program were designed to help Tunisia lay the foundations for a more competitive business environment, a strengthened financial sector, more inclusive and accountable social services, and more transparent and accountable public governance.** A set of four objectives for these foundations were articulated in the first of the three DPLs: (a) moving toward a level playing field, facilitating competition and private sector initiative; (b) taking steps to assess and reinforce financial sector stability; (c) introducing reforms to increase inclusion and to improve quality and strengthen accountability in social sectors; and (d) improving transparency, accountability, and public participation in policy making.

[2] While the initial plan was for two DPLs, following delays in implementing GOJ-1 supported reforms, the Government and the World Bank decided to split the second DPL into second and third operations. This also responded to the need for financial support to Tunisia in the wake of exogenous shocks. While GOJ-2 was of US$250 million, GOJ-3, which included elements of an emergency financial support after the security shocks in 2015, became US$500 million. GOJ-3 was initially envisaged to have two tranches but ended up being one single tranche. The total length of the operation was therefore four years, from December 2012 (effective) to end-2016 (closing).
[3] The FY13–14 ISN followed the Country Partnership Strategy (FY10–13), which was terminated in January 2011 as a result of the revolution.
[4] IEG Tunisia Country Program Evaluation FY05–13.

## 1.3 Revised PDO and Key Indicators, and Reasons/justification

11. **The Program Development Objectives (PDOs) were not formally revised.** However, objectives were articulated slightly different between operations to adjust the focus of the DPL support to the changing circumstances during the political transition.

(a) *PDO 1*

GOJ-1: Attracting Investment and Jobs Creation
GOJ-2: Promoting Private Investment and Establishing a More Competitive Environment
GOJ-3: Promoting a More Competitive Business Environment

(b) *PDO 2*

GOJ-1: Strengthening the Financial Sector
GOJ-2: Restructuring the Financial Sector
GOJ-3: Strengthening the Financial Sector

(c) *PDO 3*

GOJ-1: Improving the Quality of Social Sector Services and Inclusive Policies
GOJ-2: Improving the Quality and Accountability of Social Sector Services
GOJ-3: Providing More Inclusive and Accountable Social Services

(d) *PDO 4*

GOJ-1: Strengthening Governance, Transparency and Accountability
GOJ-2: Increasing Transparency and Accountability in Public Policies and Finance
GOJ-3: Increasing Transparency and Accountability in Public Governance

12. **Results indicators were adjusted**, reflecting a reassessment of the feasibility of achieving targets and reforms (see table 2 and annex 2). Most of the changes in results indicators (7 out of 11) were associated with three dropped triggers in the first pillar, namely new Bankruptcy Law, new Investment Code, and new Competition Law that were not ready for approval by the Parliament in time. These triggers were replaced by PAs that were added in GOJ-3. While the new investment code was not yet finalized at the time of GOJ-3, the draft Bankruptcy Law and draft Competition Law had been submitted to the Parliament, with the draft Bankruptcy Law and the draft Competition Law incorporating amendments in line with the World Bank's recommendations. Another dropped trigger was the establishment of an Asset Management Company (targets related to debt in the tourism sector) that was rejected by the Parliament due to the security shocks in 2015 that hit the tourism sector. Other material change was the inclusion of the indicator under GOJ-2 related to the institutionalization of participatory evaluation of public service performance.

## 1.4 Original Policy Areas Supported by the Program (as approved)

13. **The four policy areas** specified in the initial Program Document of GOJ-1 were (a) moving toward a level playing field, facilitating competition, and private sector initiative; (b) taking steps to assess and reinforce financial sector stability; (c) introducing reforms to increase inclusion and to improve quality and strengthen accountability in social sectors; and (d) improving transparency, accountability, and public participation in policy making.

*Policy Area 1: Attracting Investment and Jobs Creation*

14. **Regulatory reforms.** Reducing discretion, cronyism, and arbitrariness in the administrative and regulatory environment became a priority. The Government was to institutionalize a systematic and participatory reform process of business procedures with the participation of the private sector, by streamlining procedures, increasing transparency, and reducing arbitrary and discretionary behavior. A first

round of reforms was started in 2011 by the previous operation, GO DPL, a participatory regulatory reform to simplify administrative procedures in the customs and tax authorities. The GOJ series increased the number of ministries covered by the 'guillotine reform' (so called because it aimed to eliminate and simplify regulations fast and in a systematic way) with a similar participatory approach.

15. **Telecommunication sector reforms.** The telecommunication sector was tightly controlled by the Government before the revolution both in terms of content and network ownership, with the incumbent state company controlling most of the fixed network and with the President's family having interests in the private mobile operator. While the previous GO DPL supported the establishment of a more open environment for users (registration of internet domain names), reforms in the GOJ series focused on removing institutional bottlenecks to telecom market development and strengthening competition on the network infrastructure (access to the submarine cables landing stations, access to the alternative fiber optic backbone infrastructure, unbundling combined with the number portability and bitstream) and the restructuring of the incumbent public operator Tunisie Télécom (TT).

*Policy Area 2: Strengthening the Financial Sector*

16. **Regulatory framework and corporate governance of public banks.** The weak performance of the Tunisian banking sector was rooted in weak corporate governance as well as a lax regulatory and supervisory framework, notably of public banks. The GO DPL supported the introduction of good corporate governance rules based on international best practices such as criteria for the selection of senior management and members of the board. With a deteriorating economic environment following the revolution, banks were faced with growing exposure notably to the hard-hit tourism sector. The solvency ratio of public banks deteriorated and the Central Bank had to inject massive liquidity. Public banks had also to fulfil mandates on behalf of the State. Their governance arrangements were loose and they did not possess a means to carry out their public mandate. In turn, the Central Bank did not enforce prudential requirements. The GOJ series supported reform of the public banks in a gradual manner, first by enforcing stricter prudential regulations and carrying out strategic and financial audits, and then, by correcting weaknesses identified by the audits.

*Policy Area 3: Improving the Quality of Social Sector Services and Inclusive Policies*

17. **Employment programs.** Before the revolution, the National Employment Fund was a highly centralized presidential fund, rigged by patronage, poorly monitored, and with limited accountability. The Fund financed employment programs primarily, implemented by the National Agency for Employment (ANETI). After the revolution, the GO DPL supported the transfer of the Fund from the presidency to the Ministry of Employment and Vocational Training to improve its governance and management. Informed by an institutional assessment of the Fund's programs carried out by the World Bank, the reform supported by the GOJ series focused on (a) consolidating multiple existing employment insertion programs, and (b) establishing a results-based monitoring and evaluation (M&E) framework.

18. **Evaluation and accreditation of health services.** The objective of the reform was to provide recognition of quality through accreditation and certification to improve governance and quality of services, to help address the disparity in access to and quality of services between regions and between public health services and private clinics, and to promote jobs, investment, and exports in the sector. Before the revolution, Tunisia had started to develop health sector services exports (medical tourism). Ensuring that services adhere to international standards through accreditation is key to ensuring a viable sector and investment. Accreditation has been shown to improve quality in health services and is standard in most Organization for Economic Co-operation and Development (OECD) countries. While Tunisia has in place a relatively well-distributed health infrastructure, quality varies a lot. The PA established an autonomous

national authority for managing the evaluation and accreditation of health services delivery using standards set by international accreditation bodies.

19. **Evaluation and accreditation of higher education.** To tackle the high unemployment rate of graduates (31.6 percent in 2016), improving the quality and relevance of tertiary education was considered as priority. There were indeed several analyses that highlighted a severe mismatch between the education and the labor market needs. The 2008 Law for Higher Education provides for the establishment of an independent quality assurance agency to evaluate all institutions and programs and give greater autonomy to universities and research institutes to make them more responsive to needs. The Ministry of Higher Education and Scientific Research (MHESR) initiated a series of steps to evaluate universities and programs. The World Bank through an investment loan (PARES II) was providing support and technical assistance (TA) to the MHESR to implement the law and to establish the Independent Quality Assurance Agency, and develop the capacity at the MHESR and at each university to conduct internal and external evaluations. The PA aimed at establishment of an agency for the evaluation, quality assurance, and accreditation called the National Commission for Evaluation, Quality Assurance, and Accreditation *(Instance Nationale de l'Évaluation de l'Assurance Qualité et de l'Accréditation*, INEAQA) which will be responsible for assessing the quality of programs and institutions.

20. **Participatory evaluation of public service delivery.** Following the introduction of participatory monitoring of public service delivery performance by third parties (PA for the 2011 GO DPL), the Government and civil society organizations started participatory monitoring at a national and local level. Enhancing transparency and participation of civil society in monitoring and reforms was expected to have a positive impact on social accountability and public resource management in general. Reforms aimed at institutionalizing the mechanisms for participatory evaluation of public service performance improvement, as overseen by the Public Services Control entity (*Contrôle Général des Services Publics*, CGSP). They broadened the mandate of the CGSP to include participatory monitoring in coordination with the prime minister's Department of Public Administration Reforms (*Direction Générale de la Réforme Administrative*) and civil society systematically, jointly producing options for reforms.

*Policy Area 4: Strengthening Governance, Transparency, and Accountability*

21. **Access to information.** Following the revolution, there was a need to mark a clear break with past practices of secrecy by adopting a more open policy on access to information. The GO DPL supported the issuance of Decree-Law No. 41-2011 on access to documents held by public agencies. The GOJ series supported the continuous implementation of this medium-term reform by specifying the procedures to request information and appeal, by clarifying the type of information to be disclosed and limited exemptions (personal data, security, intellectual property, and so on). The GOJ series supported the completion of the reform through the replacement of the decree with and Organic Law (which clarified the institutional arrangements for the access to information policy and established the Access to Information Authority, an independent regulatory, oversight, and appeals body). The authority is also tasked with monitoring the implementation of the law by public bodies.

22. **Strengthening budget and financial transparency.** Democratization and citizen participation in policy debates suppose an informed public. However, in prerevolution Tunisia, the budget information was disclosed only once the budget law was adopted. The process of preparing the budget remained relatively closed, limiting the scope for an open and informed debate about priorities and budgetary decisions. Budget reports were produced but not always published and the complexity of budget documents made the information inaccessible to a large portion of the population. A first attempt at a participatory approach in 2012 was mixed in the absence of sufficient information and education. The role of prerevolution parliament in the budget process was essentially limited to the voting on the draft budget. The Ministry of Finance did not proactively communicate budgetary information. The GOJ series supported proactive

disclosure of key budget information, including a medium-term expenditure framework, budget proposal, budget execution reports, a citizen's budget (a simplified version of the budget), an online open budget platform, and performance-based budgeting.

23. **Improving the national public procurement system.** The procurement system failed to prevent political interference and high-level corruption, especially before the revolution. After the revolution, the GO DPL supported the revision of the legal framework for public procurement to improve transparency through online publication of contracts, and in a context of negative or slow growth, to accelerate investment absorption through streamlined procurement procedures. A 2012 evaluation of the procurement system using the OECD-Development Assistance Committee (DAC) methodology resulted in a detailed action plan to improve the procurement system (supported by the World Bank and the African Development Bank). The reform initiated by the GOJ series aimed at (a) improving the legal and regulatory framework; and (b) introducing electronic procurement and mechanisms for resolution of disputes or complaints between the public administration and bidders.

### 1.5 Revised Policy Areas

24. **The policy areas were not formally revised**, although the formulation of the policy areas varied across operations (section F). In the case of the public governance area, the change reflects the slight shift of the objective indicating a more advanced reform (from "Strengthening Governance, Transparency, and Accountability" in GOJ-1 to "Increasing Transparency and Accountability in Public Governance"). In the case of business environment, the reference to job creation was dropped ("Attracting Investment and Jobs Creation" in GOJ-1 was changed to "Promoting Private Investment and Establishing a More Competitive Environment"), as the policy area emphasized regulatory reforms to simplify administrative procedures and to strengthen competition in the telecom market.

### 1.6 Other Significant Changes

25. **The operational design of the series was adjusted to the slower-than-expected implementation of reforms.** While the programmatic series was initially designed to include two operations, the second operation was delayed and was split into two operations (US$250 million each) to adjust for the slow implementation of reforms due to the complex political and economic environment. The third operation was delayed too, but its amount was increased to US$500 million to support the country's financing needs, resulting in a total for the series of US$1.25 billion rather than US$1.0 billion. While during appraisal, GOJ-3 was envisaged to be a two-tranche DPL that would cover potential delays in reform implementation, it became a single tranche DPL of US$500 million to respond to immediate financing needs arising from the sharp decline in tourism receipts and the economic shocks following the terrorist attacks of 2015.

## 2. Key Factors Affecting Implementation and Outcomes

### 2.1 Program Performance

26. The programmatic series comprised three single-tranche DPL disbursed upon effectiveness, in the total amount of US$1.25 billion (table 1). All policy actions were completed before the approval of the operations by the Board of Directors. A detailed account of program performance in terms of PAs is given in annex 3.

**Table 1: Key Dates of the GOJ series**

| Operation | Approval Date | Effectiveness Date | Amount (US$, millions) | Closing Date |
|---|---|---|---|---|
| GOJ-1 | November 27, 2012 | December 14, 2012 | 500 | December 31, 2013 |
| GOJ-2 | April 29, 2014 | August 11, 2014 | 250 | June 30, 2015 |
| GOJ-3 | October 1, 2015 | December 23, 2015 | 500 | December 31, 2016 |

27. **Despite the momentum on critical reforms created by GOJ-1, severe headwinds emerged in the form of the unstable political situation, social tensions, and security threats.** Repeated strikes, sit-ins, and demonstrations characterized the social and economic environment during the series. While the initial operation was approved at the end of 2012, the country's focus was on the preparation of the new Constitution, which took significantly longer than planned to be completed. Due to difficulty in implementing complex reforms in a legislatively disrupted environment, the Government lost reform momentum. Due to the worsening of the security situation in 2015, reform implementation was even slower, which delayed the completion of PAs for the third operation (GOJ-3 was approved by the Board of Directors, 17 months after the approval of GOJ-2).

28. **Nevertheless, the Government's program laid essential foundations for the GOJ DPL objectives, as well as for follow-up operations.** The telecommunication sector reforms and the financial sector reform were gradually implemented as part of the World Bank-supported program. The World Bank continued supporting the Government's effort in deepening the reforms on telecom liberalization and broadband regulation through the Middle East and North Africa Trust Fund (MENA TF).[5] The financial sector reform also benefited from complementary efforts on financial stability by the IMF. On the social sectors, although the reforms were implemented very slowly, they are still ongoing and are expected to show results in the few years. A follow-up operation on 'Business Environment and Entrepreneurship' DPL was delivered in 2017, and a new DPL operation on 'Investment, Competitiveness, and Inclusion' is expected to be delivered in 2018. Both operations aimed to deepen the reforms supported by the GOJ DPL series, particularly on investment and competition policy, procurement system, and financial sector.

29. **The DPL series adjusted to the changing environment and few triggers were replaced or dropped from the series** (see table 2). Continuity in the World Bank's overall engagement, however, enabled keeping dropped triggers as part of policy dialogue, to be picked up in subsequent operations. Some of the key reforms (such as new Bankruptcy Law, new Competition Law, new Investment Code) that had remained triggers over the series were dropped with the expectation that they would be picked up in the subsequent 2017 DPL 'Business Environment and Entrepreneurship DPL'. In the telecom sector (pillar 1), financial sector (pillar 2), and public governance (pillar 4)—three new PAs were added in GOJ-3.

**Table 2: Changes in Indicative Triggers**

| GOJ-2 Triggers (as stated in the GOJ-1 PAD) | GOJ-3 Triggers (as stated in the GOJ-2 PAD) |
|---|---|
| **PILLAR 1: Promoting a More Competitive Business Environment** | |
| The *new Bankruptcy Law* has been published in the National Gazette.<br>• The trigger was postponed from GOJ-2 to GOJ-3. | The *new Bankruptcy Law* (which merges the Chapter IV of the Commerce Law and the Law No. 95-34) has been published in the National Gazette.<br>• **Dropped** from the series due to the delays. A draft Bankruptcy Law was initially submitted to the National Assembly at the end of 2013, but with some weaknesses; amendments were made in line with the World Bank's recommendations. |

[5] TN: Broadband Internet and ICT for Education Acceleration Technical Assistance (P158114) and TN: Broadband Internet and ICT Support (P162184).

| GOJ-2 Triggers (as stated in the GOJ-1 PAD) | GOJ-3 Triggers (as stated in the GOJ-2 PAD) |
|---|---|
| | • **Implemented after the DPL series**, with intention to include as a PA of the following Business Environment and Entrepreneurship Development Policy Financing (DPF).<br>• The Law of Collective Procedures No. 2016-36 dated April 29, 2016, simplifying Tunisia's bankruptcy regime was published in the Official Gazette No. 38 on May 10, 2016. |
| *The new investment incentives code* has been published in the National Gazette.<br>• The trigger was initially postponed to GOJ-3. | *The new investment code* (which consists of a complete revision of the Law No. 93-120 and its subsequent revisions) has been published in the National Gazette.<br>• **Dropped** from the series, but **implemented after the DPL series**, with intention to include as a PA of the following 'Business Environment and Entrepreneurship' DPL. The new Investment Law No. 2016-71 dated September 30, 2016, reinforcing the rights and guarantees of investors and market access regulation, and its implementing decree, Decree No. 2017-390 dated March 9, 2017, establishing the unit at the Ministry of Development, Investment, and International Cooperation (MDICI) responsible for streamlining investment entry authorizations, have been published in the Official Gazette No. 82 dated October 7, 2016, and the Official Gazette No. 25 dated March 28, 2017, respectively. |
| *The revised Competition Law* has been published in the National Gazette.<br>• The trigger was initially postponed to GOJ-3. | *The new Competition Law* (which revises Law No. 91-64) has been published in the National Gazette.<br>• **Dropped** from the series, but **implemented after the DPL series**. The related decrees were included as a PA of the following Business Environment and Entrepreneurship DPF. The new Competition Law No. 2015-36 was adopted September 15, 2015, and subsequent four decrees—Decree No. 2016-780 dated June 13, 2016, Decree No. 2016-1148 dated August 19, 2016, Decree No. 2016-1204 dated October 18, 2016, and Decree No. 2017-252 dated February 8, 2017—have been published in the Official Gazette No. 51 dated June 24, 2016, the Official Gazette No. 72 dated September 2, 2016, the Official Gazette No. 87 dated October 25, 2016, and the Official Gazette No. 13 dated February 14, 2017, respectively. |
| The President of the Integrity Vice Presidency (INT) has approved a technical and price offer by the three holders of *alternative fiber optic backbone infrastructure* National Railroad Company (*Société Nationale de Chemins de Fer Tunisiens,* [SNCFT], TA, and Tunisian Gaz and Electricity Company (*Société Tunisienne d'Electricité et de Gaz*, STEG) to lease capacity to licensed operators on a nondiscriminatory and cost-oriented basis.<br>• **Implemented with change**, as PA#2 in GOJ-2, but only on the SNCFT and the STEG, not TA (highway company) | |

| GOJ-2 Triggers<br>(as stated in the GOJ-1 PAD) | GOJ-3 Triggers<br>(as stated in the GOJ-2 PAD) |
|---|---|
| | The Government has revised the decree specifying the schedule of obligations (cahiers des charges) for *Mobile Virtual Network Operators (MVNOs) and granted licenses to [x] MVNOs with international gateway access*.<br>• **Dropped** from the series: the GOJ-3 PA #2 replaced the initially envisaged trigger as it is expected to have a stronger effect on competition in the broadband market than the MVNO licenses.<br>• **Partially implemented:** a decree in 2014 allowed institutional change for a MVNO, and a new MVNO operator entered the market in September 2015, but without international gateway access. |
| **PILLAR 2: Strengthening the Financial Sector** | |
| *The Law Establishing an Asset Management Company* to deal with the debts in the tourism sector has been published in the National Gazette.<br>• The trigger was initially postponed to GOJ-3. | *The Law Establishing an Asset Management Company* to deal with the debts in the tourism sector has been published in the National Gazette.<br>• **Dropped** from the series: A draft Asset Management Company Law was submitted to the Parliament, but the draft law, which mainly targets the debts in the tourism sector, was rejected due to the shock on the tourism industry in the aftermath of the terrorist attacks of March and June 2015, due to concerns over its social impacts. |
| The Minister of Finance has strengthened the *governance of public banks* by increasing the independence of their boards and management teams.<br>• **Implemented** through gradual measures: PA#3 GOJ-2 and PA#5 GOJ-3 support more detailed measures to improve the governance and management of the state-owned banks (SOBs). | Based on the diagnosis provided by the public banks full audit, the Government has issued an Interministerial Committee decision on the *restructuring of the three main public banks* (search for some strategic partners, merger, liquidation, privatization, recapitalization).<br>• **Implemented**: GOJ-3 PA#4 reflects the adoption of the restructuring plans for the three public banks.<br>• Program-for-Results (under preparation aims to continue supporting the implementation of the governance reforms in the public banks. |
| **PILLAR 4: Increasing Transparency and Accountability in Public Governance** | |
| | *The Organic Law on Access to Information* has been published in the National Gazette.<br>• **Implemented with change**: due to the delay, the trigger was revised to PA#7 in GOJ-3 to submission of the draft Organic Law to the Parliament on August 6, 2015. The Organic Law was adopted by the Parliament on March 11, 2016, and published on March 29, 2016, after GOJ-3 approval. |

## 2.2 Major Factors Affecting Implementation

30. **Soundness of the background analysis:** The GOJ programmatic series was built on an impressive body of analytical work, which helped in the dialogue with the client and stakeholders and helped respond to the client's request to prepare a multisectoral DPL series at a fast pace. Notably, GOJ-1 benefited from key Policy Notes (2011), which were prepared after the revolution on the telecom sector, labor market, financial sector, social sector expenditures, and health sector productivity and governance. In addition, several analyses were produced to capture the priority needs after the revolution, such as report on the investor motivation survey (2012), financial sector assessment program (2012), governance assessment (2011), and procurement review (2012). In fact, many of the cronyism challenges which would arise in Tunisia were anticipated in the 2009 World Bank's regional Middle East and North Africa Report "From Privilege to Competition;" thus from an analytical perspective, what changed was not the analytical framework but the ability to exploit a much deeper evidence base and an authorizing environment where political-business connections could be openly discussed. Many other analytical works were eventually

consolidated into the Development Policy Review (DPR) on Tunisia "Unfinished Revolution" (2014) and Middle East and North Africa Chief Economist Office Report, "All in the Family" which focused on the economic impact of State-business relations and the need to transform the State (and crony) controlled economy to a competitive market-based economy. Notably, the DPR was a product of several background papers that informed the GOJ series and the preparation of the Systematic Country Diagnostic (see annex 6).[6]

31. **Assessment of the operation's design.** Many of the lessons drawn from the first post-revolution operation, GO DPL, in terms of trading-off ambition and feasibility were relevant for the GOJ design. Given the exceptional circumstances, the need to lay out an ambitious reform program that would be a credible response with long-term impact prompted the World Bank to design a multisectoral DPL program with a large scope of results, internalizing any potential cost posed by the risk of implementation. Reform implementation followed a gradual approach and was accompanied by World Bank TA such as in the telecommunication sector, financial sector, and access to information policy. On the social sectors front (employment, health, higher education, evaluation of public service delivery), however, the design of reforms proposed by the DPL series exceeded the capacity of the Government to implement them (for example, the voucher labor programs).

32. **Adequacy of Government's commitment.** The Government was highly committed to the game-changing reforms during the aftermath of the revolution. Thus, the preparation of the GOJ-1 DPL was fast. Nevertheless, the complex political transition affected the pace of implementation of reforms. The country went through five governments and four cabinet reshuffles during the four years of the DPL series. This political instability constrained the Government's capacity, and therefore, affected the pace of implementation of critical reforms. Moreover, the protracted economic downturn and social crisis, in addition to the multiple security incidents, shifted the Government's limited resources to address these issues.[7] This affected the delivery of the second operation, which in turn, was subsequently divided into two operations to accompany the implementation of reforms for a longer period (the series closed in 2016 rather than in 2014 as originally planned).

33. **Coordination.** The MDICI's historically strong coordination role helped the preparation of the first post-revolution programs. The World Bank led the coordination of development partners for GOJ-1, which was prepared through complementary reforms matrix and joint missions (preparation and supervision), thereby, reducing the transaction cost for the Government. Thereafter, frequent changes of Government weakened considerably MDICI's intersectoral coordination role, both in implementing existing programs and preparing new ones. This in turn undermined intersectoral coordination among partners, as mentioned in the program document of GOJ-2. Nevertheless, the partners kept regular meetings and periodic consultations on key issues, notably the Bank, the IMF and the AfDB. Bank staff participated in IMF missions and coordination between the Bank and the IMF intensified to strengthen complementarities and minimize overlaps.

34. **Relevance of the risks identified.** The risks were correctly identified for the DPL series. The first two operations GOJ-1 and GOJ-2 identified the following risks: (a) renewed political instability from unmet

[6] As listed in the program documents (table 5 for GOJ-1, tables for analytical underpinnings for GOJ-2 and GOJ-3), while most of the post-revolution analytical work in GOJ-1 was mainly the policy papers, deeper and broader studies and assessments were being finalized during the series.

[7] As noted by the IMF (2015), Tunisia's economy was resilient throughout a protracted political transition and a difficult international economic environment. The country, however, faced headwinds from intensified security risks, social tensions, and coalition politics, which were offsetting the benefits from the successful conclusion of the political transition, lower international oil prices, and recovery in Europe. The two major terror attacks that occurred earlier in 2015 severely impacted the tourism industry and investor confidence and shifted the Government's limited resources to security issue and delayed policy implementation.

or conflicting political aspirations, (b) uncertainty of the economic outlook, (b) risks to the stability of the financial sector, and (d) risks related to the design and implementation of the program of reform measures. The third operation GOJ-3, prepared after the democratic elections and the security shocks in 2015, identified security or social tensions as the major risks, the institutional and implementation capacity to deliver the program of reform and the stakeholder risk.

- **Political instability, security, and social tensions.** The first post-revolution elections put in place a moderate center-left coalition Government. In addition to the strikes and sit-ins that continued to disrupt economic activity in key sectors during the series period, growing socio-political confrontation between activists calling for Islamic Law as the basis for the constitution and secularists culminated into high political tension during 2013, following the assassination of two secular opposition political leaders. While the political situation improved markedly after the adoption of the new Constitution and both presidential and parliament elections in 2014, which marked the successful completion of the democratic transition, the 2015 terrorist attacks resulted escalated risk again.
- **Macroeconomic uncertainty.** GOJ-1 warned of domestic social tensions, security problems, the impact of the Eurozone crisis, instability in Libya, and the increase in international food and fuel prices that could lead to a negative spiral, through low foreign investment, which would in turn affect industrial production and exports, further depressing domestic consumption, and slowing economic recovery and increasing unemployment. The initially planned fiscal stimulus through public investment was expected to mitigate these risks. However, the risks materialized more severely. At the time of GOJ-2 and GOJ-3, both fiscal and current account deficits had reached record highs. Foreign investment was still well below its prerevolution level. External financing, including this DPL series, the IMF program[8] and bonds issuances, supported the country's financing needs.
- **Stability of the financial sector.** The negative shocks on the tourism sector both from the domestic political and security situation and the Libyan crisis led to higher credit risk and weak asset quality in the banking sector. The Central Bank kept injecting liquidity to banks which was absorbed by high Government borrowing, complicating efforts to improve their governance.
- **Institutional and implementation capacity to deliver the program of reform and stakeholder risk.** Stakeholder risk was correctly identified, including opposition to reforms by vested interest groups or by the new Government. The World Bank worked with the Government to have open debates on the various reforms (notably at the time of the preparation and publication of the 2014 DPR). For some reforms, the political economy was more complex than expected, which affected reform implementation. For example, legal suits by the incumbent operator in the telecom sector limited the implementation of reforms.

## 2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

### M&E Design

35. **The GOJ's M&E indicators reflected an ambitious program set at the beginning of the DPL series.** The indicators were measurable and were also to be monitored under the broader Government program in most of the cases. Nevertheless, the M&E design showed shortcomings, notably the failure to establish the M&E framework required to assess progress on regulatory reforms, although an assessment was carried out on partial results (40 formalities out of 154 formalities to be simplified on the initial reform

[8] The IMF program outcomes were mixed both for macroeconomic policies and structural reforms (banking, fiscal, business climate, and social protection). The original ambitious program design had to be adapted to accommodate the exogenous nature of shocks, which were unexpected at the concept stage. Delays in achieving key reforms also led to a halving of expected disbursements (fifth review) and delay in completing reviews (nine-month delay in completing the sixth review, and program extension to end-2015). A 48-month Extended Fund Facility in the amount of SDR 2.046 billion (US$2.9 billion) was approved by the Executive Board of the IMF on May 20, 2016.

- PA#1 GOJ-1). In other cases, indicators were not adequately selected or had a weak link to the reforms to which they referred, such as in the telecom sector, where the price of incoming calls was selected, rather than outgoing calls. Similarly, insertion rate of the labor market programs did not reflect the GOJ employment program reform, and there was no clear link between the reform on the participatory performance evaluation of public service delivery. Annual publication of performance indicators at the governorate level does not fully reflect institutional changes in the controller's body nor in participatory evaluation. In addition, no indicator was added in the results framework for the restructuring of the incumbent operator, although this PA was key in the sector reform program and data was available.

**M&E Implementation and Utilization**

36. **Given the limited capacity of the Government for reform implementation in the politically and socially challenging environment, data collection and monitoring was also constrained.** On access to information, while there was a regular reporting system planned, at the time of the ICR, it was not properly implemented with no centralized systematic data collection mechanism, and therefore it was difficult to readily update the data. For the employment programs (PA#5, GOJ-1), the reform aimed also to put in place an M&E system but there was no agreement with the Government on the methodology and it was put on hold.

## 2.4. Expected Next Phase/Follow-up Operation

37. **The GOJ series created the conditions for the Bank to deepen its policy dialogue and engagement on a key pillar of the CPF: helping the Government restore the conditions for private sector led job creation.** A follow-up stand-alone operation, Business Environment and Entrepreneurship DPL, of US$500 million was approved in June 2017, with two pillars: (a) Improving the Business Environment, and (b) Supporting Entrepreneurship and Deepening Access to Finance. This DPL supported the implementation of key reforms that were included in the GOJ DPL series but did not materialize given the protracted political transition, namely the Competition Law, the new Investment Law, and the Bankruptcy Law. Moreover, TA was planned for the telecom sector reform and access to information to sustain the reforms initiated by the series. The preparation of a new stand-alone DPL operation 'Investment, Competitiveness, and Inclusion' is ongoing (to be delivered in 2018) and is expected to continue supporting the areas of private sector development as the country is in critical need of boosting investors' confidence for long-term growth.

# 3. Assessment of Outcomes

## 3.1 Relevance of Objectives, Design and Implementation

**Relevance of Objectives**
Rating: High

38. **The program objectives—reforms to address distortions in the pattern of prerevolution growth and poverty reduction—have remained highly relevant.** The diagnosis of the 2014 DPR was that the domestic 'onshore' economy had been stultified by cronyism and the role of the State, weakly transmitting the benefits of 'offshore' growth. Vested interests have proven difficult to dismantle, and reforms have required extensive consultation and consensus building to be politically viable. Thus, the program objectives of laying the foundations for a more competitive business environment, a strengthened financial sector, more inclusive and accountable social services, and more transparent and accountable public governance—are just as salient despite the implementation challenges arising from the priority of the Government to keep the political transition on track.

39. **The objectives of the DPL series are aligned to the Government's current medium-term plan**. Following the 2014 presidential and parliamentary elections, the Government developed a '*Note d'orientation*', essentially a Concept Note for the five-year development plan. This plan, covering 2016–2020, was adopted by the Parliament on April 2017. The plan relies on the private sector to lead economic growth and job creation, and at the same time, promote a participatory approach to policy making. It focuses on (a) better economic governance, (b) business climate and promotion of private investment, and (c) financing of the economy. The DPL series have remained highly relevant for the FY16–20 Country Partnership Framework (CPF), discussed at the World Bank Board of Directors in May 2016. The CPF emphasizes the importance of continued support to the completion of key reforms initiated by the DPL series during the political transition, as its full implementation remained essential for achieving the economic and social objectives of the new Government. The GOJ DPL series is linked to the CPF objectives outlined under Pillar 1 (Restoring an Environment Conducive to Sustainable Economic Growth and Private Sector-Led Job creation) and Pillar 3 (Promoting Increased Social Inclusion).

**Relevance of Design**
Rating: Modest

40. **The program design responded to the need for comprehensive reform, both to tackle the pervasive nature of distortions and to signal the engagement of the international community with a clear break from the past.** As previous evaluations have confirmed, the World Bank's pre-2011 economic and sector work had flagged serious governance concerns throughout the economy, but operations had focused on ancillary issues (IEG, CLR Review 2016). In the highly fluid and uncertain situation after 2011, the World Bank had to revamp its strategy, which was now organized around ensuring macroeconomic stability including through financing (hence the importance of large DPLs), reestablishing growth, and structural reforms. In addition, the protracted Eurozone crisis and political uncertainty were worsening the domestic economic outlook. In response, and given the need to support cross-cutting reforms, the World Bank planned to commit a large share of Tunisia's IBRD envelope through budget support using the programmatic DPL. The CPE found that the decision to consolidate World Bank support into a multisector budget support operation was appropriate, and the design benefited from strong analytical underpinnings. The speed of exit of the Ben Ali family and a new wave of openness permitted a large and high-profile analytical program which documented the extent of privilege and connections and the asymmetry between the FDI-driven EU export platform and the rest of the domestic economy, especially in the lagging regions outside Tunis. The choice of pillars was determined by the imperative to tackle restrictions on entry, the role of the banking sector in financing incumbency rather than dynamism, and weaknesses in service delivery, while continuing the first post-2011 DPL's emphasis on transparency, accountability, and access to information.

41. **Program design, by necessity, traded off the comprehensiveness of reforms with the challenge of implementation in the context of the country's socioeconomic and political instability.** While the pillars were relevant, it was already recognized from the experience of the 2011 DPL that the number of reforms made implementation challenging, especially in the context of political, social, and security tensions.

**Relevance of implementation arrangements**
Rating: Modest

42. **The implementation agency MDICI gradually lost its role of intersectoral coordination and donor coordination between the multiple changes of Government and its internal organization.** As described in the section 2.2, while the MDICI played a key role in reforms implementation in the past, and continued to play this role at the beginning of the series. However, following multiple changes of Government and management, the agency role began to decline. At the time of the ICR, there was therefore

no single 'implementation agency' in charge of the series' reforms, which has an oversight of the program. To remedy to this issue, the latest Cabinet reshuffle in September 2017, established an office for reform implementation under the Prime Ministry to oversee the reforms' implementation for the IMF program.

## 3.2 Achievement of Program Development Objectives

Overall Rating: Substantial

**Objective 1: Promoting a More Competitive Business Environment**
Rating: Modest

*Regulatory Reform*

43. **The business regulatory reforms supported by the DPL program showed significant progress compared to the situation before the revolution. However, they were implemented at a slower pace than expected.** The DPL supported measures to lead to substantial reduction in compliance cost with investment formalities, and in the long run, to enhance transparency and limit discretion of administrative decision and processes. The Government issued a few regulations to simplify procedures, but later, the agenda lost some traction as the Government's resources shifted to respond to security issues and complex political context. Therefore, the initial phase of the regulatory reform took more than four years instead of the expected nine months. In consultation with the private sector, 240 formalities were selected to be simplified. By September 2016, the Council of Ministers approved the simplification of 154 formalities in seven ministries participating in the reform. Out of the 154, 137 formalities (89 percent) were effectively removed or simplified though their application rates varied across ministries, from 27.4 percent for the Ministry of Land to 80.6 percent for the Ministry of Trade (see annex 3). In terms of Compliance Cost Savings (CCS), the International Finance Corporation (IFC) estimated US$18 million in savings for three simplified formalities at the Ministry of Finance and the Ministry of Industry, Energy, and Mines.[9] This is only a fraction of the total business formalities that the simplification reform included, so the potential overall impact is expected to be large (the Arab Institute for Entrepreneurs [*Institut Arabe des Chefs d'Entreprises*, IACE] identified an inventory of 1,107 formalities at seven ministries participating in the reform[10]). As mentioned in section 2.1, the World Bank continues supporting the Government's efforts in the implementation of reforms in investment and competition policies through the follow-up DPL operations. Particularly, on the new Investment Law, the 2017 DPF operation included this law as a PA, and the 2018 DPF operation currently under preparation includes a PA that simplifies investment entry authorizations in some economic activities—this PA was approved by the Council of Ministers in May 2018.

*Telecommunication Sector*

44. **The GOJ series contributed to achieve the overarching objective of establishing a more competitive environment in the telecom market, although with some mixed performance in reform**

[9] IFC Advisory Services 'Tunisia Investment Climate Reform Project' (591087). The formalities included were attestation of tax situation of motor vehicles, declaration of tax withholding at the Ministry of Finance, and temporary admission of imported or exported goods at the Ministry of Industry, Energy, and Mines. A total of US$18 million on cost-savings was calculated for these three formalities in 2017. Unfortunately, IFC did not plan to conduct a calculation of CCS for a larger sample.

[10] The IACE is a renowned private sector think-tank that led consultations with the private sector around the business simplification reform. During 2014–2016, the IACE conducted a study commissioned by the IFC that formed the basis for the list of measures of the PA of GOJ-3. Out of an inventory of 1,107 formalities at seven ministries, 240 was selected in consultation with the private sector as priorities to be simplified. A preliminary assessment of the compliance cost-savings made by the IACE at an early stage of the reform implementation was conducted for a sample of eight formalities in 2016. The CCS was US$8 million.

**implementation.** This DPL series focused on removing institutional bottlenecks to telecom market development and strengthening competition on the network infrastructure and the restructuring of the incumbent public operator TT. On international communication measures, the performance was mixed. On one side, the reform to open up access to the landing stations of international communications cable to more operators (PA#2 GOJ-1 and PA#1 GOJ-2) did not succeed, as the TT's high access price prevented competition. However, strong pressure for opening up the backbone infrastructure pushed the incumbent operator to reduce the prices on gateway, increasing competition in the domestic mobile market. The penetration rate for mobile data increased significantly from 19.3 percent in 2012 to 62.8 percent in 2016. On regulatory reforms, the unbundling/bitstream regulation was not achieved as the operators moved to fiber optics access, making copper infrastructure regulation much less important. Thus, on the positive side, an alternative fiber optic backbone structure was put in place to boost broadband internet market—in December 2017, the Ministry of Communication Technologies and the Digital Economy approved a license for the entry of a new wholesale operator (Level 4). In addition, number portability (PA#2 GOJ-3) was fully achieved. On the reorganization of TT, the reform has been positive. Overall, the GOJ-supported reforms helped establish the policy foundations to improve competition in the sector and to break with the past practice of secrecy that was in place before the revolution when the telephone and Internet contents and market were wholly controlled by the regime. It is important to note that on international communication, the Government is now exploring options to increase competition in international communications and has asked the World Bank for advice on regulatory options (currently provided through the MENA TF on broadband and information and communications technology [ICT]).

45. **While the achievement of the objective in business simplification, telecom liberalization, and broadband regulations is rated Modest, the outlook for further implementation of reforms is positive**. The Government launched the simplification reform of business formalities during GOJ-1. By 2016, 89 percent of formalities were effectively removed or simplified out of 154 that the Council of Ministers approved to be processed. The IFC identified important costs-savings of the reform (US$18 million for three formalities). The World Bank's follow-up DPL operations continues supporting competitive business environment and investment policy reforms in Tunisia, particularly related to simplification of procedures for new private investment. On telecom, while progress in the fixed line market and international communications segment was more modest, the implementation of reforms improved substantially the competition in the mobile sector. Overall, the GOJ series helped establish the policy foundations to improve competition in the sector and to break with the past practice of secrecy. And the World Bank is continuing to support the sector through the MENA TF, particularly on the pending reforms to increase competition in international communications.

**Objective 2: Strengthening the Financial Sector**
Rating: High

46. **The GOJ series fully achieved and exceeded its objective of Strengthening the Financial Sector: stricter prudential rules were enforced and the restructuring of the public banks initiated a long-needed reform for the banking sector viability.** The corporate governance of the SOBs has been deeply changed, owing to transparently and competitively hired board members and CEOs (all with required minimum professional profile). This stands out as best practice in the Middle East and North Africa. On SOB restructuring, following initial delays of over a year to finalize the selection process for the firms to undertake the strategic and financial audits, they were completed for Tunisian Bank Company (*Société Tunisienne de Banque,* STB) and Housing Bank *(Banque de l'Habitat,* BH) by end of 2014 and for National Agriculture Bank (*Banque Nationale Agricole,* BNA) in 2015. Based on the results, recapitalization of the three banks was completed and respective restructuring plans adopted (see PA#4 of GOJ-3) by September 2015. Restructuring plans are being implemented, including through modernization of information technology (IT) systems (BH and BNA), establishment of a performance contract for each bank, and initiation of staff restructuring such as by not replacing systematically retired staff (BNA). Owing

to the recapitalization of public banks in 2015 (GOJ-2, PA#3), its solvency ratio recovered from 8.9 percent in 2013 to 11.3 percent at the end of 2016—all above the minimum requirement of 10 percent.[11] While the new Bankruptcy Law was not included as a PA in GOJ-3, the World Bank remained engaged in the discussion and submitted comments to the draft version. The law was published in May 2016, which included the World Bank's comments. The GOJ series succeed in helping the Government's efforts in strengthening the banking system, gradually moving toward international best practice. The implementation of the SOB restructuring plans has been an essential step toward: (a) restoring banking sector stability, (b) increasing banking sector competition and innovation, and (c) improving access to finance. The Fund continues supporting the reform in the financial sector, and the new appointment of the Central Bank Governor shows a strong commitment to continue deepening the reform agenda.

**Objective 3: Providing More Inclusive and Accountable Social Services**
Rating: Modest

*Employment Programs*

47. **Employment is one of the highest priorities of the Government. However, despite the efforts, there is unclear direction on the strategy to enhance the active labor market programs (ALMPs).** The reform aimed at improving the effectiveness of the ALMPs by consolidating the existing five programs into two streamlined programs supporting employability of job-seekers and first-time recruitment of young unemployed, while establishing a more robust M&E system. On the employment fund, the proposed two voucher programs (training and wage) to replace the six existing programs were not implemented as the readiness for implementation of ANETI, the national employment agency, was not in place. Instead, the Government expanded the coverage of the most-effective labor programs (Internship Contract for Initiation to Professional Life [*Contrat de stage d'initiation à la vie professionnelle*, SIVP] and Adaptation and Professional Insertion Contract Professionnelle *[Contrat d'Adaptation et d'Insertion,* CAIP]), while phasing out the less-effective and established two new programs in 2016 and 2017. The planned M&E system was not put in place. While reforms did not unfold as foreseen in the PA, it does appear that some fundamental improvements took place. As mentioned, ANETI has been trying to increase access to the more effective employment programs while allowing ineffective ones to wither away.

*Evaluation and Accreditation of Health Service*

48. **The reform in the health sector aimed to improve the quality of services in the medium term.** While the first steps of the reform have been taken, the operationalization of the accreditation system has been slower than expected. In 2012, the Government instituted an autonomous auditing, evaluation, and accreditation system of the quality of health services using standards harmonized with international accreditation bodies (PA#6, GOJ-1 DPL). In May 2013, initial budget and staffing was affected to the accreditation agency, National Commission for Health Accreditation (*Institut National d'accreditation de Santé*, INAS), and its running costs were supported by the Ministry of Health since 2014. The agency INAS has started the accreditation process of its experts training module and evaluation manuals by an international health accreditation agency (ISQua) to obtain international recognition. The process is still ongoing and it is expected that the INAS would be able to conduct evaluations and accreditation of health structures in 2018. Therefore, while the main expected result in the short term was not achieved (having at least five hospitals initiating the accreditation process), the reform is ongoing and is expected to show results in the next year.

[11] It is important to note that despite improvements, the Tunisian banking sector remains vulnerable. Its non-performing loan (NPLs) especially in the tourism sector remain high, notably for the STB (about 28 percent NPL ratio).

*Evaluation and Accreditation of Higher Education*

49. **There was a modest progress on the operationalization of the education sector accreditation agency.** The INEAQA was established by decree in 2012 (GOJ-1, PA#7), but became operational with staff position filled and a budget only in early 2014. The delays were partly due to a slow decision-making process about the governance of the accreditation authority. The agency became operational in 2015. While it carried out several evaluations (27 evaluations on institutions since 2015), there was no demand for local accreditation which has no international recognition. However, some evaluations helped the higher education structure to change their status to an autonomous one, a public institution with scientific and technologic characteristics (*Etablissement Public a Caractère Scientifiqe et Technologique*, EPST).

*Participatory Performance Evaluation of Public Service Delivery*

50. **The reform to institutionalize the mechanisms for participatory evaluation of public service performance improvements was not fully implemented.** While the legal change was adopted by decree, the CGSP had limited resources to fulfill its new mandate. The GOJ-2 PA included (a) the introduction of participatory audits as part of the mandate of the CGSP entity to be overseen by a joint Government-civil society coordinating committee; (b) the adoption of international standards for participatory monitoring; (c) the stipulation that all evaluations be published to reinforce transparency and accountability; and (d) the clear emphasis on neutrality, objectivity, and transparency of the CGSP's mission. The legal change was adopted by the decree, but no institutional change to controller's body was implemented, neither in terms of staffing nor of budget. As a result, no participatory evaluation of service delivery was carried out by this body. Preliminary results of the evaluations on governorates of Ariana and Ben Arous (Tunis region) were nevertheless shared with the civil society (represented by about 40 associations). The CGSP also conducted an evaluation of access to information on five ministries in 2015 with participation of the civil society.

51. **The achievement of the objective in the social sectors is rated Modest.** All areas of reforms showed significant delays in implementation, apparently due to slow decision-making process about the governance of the new systems (for example, labor programs, higher education accreditation systems) and lack of resource allocation to operationalize the reform (for example, performance evaluation system). In the health sector, the accreditation process is being taking off and is expected to show results in the near term. On ALMPs and higher education, some improvements took place in terms of program consolidation and greater autonomy of institutions – even if these outcomes were not achieved as originally envisaged. Progress on the implementation of mechanisms for participatory evaluation of public service performance has been, on the other hand, limited.

**Objective 4: Increasing Transparency and Accountability in Public Governance**
Rating: Substantial

*Access to Information*

52. **The implementation of the medium-term reform of breaking from past practice of secrecy advanced substantially.** In 2012, the GOJ-1 measure specified the rules on proactive disclosure of information, on the request of information, exceptions, institutional arrangements with the nomination of information officers for each public body, and an obligation to produce quarterly implementation reports. The Ministry of Finance and the National Institute of Statistics were proactive in disclosure of information and responding to requests for information. Tunisia now enjoys a relatively open environment in terms of information disclosure. Its legal framework is ranked 11 (out of 111 countries) in the Global Right to Information Rating of Centre for Law and Democracy. Citizen budget and Open Budget portal Mizaniatouna on the website of the Ministry of Finance are part of the major achievements on proactive information disclosure. The report on consolidated SOE financial situation covering 2010–2016 was

published on the Government's website in February 2018 and has been presented in public events. However, implementation of access to information varies across public bodies with some ministries having no trained staff or no reporting system. The Organic Law on access to information was adopted in March 2016 as part of the GOJ-3 PAs and an implementation action plan was approved in June 2017. The Information Commission, which was setup by the Organic Law, had its members appointed in August 2017, and its operational budget allocated in the 2018 budget.

*Procurement*

53. **The reform improved substantially the transparency of the bidding process and shortened processing times, and a grievance redress mechanism is being established.** The procurement reform implemented by GOJ-2 consolidated existing legal texts in a new legal procurement framework. It reorganized existing procurement bodies under the High Commission for Public Procurement (*Haute instance de la commande publique*, HAICOP), fixed the deadline for the public procurement process (total 120 days), introduced the principle of transparency and integrity, and new procurement methods including e-procurement with transparent and faster procedures. An e-procurement system has been operational since 2014, extending its coverage from 10 to 29 largest public buyers in 2016, then to 168 largest public buyers in 2017. It achieved a significant simplification and reduction of the procurement process, with 129 days in average through Tunisia e-procurement System (TUNEPS). Finally, a mechanism for resolution of disputes or complaints between public administrations and bidders was introduced. The role of the arbitration body (*Commission de suivi et d'enquête sur les marches*, COSEM), which was consultative became mandatory and definitive since the reform. It is composed of an experts' committee, including from the private sector. COSEM, however, is still under the umbrella of HAICOP and reports to the same line ministry (the Prime Minister's Office). The reform of the procurement system has advanced well, and the World Bank continues its engagement in the sector. The 2018 DPF under preparation will advance the reform through a PA that makes the e-procurement system mandatory rather than optional, with the objective to increase transparency and efficiency and to make it more inclusive.

## 3.3 Justification of Overall Outcome Rating

Ratings: Moderately Satisfactory

54. All objectives of the GOJ DPL series were highly relevant, the design and implementation of the program were overall modest. The achievement of objectives (efficacy) is considered high for the financial sector, and substantial for the objective on transparency and accountability of the public sector. The achievement of objectives for the competitive business environment and the social sectors is considered modest. The GOJ DPL series provided sustained support to a country undergoing an unprecedented and volatile transition. The impact of the programmatic series, while not fully successful, laid the institutional foundations for further reforms and future World Bank support. Considering the extremely challenging country political context and complexities during the program implementation, as well as the medium-longer term impact of the GOJ program (section 3.4), this ICR rates the overall outcome on balance as Moderately Satisfactory.

## 3.4 Overarching Themes, Other Outcomes and Impacts

### (a) Poverty Impacts, Gender Aspects, and Social Development

55. **Greater accountability and transparency of administration, as well as more competitive and liberalized environment, are expected to result into improved public services efficiency with positive social impacts and effects on poverty reduction.** Many groups of stakeholders are likely to benefit from the policy measures supported by this program. Measures on the regulatory simplification and financial sector are expected to improve the business environment and increasing growth and employment in the

medium term. Telecom sector reforms would raise consumer welfare by encouraging a more competitive telecom market and reduction in prices. Over the medium term, more reliable, cheaper telecommunications could help improve the competitiveness of Tunisian companies and increase the attractiveness of Tunisia, such as for Business Process Outsourcing providers and call centers. The poverty and social impact of the accreditation of health services is expected to be positive. In 2008, nearly one in five lost their jobs in Tunisia due to ill health, which can be alleviated to an extent with improved access to high quality health services. In particular, maternal mortality rates in the lagging western regions are nearly 30 percent higher than coastal regions due in large part to poor quality of services and limited access, suggesting the potential for important gains in maternal and child health. Stronger health system governance and accreditation is expected to support a reduction in maternal deaths in Tunisia (estimated at 70 percent) due to avoidable reasons such as lack of medical equipment, medications, and qualified personnel. Similarly, the impact of the measures to improve the quality of higher education by establishing a National Authority for Evaluation, Quality-Assurance, and Accreditation of higher education institutions is expected to raise the quality of education and provide graduates with the skills they need to thrive in the private sector-led economy.

### (b) Institutional Change/Strengthening

56. **The series contributed to enhancing accountability in the administration and a more competitive economy.** Most reforms set a framework for more responsive and effective institutions and need to be sustained and broadened over the time. The telecommunication sector is more open and competitive, the financial sector reform introduced better corporate governance in public banks, a new culture of evaluation and accreditation is introduced in health and higher education sectors, access to information has been legalized, and some agencies (Ministry of Finance, National Institute of Statistics) are proactive in the disclosure of information.

### (c) Other Unintended Outcomes and Impacts

57. **The GOJ series provided the Government with a strong reform narrative already in place when the political and security crisis eased in 2016.** The reforms supported by this series formed the basis of a convincing government presentation at the Tunisia Investment Conference in November 2016. The government was able to underscore its commitment to supporting Tunisia’s transformative growth. At this conference, the Government could point to significant statutory achievements: new laws on competition, banking, bankruptcy, and Public Private Partnerships (PPPs). Reforms were underpinned by coordinated efforts with international partners to address the security situation and the eventual resumption of large scale tourism. The Government has also been able to draw on the GOJ series and the World Bank dialogue anchors the *Pacte de Carthage*, and remains an influential example of how the government will sustain reform momentum and cooperation with its international partners.

## 3.5 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

58. None undertaken.

## 4. Assessment of Risks to Development Outcome

Ratings: Significant

59. **The political and social situation remains unstable**, and the slow growth and high unemployment add to the frustration of the population which has not seen the economic dividends of their democratic transition. Most recent surveys[12] show that most Tunisians are pessimistic and think the country is heading

[12] Political barometer by Tunisian private firm Sigma Conseil (2017), public opinion survey of Tunisia by the International Republican Institute (2017).

in the wrong direction. There is a significant risk for more shocks on the economic, political, social, and security fronts although security has continued to improve since 2015. Most of the exogenous risks identified remain high. Nonetheless, some institutional changes are irreversible and could be sustained by dedicating adequate support, such as more liberalized and competitive telecom and financial sectors, better accountability in the health and higher education sectors, improved governance in terms of public information disclosure and procurement (sections 3.2 and 3.4). The financial sector, in particular, is still vulnerable to shocks, but risks are mitigated by the continued work from the IMF program, and by the new appointment of the Central Bank Governor who is very committed to deepening the reform agenda.

# 5. Assessment of Bank and Borrower Performance

## 5.1 Bank Performance

### (a) Bank Performance in Ensuring Quality at Entry

Ratings: Moderately Unsatisfactory

60. **The program responded to the set of priorities that the interim Government requested the World Bank Group help address immediately during the difficult transition.** The World Bank Group works closely with the Government and other development partners to launch an ambitious program that could signal the commitment of the donor community to support the financial needs and policy reforms expected post-revolution. The team incorporated critical findings and analytical work in preparing the operation (section 2.2), was responsive to the client, and delivered the first operation in five months (from PCN to Board approval). The objectives supported by the DPL series were highly relevant and well-aligned with the Government's priorities shared with the World Bank. The consolidation of the World Bank support into one multisector DPL was crucial given the macroeconomic context (section 3.1) and citizens' aspirations for a significant governance reform post-revolution. As the IEG evaluation of the Tunisia World Bank Group program pointed out, since 2011, the World Bank Group has had a more robust relationship with authorities managing a difficult transition, in part, due to the rapid World Bank response to the interim Government's request to help define and support priority socioeconomic actions through the 2011 GO DPL.[13]

61. **However, while the ambition of program objectives was warranted by the context, the program was also ambitious in terms of number of measures and timelines, which in some circumstances proved mismatched with existing implementation capacity.** The consolidation of the World Bank support into one multisector DPL made was justified given the macroeconomic context (section 3.1). But a tighter trade-off between overall ambition and implementation capacity would have been more prudent. Particularly on the social sectors, which showed few shortcomings in the design. The program's results framework could have been less ambitious regarding the targets for reform implementation, for example, for the accreditation systems and new voucher programs.

### (b) Quality of Supervision

Ratings: Moderately Satisfactory

62. **Continuous supervision was provided especially by Tunis based staff at the beginning of the series.** The supervision of the first operation GOJ-1 in 2013, which also supervised the reform implementation of the previous GO DPL and the joint matrix with the program partners (the European Union, African Development Bank, the AFD). Two other recorded supervisions are both in 2016, on the third operation. Continuous missions and support from the World Bank in some areas, although not necessarily or formally for the DPL, supported program implementation. While there was no recorded

[13] IEG Tunisia Country Program Evaluation FY2005–13, Evaluation of the World Bank Group Program (2014).

supervision or Implementation Status and Results Report (ISR) for the second DPL of the series, its status was reflected in preparation of GOJ 3 (see section G). Furthermore, supervision was complemented by missions and aide memoires on the preparation of a banking sector Program-for-Results (PforR), missions, and aide memoires on the ICT TA funded by the MENA Trust Fund, and regular interaction through IFC advisory on business simplification and the Investment Law. The World Bank maintained close collaboration with the EU, AfDB, as well as United Nations Agencies and bilateral partners throughout the series.

63. **Given the ambition of the program for Tunisia, implementation support by the World Bank was critical** as the Government and civil service lacked the required expertise and experience in many of these areas and as the country's priorities changed by the deterioration of the macro and security context. The World Bank consistently and continuously provided technical support with a gradual approach, notably in terms of TA for expertise and advice at each stage, such as in the telecommunication sector, the financial sector, and on access to information and fiscal transparency. For much of the period spanned by the series, even when the office was small, the Tunis team included a lead economist, lead financial sector specialist, and senior public-sector specialist—all covering key reform areas in the program. The World Bank's dialogue with the client allowed for flexibility and responsiveness to changing circumstances by dividing the second operation to a series of three DPLs. Through GOJ-3, the World Bank was able to continue supporting the reform areas, but it also responded to Tunisia's financial needs in the wake of exogenous shocks.

#### (c) Justification of Rating for Overall Bank Performance

Ratings: Moderately Satisfactory

64. The quality at entry was Moderately Unsatisfactory and quality of supervision Moderately Satisfactory. Given that the overall outcome was rated Moderately Satisfactory, the overall World Bank performance is rated Moderately Satisfactory.

## 5.2 Borrower Performance

#### (a) Government Performance

Ratings: Moderately Unsatisfactory

65. **Government performance was constrained by the short-term political cycle and the absence of a consensus medium-term strategic anchor until 2016.** As the initial euphoria of the revolution gave way to a febrile political atmosphere culminating in the political assassinations of 2013, the political process gave utmost priority to establishing the institutions of political transition (box 1). It took until 2015 to complete the electoral process under the new constitution, and the attention of the 2015 Government was almost immediately consumed by multiple terrorist attacks aimed at the tourism industry. During this time, and contrary to Tunisia's pre-2011 experience with effective development planning, there was no endorsed medium-term policy direction in place. Rivalries within the unity Government shortened ministerial tenure, and traction for potentially controversial reforms was very weak. Eventually, conditions became more conducive with the formation of a more stable unity Government in August 2016 and the preparation of the 2016–2020 Development Plan. This imparted favorable momentum to GOJ-3, but over too limited a window relative to the overall program.

66. **During the reform drift, the MDICI—the World Bank's counterpart—saw its de facto authority to oversee the program diluted, leaving the series without centralized follow-up of implementation.** The MDICI was engaged in the selection of the policy reforms, but attention shifted after disbursement. At the time of the ICR, no administrative entity had an oversight of the full reform program

supported by the series (section 3.1). Nevertheless, specific reforms were implemented in coordination with the sectoral ministries and agencies.

### (b) Justification of Rating for Overall Borrower Performance

Ratings: Moderately Unsatisfactory

## 6. Lessons Learned

67. **Pro-reform coalitions were very difficult to assemble, especially when political capital was being conserved to deal with the constitutional and security crises during 2013–2015.** The nascent and generally fragile political environment required Government emphasis on advancing the political transition through the writing of the Constitution, revamping the electoral laws, and reorganizing the Government and the judiciary and laws related to fighting terrorism. In addition, most reforms were adopted without a medium-term policy framework during a period of short political cycles. Thus, while the overall level of ambition was warranted, political feasibility and institutional capacity were not systematically factored into program design across all sectors. Moreover, a positive effect of the revolution was the principle of stakeholder consultations and consensus building around reforms, but this required tempering optimistic assumptions about the pace of reform. In some cases, reforms (for example, social sectors) were hampered by limited communication about reform objectives and lack of coordination among potential reform winners. The challenge is to calibrate the reform momentum for every sector to the load-bearing capacity of the political system as shocks materialize.

68. **The experience of the GOJ series reinforces the case for a restricted number of measures to promote manageability of coordination across implementing agencies, an issue that was already apparent after the GO DPL and GOJ-1 operations.** The high number of reforms made it difficult to dedicate enough resources on both the Government and World Bank sides. In this context, the number of PAs could have been streamlined and focused on key reforms in areas with adequate staffing from the World Bank, and in which the DPL could leverage implementation support (Investment Project Financing, PforR, TA, and so on). The indicators could have been also streamlined and better linked to the reforms impact for some sectors (see sections 2.3 and 3.1). A smaller number of measures would have made it easier to adapt to delays in the operation. Natural turnover of field-based staff presented continuity risks on tackling implementation, and continuity efforts could have been concentrated on a smaller set of measures. It is noteworthy that the IEG's CLR evaluation (2016) flagged similar issues of streamlining and selectivity within a generally positive assessment of the World Bank's adapted country program.

69. **A stronger filter is needed for the design within reform areas.** The experience of this series suggests that operations should be structured around PAs that either build on previous DPL pillars and complementary Advisory Services and Analytics, or catalyze upstream consensus around critical reform principles that future operations can support. For the former type, the DPL PAs can exploit continuity with existing initiatives, allowing an overstretched administration to follow up along the same sequencing of reforms. But for the latter type of PA, the program document should not be too downstream in terms of policy actions at this stage, because past experience has shown there is too much volatility in the implementation environment for this to be credible. Instead, using the operation to establish the upstream principles provides a framework that can be adapted to the prevailing circumstances and prioritization capabilities at implementation.

70. **The World Bank should recognize the risk that political flux poses to ensuring clear and continuous accountability for implementation.** At the time of the ICR, there was still no single entity that had definitive follow-up functions regarding the reforms supported by the World Bank program. The MDICI was continuing in its traditional role as the World Bank's counterpart and the lead ministry on development policy. But at various stages during the series and subsequently, implementation oversight

had diffused. To rebuild public and partner confidence in implementation, policy monitoring was increasingly taken on by the Prime Minister's Office from 2016 onward. However, many countries have found that such enhanced policy monitoring roles at the center of Government require a different model of working with line ministries, something that does not happen quickly.

71. **Arising from the experience of the program, the political economy of reforms received central focus in the 2017 DPL through a political economy filter.** This involves an assessment of stakeholder positions and potential opposition to inform the prioritization, design, and implementation of the reforms. The need for such a filter was evident for highly sensitive laws such as establishment of an asset management company, Bankruptcy Law, Investment Code, and Competition Law. Vested interests played against the reforms in the cases of regulatory reform and telecom sector reform. The political economy filter provides a flag to help to develop mitigation actions, such as consultation and engagement with civil society, political parties, unions, and so on, as initiated in the 2017 Business Environment and Entrepreneurship DPL. It provides for well-informed anticipation of obstacles when aiming for complex and novel reforms in the politically fraught context which continues to this day.

72. **Employment reforms are especially prone to being undermined by the weakest link in the chain, which can be mitigated by parallel engagement of multiple actors and instruments.** Even with large TA mobilized, the employment agency (ANETI) had a lack of ownership of employment services reforms, which partly related to internal turf wars between it and the Ministry of Employment. Given internal obstacles, other actors (for example, nongovernmental organizations) were helpful to support the implementation through outsourcing. But use of external actors is also a draw on capacity, including procurement reforms. The capacity-intensive nature of substantive reforms needs more comprehensive implementation support and capacity-building resources—perhaps through a parallel investment operation.

73. **Results frameworks were difficult to calibrate to a context of non-linear change, uneven traction for reforms, and the high bar for consensus before reforms could move forward.** The programmatic approach specified a set of actions with associated results over two operations which may have generated more of a sense of precision than the situation warranted. The World Bank was flexible and adapted to circumstances, but a cost of adaptation is that the results have 'base drift'—moving too much with recent developments to fully anchor the program. An alternative would have been a set of more intermediate stage results, which would have facilitated more frequent milestones as the Government iterated toward solutions in real time.

## Annex 1: Bank Lending and Implementation Support/Supervision Processes

### (a) Task Team Members

| Names | Title | Unit | Responsibility/ Specialty |
|---|---|---|---|
| **P128251 – Governance, Opportunity and Jobs DPL (GOJ-1)** | | | |
| Antonio Nucifora | Lead Economist | MNSED | Task Team Leader<br>MNA Economic Policy, Poverty and Gender |
| Antonio Davila-Bonazzi | | BDM | |
| Laurent Gonnet | Senior Financial Sector Specialist | MNSFP | MNA Finance and Private Sector Development, Financial Sector |
| Heba Elgazzar | Senior Economist, Human Development | MNSHD | MNA Social Protection |
| Fabian Seiderer | Senior PSM Specialist | MNSPR | MNA Public Sector and Governance |
| Diego Angel-Urdinola | Senior Economist | MNSHD | MNA Social Protection, Employment |
| Carlo Maria Rossotto | Lead ICT Policy Specialist | TWICT | Transport, Water, and ICT Sector |
| Olivier Cattaneo | Consultant | DEC | Business environment |
| Giuliana Cane | Consultant | CICIS | Investment Climate, Infrastructure, and Social Sectors |
| Georgiana Pop | Economist | CICIS | Investment Climate, Infrastructure, and Social Sectors, World Bank |
| Martha Martinez Licetti | Senior Economist | CICIS | Investment Climate, Infrastructure, and Social Sectors, World Bank |
| Antonia Preciosa Menezes | Senior Private Sector Development Specialist | CICBR | Investment Climate, Business Regulation, World Bank |
| Magdi Amin | Principal Economist | CMEIC | Investment Climate, IFC |
| Amina Khaled El Zayat | Operations Officer | CMEIC | Investment Climate - MENA |
| Rene Antonio Leon Solano | ETC | MNSHD | MNA Social Protection, Employment |
| Yolanda Tayler | Manager | MNAPR | MNA Procurement |
| Walid Dhouibi | Procurement Specialist | MNAPR | MNA Procurement |
| Hisham Waly | Senior Financial Management Specialist | MNAFM | MNA Financial Management |
| Lamyae Hanafi | Consultant | MNAFM | MNA Financial Management |
| Edouard Al-Dahdah | Senior Governance Specialist | MNSPS | MNA Public Sector and Governance |
| Laurence Folliot Lalliot | Consultant | MNAPR | MNA Procurement |
| Laurent Olivier Corthay | Senior Private Sector Development Specialist | CICRS | Investment Climate, Investment Climate-International Trade and Investment, World Bank |
| Gianfranco Bertozzi | Senior Financial Officer | BDM | Financial Advisory and Banking |
| Daniela Marotta | Economist | MNSED | MNA Economic Policy, Poverty and Gender |
| Thomas Walker | Economist | MNSED | South Asia, Social Protection |
| Natsuko Obayashi | Consultant | MNSED | MNA Economic Policy, Poverty and Gender<br>Macroeconomic framework |
| Cyrille Bellier | Consultant | MNSED | MNA Economic Policy, Poverty and Gender |
| Karen Majli Vega Coronel | ETC | MNSED | MNA Economic Policy, Poverty and Gender |
| Luca Bandiera | Economist | PRMED | Debt Sustainability Analysis |

| Names | Title | Unit | Responsibility/ Specialty |
|---|---|---|---|
| Donia Jemail | Communications Associate | MNAEX | Communication |
| Jaafar Sadok Friaa | Lead Urban Specialist | MNSUR | MNA Urban |
| Axel Baeumler | Senior Infrastructure Economist | MNSUR | MNA Urban |
| Raymond Bordeaux | | MNSSD | |
| Mariem Malouche | Economist | PRMTR | PREM Network, International Trade Department |
| Jeffrey Waite | Lead Education Specialist | MNSHE | MNA Education |
| Adriana Jaramillo | | MNSHE | |
| **P132709 – Governance, Opportunities and Jobs DPL-2** | | | |
| Jean-Luc Bernasconi | Lead Economist | MNSED | Task Team Leader<br>(from 11/04/2013)<br>MNA Economic Policy, Poverty and Gender |
| Antonio Nucifora | Lead Economist | BDM | Task Team Leader<br>(from 09/23/2013 to 11/03/2013)<br>MNA Economic Policy, Poverty and Gender |
| Faythe Calandra | Program Assistant | MNSED | MNA Economic Policy, Poverty and Gender |
| Laurent Gonnet | Senior Financial Sector Specialist | MNSFP | MNA Finance and Private Sector Development Financial Sector |
| Heba Elgazzar | Senior Economist | MNSHD | MNA Social Protection |
| Fabian Seiderer | Senior PSM Specialist | MNSPR | MNA Public Sector and Governance |
| Diego Angel-Urdinola | Senior Economist | MNSHD | MNA Social Protection, Employment |
| Carlo Maria Rossotto | Lead ICT Policy Specialist | TWICT | Transport, Water, and ICT Sector |
| Giuliana Cane | Consultant | CICIS | Investment Climate, Infrastructure and Social Sectors, World Bank |
| Georgiana Pop | Economist | CICIS | Investment Climate, Infrastructure and Social Sectors, World Bank |
| Martha Martinez Licetti | Senior Economist | CICIS | Investment Climate, Infrastructure and Social Sectors, World Bank |
| Antonia Preciosa Menezes | Senior Private Sector Development Specialist | CICBR | Investment Climate, Business Regulation, World Bank |
| Mohamed El-Shiaty | Operations Officer | CMEIC | Investment Climate - MENA |
| Farid Tadros | Associate Operations Officer | CMEIC | Investment Climate - MENA |
| Amina Khaled El Zayat | Operations Officer | CMEIC | Investment Climate - MENA |
| Nina Arnhold | Senior Education Specialist | MNSHD | MNA Education |
| Walid Dhouibi | Procurement Specialist | MNAPR | MNA Procurement |
| Salim Banouniche | Senior Procurement Specialist | MNAPC | MNA Procurement |
| Lamyae Hanafi | Consultant | MNAFM | MNA Financial Management |
| Laurence Folliot Lalliot | Consultant | MNAPR | MNA Procurement |
| Daniela Marotta | Senior Economist | MNSED | MNA Economic Policy, Poverty, and Gender |
| Natsuko Obayashi | Consultant | MNSED | MNA Economic Policy, Poverty and Gender, Macroeconomic framework |
| Erik William | Consultant | MNAEX | Communication |

| Names | Title | Unit | Responsibility/ Specialty |
|---|---|---|---|
| Churchill | | | |
| Raymond Bourdeaux | | MNSSD | |
| Kamel Braham | HD Sector Coordinator | MNSHD | MNA Education |
| **P150950 – Third Governance, Opportunity and Jobs DPL (GOJ-3)** | | | |
| Jean-Luc Bernasconi | Lead Economist | GMFDR | Task Team Leader<br>(from 05/08/2014 to 02/09/2016)<br>MNA Economic Policy, Poverty and Gender |
| Abdoulaye Sy | Senior Economist | GNFDR | Task Team Leader<br>(from 02/10/2016)<br>Macroeconomics & Fiscal Management Department - Global Practice |
| Laurent Gonnet | Senior Financial Sector Specialist | GFMDR | Financial Sector, Finance & Markets - Global Practice - IBRD |
| Heba Elgazzar | Senior Economist, Human Development | GSPDR | Social Protection, Social Protection & Labor Department - Global Practice |
| Diego Angel-Urdinola | Senior Economist | GSPDR | Employment, Social Protection & Labor Department - Global Practice |
| Jose Antonio Cuesta Leiva | Senior Economist | GPVDR | Poverty, Poverty Department - Global Practice |
| Gabriel Ibarra | Economist | GPVDR | Poverty, Poverty Department - Global Practice |
| Fabian Seiderer | Senior Public Sector Specialist | MNSPR | Governance/Access to information |
| Gael Raballand | Senior Public Sector Specialist | GGODR | Governance/SOEs |
| Franck Bessette | Senior Financial Management Specialist | GGODR | PFM, Governance Department - Global Practice |
| Walid Dhouibi | Procurement Specialist | GGODR | Procurement reforms, Governance Department - Global Practice |
| Salim Banouniche | Senior Procurement Specialist | GGODR | Governance Department - Global Practice |
| Carlo Maria Rossotto | Lead ICT Policy Specialist | GTIDR | ICT Sector, Transport and ICT Department - Global Practice |
| Michel Rogy | Senior ICT Policy Specialist | GTIDR | Transport and ICT Department - Global Practice |
| Mohamed El-Shiaty | Operations Officer | GTCDR | Trade and Competitiveness, Investment Climate |
| Amina Khaled El Zayat | Operations Officer | GTCDR | Trade and Competitiveness - IFC |
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| Natsuko Obayashi | Consultant | GMFDR | Macroeconomic framework, Macroeconomics & Fiscal Management Department - Global Practice |
| Sadok Ayari | ET Consultant | MNAEC | Communication, External Communications |
| Donia Jemail | Communications Associate | MNAEC | Communication, External Communications |

### (b) Staff Time and Cost

| Stage of Project Cycle | Staff Time and Cost (Bank Budget Only) | |
|---|---|---|
| | **No. of Staff Weeks** | **US$, thousands (including travel and consultant costs)** |
| **P128251 – Governance, Opportunities and Jobs DPL (GOJ-1)** | | |
| **Lending** | | |
| FY12 | 55.70 | 292,118.60 |
| FY13 | 72.06 | 592,623.30 |
| FY14 | — | 28,113.23 |
| **Total:** | **127.76** | **912,855.13** |
| **Supervision** | | |
| FY14 | 1.98 | 11,674.06 |
| **Total:** | **1.98** | **11,674.06** |
| **P132709 - Second Governance, Opportunity and Jobs DPL (GOJ-2)** | | |
| **Lending** | | |
| FY13 | 2.78 | 18,120.01 |
| FY14 | 29.89 | 225,043.53 |
| FY15 | 10.55 | 54,809.82 |
| FY16 | 1.10 | 5,531.24 |
| **Total:** | **44.32** | **303,504.60** |
| **Supervision** | | |
| FY14 | 0.23 | 4,836.98 |
| **Total:** | **0.23** | **4,836.98** |
| **P150950 - Third Governance, Opportunity and Jobs DPL (GOJ-3)** | | |
| **Lending** | | |
| **FY14** | 8.31 | 46,007.71 |
| **FY15** | 39.34 | 226,999.07 |
| **FY16** | 1.22 | 24,880.60 |
| **Total:** | **48.87** | **297,887.38** |
| **Supervision/ICR** | | |
| **FY16** | 7.11 | 40,539.94 |
| **FY17** | 9.37 | 47,509.98 |
| **FY18 (ICR)** | 5.70 | 54,868.19 |
| **Total:** | **22.18** | **142,918.11** |

## Annex 2: List of Indicators That Were Dropped or Added during the Implementation of the DPL Series

| Indicator | Baseline Value | Original Target Values (from approval documents) | Status |
|---|---|---|---|
| **PILLAR 1: Attracting Investment and Jobs Creation** | | | |
| Number of judges and lawyers trained in the new bankruptcy procedures (GOJ-1) | 0 | At least 15% of the judges have been trained to the new insolvency regime (that is, 300 judges out of the 2,000), and at least 100 lawyers trained in the insolvency regime by 2014 of which at least 30 will be women. | **The indicator was dropped.** It was associated with an indicative trigger (New Bankruptcy Law) which was postponed from GOJ-2 to GOJ-3 and dropped from GOJ-3. |
| Estimated fiscal cost of the investment incentives (GOJ-1) | Baseline will be determined in December 2012 | Reduction by 20% of fiscal costs of investment incentives | **The indicator was dropped.** It was associated with an indicative trigger (new Investment Law) which was postponed from GOJ-2 to GOJ-3 and dropped from GOJ-3. |
| Product Market Regulation Barriers to Competition Index (GOJ-1) | Baseline will be determined once the product market regulation barriers indicator is calculated pending finalization of data collection | Reduction by 15% (based on barriers to competition and antitrust exemption indicators) | **The indicator was dropped.** It was associated with an indicative trigger (new Competition Law) which was postponed from GOJ-2 to GOJ-3 and dropped from GOJ-3. |
| Increase in foreign investments attracted (US$) (GOJ-2) | US$1.5 billion (average FDI in past 10 years) (2012) US$1.0 billion (2013) | US$30 million increase in FDI at GOJ-3 DPL closing date | **The indicator was dropped.** It was associated with an indicative trigger (new Investment Law) which was postponed from GOJ-2 to GOJ-3 and dropped from GOJ-3. |
| Increase in creditor returns (%) (GOJ-2) | Estimated value of cases filed: US$ 50 million | Increase by 7% | **The indicator was dropped.** It was associated with an indicative trigger (new Bankruptcy Law) which was postponed from GOJ-2 to GOJ-3 and dropped from GOJ-3. |
| Number of anticompetitive practices prevented/eliminated (GOJ-2) | 0 | 3 | **The indicator was dropped.** It was associated with an indicative trigger (new Competition Law) which was postponed from GOJ-2 to GOJ-3 and dropped from GOJ-3. |
| Number of broadband wholesale access | 0 | 0 | **The indicator was added** by GOJ-3. It was associated with PA#2 GOJ-3 on unbundling and SNT's access to local loop telecommunication infrastructure. (see section F (a) PDO indicators results framework in the data sheet) |
| **PILLAR 2: Strengthening the Financial Sector** | | | |
| Percentage of problem loans in the tourism sector that have been | 0 | At least 15% of the tourism sector loans classified 4 and 5 by the CBT are | **The indicator was dropped.** It was associated with an indicative trigger (Law establishing an AMC to deal with the debts in the tourism sector) which was postponed |

| Indicator | Baseline Value | Original Target Values (from approval documents) | Status |
|---|---|---|---|
| transferred to the Asset Management Company | | transferred to the AMC by end-2014 | from GOJ-2 to GOJ-3 and dropped from the final GOJ-3. |
| Common Equity Tier 1 (CET1) ratio of the restructured banks STB and BH | STB CET-1: −5.7%<br>BH CET-1: 4.6%.<br>BNA CET-1: 6.3% | STB CET-1: 7% or more<br>BH CET-1: 7% or more<br>BNA CET-1: 7% or more | **The indicator was added** by GOJ-3. It was associated with PA#4 GOJ-3 on restructuring of the SOBs. (see section F (a) PDO indicators results framework in the data sheet) |
| **PILLAR 3 – Improving the Quality of Social Sector Services and Inclusive Policies** | | | |
| Annual publication of performance indicators at the governorate level | New program (no evaluations) (2012) | 24 governorates publish indicators on an annual basis with a focus on priority sectors | **The indicator was added** by GOJ-2. It was associated with PA#4 GOJ-2 to institutionalize the mechanisms for participatory evaluation of public service performance improvement. (see section F (a) PDO indicators results framework in the data sheet) |
| **PILLAR 4 - Strengthening Governance, Transparency, and Accountability** | | | |
| Consolidated financial data on SOEs is published on the Government's website | SOE report published for the first time at end 2014 (2014) | SOE report has been published in 2015 and 2016 | **The indicator was added** by GOJ-3. It was associated with PA#7 GOJ-3 on the publication of the finances of SOEs. (see section F (a) PDO indicators results framework in the data sheet) |

## Annex 3: Prior Actions and Status at Project Presentation and at the Time of the ICR

| Prior Actions | Implementation Status |
|---|---|
| **GOJ-1** | |
| **PILLAR 1: Attracting Investment and Jobs Creation** | |
| **PA#1:** The Government has launched a systematic and participatory regulatory review process of business formalities to streamline procedures, increase transparency, and reduce the room for arbitrary and discretionary behavior by public officials; and committing to deliver concrete reforms within 9 months, in the areas related to private investment. | *Decree No.2012-1682 ('Décret relatif à la mise en place d'un processus participatif pour l'évaluation et la révision des procédures administrative régissant l'exercice des activités économiques') dated August 14, 2012, institutionalizing a systematic and participatory reform process of business formalities, based on streamlining of procedures, transparency, and reduction of arbitrary and discretionary behavior; and committing to deliver concrete reforms within 9 months of its publication, in the areas related to private investment, has been published in the National Gazette No.72 dated September 11, 2012.*<br><br>**Status at the time of the ICR:** Out of the 1,107 formalities initially identified (in addition to the 446 formalities related to the Ministry of Finance reform in previous GO DPL) in the areas covered by 7 ministries, 240 formalities were chosen to be simplified through the consultation with the private sector (organized by an IFC TA). Out of these formalities, simplification of 154 formalities was approved by the Council of Ministers in September 2016, from which 137 formalities (89 percent) were effectively removed or simplified. The reform took more than 4 years instead of the initial commitment of 9 months. The situation has not evolved since September 2016, with the 18 remaining formalities related to the Ministries of Agriculture, Transport, Industry, and Trade that have remained unchanged. Moreover, the implementation rate of the simplified formalities varied across ministries, from 27.4 percent for the Ministry of Land to 80.6 percent for the Ministry of Trade (based on the evaluation of a limited sample of 40 formalities produced by a private sector think tank IACE that also organized the consultation process). In 2017, as part of the IFC Tunisia Investment Climate Reform project (591087), the IFC selected three formalities with expected large impact and assessed their CCS. The formalities included were attestation of tax situation of motor vehicles, declaration of tax withholding at the Ministry of Finance, and temporary admission of imported or exported goods at the Ministry of Industry, Energy, and Mines. A total of US$18 million on cost-savings was calculated for these three formalities in 2017. Unfortunately, the IFC did not plan to expand the sample of formalities for the CCS calculation. |
| **PA#2:** The President of the National Telecommunication Council has issued a decision to open up access to the landing stations of international telecommunications cables to more operators (in addition to Tunisie Telecom). | *The President of the National Telecommunication Authority has issued Decision No. 67/2012 ('Décision No. 67/2012 de l'Instance Nationale des Télécommunications en date du 4 Octobre 2012 portant sur le complément de l'Offre Technique et Tarifaire d'Interconnexion de la Société Nationale des Télécommunications pour l'année 2012, relative à l'accès à la station terrienne d'atterrissement des câbles sous-marins') dated October 04, 2012, to open up access to the landing stations of international telecommunications cables to more operators in addition to TT.*<br><br>**Status at the time of the ICR:** The measure aimed to open the monopoly of the TT on the landing stations to increase the competition on the international telecommunication market. However, the price proposed by the TT to access the landing station was too high so that the two other mobile operators created jointly their own cable line. While the defacto monopoly on the landing stations has remained, the reform helped to increase pressure on TT which reduced the prices on gateway, therefore, increasing the competition on the domestic mobile market. |
| **PILLAR 2: Strengthening the Financial Sector** | |
| **PA#3:** The Minister of Finance has issued the call for Expression of Interest | *The Minister of Finance has issued the call for Expression of Interest to contract one or more firms to carry out strategic and financial audits of the three public banks, namely STB, BH, and BNA, dated August 24, 2012.* |

| Prior Actions | Implementation Status |
|---|---|
| to commission strategic and financial audits of the three public banks, namely the Société Tunisienne de Banque (STB), the Banque de l'Habitat (BH), and the Banque Nationale Agricole (BNA). | **Status at the time of the ICR:** Following initial delays of over a year to finalize the selection process for the firms to undertake the strategic and financial audits, they were completed for the STB and the BH by end of 2014, and for the BNA in 2015. Based on the results of the audits, the recapitalization of the three banks (TND 757 million for STB, TND 90 million for BH, and TND 270 million for BNA) was completed and respective restructuring plans adopted (see PA#4 of GOJ-3) by September 2015. |
| **PA#4:** The Governor of the Central Bank has issued a circular outlining stricter prudential regulation for the banking sector, gradually moving toward international best practice. | *The Governor of the Central Bank has issued Circular No. 2012-09 ('Circulaire aux établissements de crédit No. 2012-09 relative à la division, couverture des risques et suivi des engagements'), dated June 29, 2012, revising the Circular 91-24 dated December 17, 1991, outlining stricter prudential regulations for the banking sector.*<br><br>**Status at the time of the ICR:** Between 2010 and 2014, the average CAR of the banking system declined from 11.6 percent to 9.4 percent, as a result of an increase in NPLs (from 12.5 percent before the revolution to 15.8 percent in 2014) and an increase of the provisioning ratios (from 44 percent in 2010 to about 60 percent in 2014). The three public banks were below the new minimum capital requirements. Following the recapitalization in 2015 (see PA#3 GOJ-2), the average CAR increased to 11.3 percent, all above the minimum requirement of 10 percent (with 12.1 percent for STB, 11.2 percent for BNA, and 10 percent for BH), as well as provisioning ratio. NPLs for the STB remain high, at 28 percent as of September 2017. |
| **PILLAR 3: Improving the Quality of Social Sector Services and Inclusive Policies** | |
| **PA#5:** The Government has consolidated and streamlined job insertion programs financed by the National Employment Fund and established a monitoring and evaluation framework to assess the impact of employment programs on beneficiaries' labor market outcomes. | *Decree No. 2369 ('Décret No. 2012-2369 fixant les programmes du Fonds National de l'Emploi, les conditions et les modalités de leur bénéfice') dated October 16, 2012, which revises Decree No.349-2009 dated February 09, 2009, setting the programs of the National Employment Fund, has been published in the National Gazette No. 82 dated October 16, 2012.*<br><br>**Status at the time of the ICR:**<br>• The two voucher programs (*cheque emploi*, *cheque amélioration d'employabilité*) that were supposed to replace the 6 existing programs (although in the program document it was mentioned 5) were not implemented although the legal framework for the second one was established. Two new programs (FORSATI and *Contrat dignité* 'Karama') were established in 2016 and 2017.<br>• The M&E framework was not established due to lack of consensus on the methodology with the Bank team, limited capacity of ANETI, the implementing agency, and lack of policy decision from the government. |
| **PA#6:** The Government has instituted in the health sector an autonomous auditing, evaluation, and accreditation system of the quality of health services using standards harmonized with international accreditation bodies. | *Decree No. 1709 ('Décret No. 2012-1709 portant création de l'instance nationale de l'accréditation en santé et fixant ses attributions, son organisation administrative, scientifique et financière ainsi que les modalities de son fonctionnement') dated September 6, 2012, establishing a National Authority for the Evaluation and Accreditation of Health Services and setting its administrative, financial, and operational modalities, has been published in the National Gazette No.72 dated September 11, 2012.*<br><br>**Status at the time of the ICR:** In May 2013, a ministerial order put in place the budget and staffing of the INAS, and its running costs were supported by the Ministry of Health since 2014. However, to first obtain an international recognition, the INAS has started the accreditation process of its experts' training module and evaluation manuals by an international health accreditation agency (ISQua). Evaluation and accreditation of health structures by the INAS should start in 2018. |
| **PA#7:** The Government has established the | *Decree No. 1719 ("Décret No. 2012-1719 fixant la composition de l'Instance Nationale de l'Évaluation, de l'Assurance Qualité et de l' accreditation et les* |

| Prior Actions | Implementation Status |
|---|---|
| National Authority for the Evaluation, Quality Assurance and Accreditation of higher education. | *modalities de son fonctionnement"), dated September 14, 2012, establishing the National Authority for the Evaluation, Quality Assurance and Accreditation of higher education, has been published in the National Gazette No.73 dated September 14, 2012.*<br><br>**Status at the time of the ICR:** While established by decree, the accreditation agency INEAQA became operational in early 2014, with staff position filled and a budget. It carried out 27 evaluations on institutions since 2015 (1 in 2015, 16 in 2016, and 10 in 2017). However, no accreditation was given so far. Higher education structures seem to prefer an evaluation that could evolve to a change of their status. The INEAQA's challenge is to obtain international recognition of its accreditation. |
| **PILLAR 4: Strengthening Governance, Transparency, and Accountability** | |
| **PA#8:** The Government has specified the procedures for the implementation of the 2011 Decree-Law on the right by the public to gain access to documents held by public agencies | *The Head of Government has issued Circular No. 25-2012 ('Circulaire No. 25 concernant l'accès aux documents administratifs des organismes publics'), dated May 5, 2012, specifying the procedures for the implementation of the Decree-Law 41-2011 dated May 26, 2011, which aims at promoting transparency and harmonizing the means and procedures regarding public access to documents held by public agencies.*<br><br>**Status at the time of the ICR:** The circular specified the rules on proactive disclosure of information, on the request of information, exceptions, institutional arrangements with the nomination of information officers for each public body, and an obligation to produce quarterly implementation reports. While the circular operationalized the policy, its effective implementation varied across public bodies. The Ministry of Finance and the National Institute of Statistics is very active in both proactive disclosure of information and responding to requests for information. However, some administrations did not have dedicated information officers nor provided the necessary training to staff. The data collection on request of information is not systematically organized, and not all public bodies produced their quarterly reports. The Organic Law adopted in GOJ-3 should improve institutional arrangements for the administrations. |
| **PA#9:** The Minister of Finance has issued a decision on the publication of key information on public finances, including a citizen's budget and an online open budget platform giving citizen's direct access to detailed and timely public expenditure data. | *The Minister of Finance has issued Decision No. 278 ('Note [concernant] la publication des données et informations relatives aux Finances Publiques'), dated August 25, 2012, mandating the publication of key information on public finances, including a citizen's budget providing an online open budget platform which allows citizen's direct access to detailed and real time public expenditure data.*<br><br>**Status at the time of the ICR:** The Ministry of Finance has been the most active ministry in terms of proactive disclosure of information. Most of the budget-related documents planned for publication (budget execution, draft budget proposal) were published. A citizen's budget which explains in a simple way the state budget was put online with the 2013 budget and an online open budget platform Mizaniatouna linked to the Boost (World Bank Open Budget portal) has been online since December 2015, with the support of the World Bank. Tunisia is the only Middle East and North Africa member of the World Bank Open Budget Initiative. At the time of the ICR, both portals were operational. |
| **GOJ-2** | |
| **PILLAR 1: Promoting Private Investment and Establishing a More Competitive Environment** | |
| **PA#1:** Increasing competition in the market for international communications | *The President of INT has issued and published on the INT website, Decision No. 165/2013 dated November 15, 2013, to reduce the access tariffs to the submarine cables landing stations by at least 60 percent with respect to the offer approved by INT in October 2012.* |

| Prior Actions | Implementation Status |
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| | **Status at the time of the ICR:** This was a follow-up measure of the PA#2 GOJ-1. While the access to the landing stations was legally open by the PA#2 GOJ-1 measure, the price proposed by TT to access the landing station was prohibitive. This measure aimed at reducing the price. However, TT sued the regulator INT at the Administrative Court and won the case, because the INT being a regulatory body, had no authority in setting tariffs. Therefore, the measure was void. However, increasing pressure through the GOJ measures on TT helped to reduce the prices on gateway, thereby, increasing the competition on the domestic mobile market. |
| **PA#2:** Increasing competition in the telecommunications sector and improving access to the Internet | *The President of INT has issued and published on the INT website, Decisions No. 149 and 150, both dated June 13, 2013, approving technical and price offers by the main holders of alternative fiber optic backbone infrastructure (SNCFT and STEG) to lease capacity to licensed operators on a nondiscriminatory and cost-oriented basis and to provide connectivity across borders.*<br><br>**Status at the time of the ICR:** The reform aimed to increase competition in the market for backbone connectivity, in which the incumbent TT had a dominant position, by allocating existing fiber optic infrastructure of the STEG and the SNCFT. Agreements were successfully established between SNCFT (public railway company) and the two other operators. However, the STEG (national electricity company) had only a limited agreement with one of the operator in 2016. |
| **PILLAR 2: Restructuring the Financial Sector** | |
| **PA#3**: Improving the governance of State Owned Banks | *Decree No.2013-4953 dated December 5, 2013, on the modalities of management and governance of the three publicly owned banks (STB, BNA, and BH), has been published in the Official Gazette No.98, dated December 10, 2013.*<br><br>**Status at the time of the ICR:** The reform aimed at (a) relieving the three SOBs from most of the tasks as public administration; (b) clearly delineate the division of responsibilities between the banks' managements, their boards of directors, and the State as a shareholder; and (c) establish a transparent and competitive process for the hiring of the future board members. In 2015, 14 new board members (with only 4 members from the administrations) for the three banks were renewed based on the competitive recruitment and revised criteria, including adjusted remuneration. The recruitment process is still mainly handled by the Ministry of Finance. Although under the Ministry of Finance, a recruitment commission that also included members of the private sector, such as banking association, auditors, and the business was established. |
| **PILLAR 3: Improving the Quality and Accountability of Social Sector Services** | |
| **PA#4**: Institutionalizing social accountability mechanisms | *Decree No.2013-3232 dated August 12, 2013, institutionalizing participatory, independent evaluation of service delivery performance improvement under the national controller's body, has been published in the Official Gazette No.67, dated August 20, 2013.*<br><br>**Status at the time of the ICR:** The decree includes four components of the reform: (a) the introduction of participatory audits as part of the mandate of the CGSP to be overseen by a joint Government-civil society coordinating committee; (b) the adoption of international standards for participatory monitoring; (c) the stipulation that all evaluations be published to reinforce transparency and accountability; and (d) the clear emphasis on neutrality, objectivity, and transparency of the CGSP's mission. While the legal change was adopted by the decree, no institutional change to controller's body was implemented, neither in terms of staffing nor of budget. Thus, the new mandate of the controller's body was not institutionalized. Further, no training neither new methods were provided to the controller's body. As a result, no participatory evaluation of service delivery was carried out by this body, which has continued to operate as before. Preliminary results of the evaluations on governorates of Ariana and Ben Arous (Tunis region) were nevertheless shared with the civil |

| Prior Actions | Implementation Status |
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| | society (represented by about 40 associations). A thematic evaluation on access to information was carried out with the support of the World Bank for 5 ministries. |
| **PILLAR 4: Increasing Transparency and Accountability in Public Policies and Finance** | |
| **PA#5:** Improving the national public procurement system | *Decree No.2014-1039 dated March 13, 2014, on the national public procurement system, has been published in the Official Gazette No. 22, dated March 18, 2014.*<br><br>**Status at the time of the ICR:**<br>(a) *Improving the legal and regulatory framework:* The decree consolidated existing legal texts in a new legal procurement framework. It also reorganized existing procurement bodies under HAICOP, fixed the deadline for the public procurement process (total 120 days), introduced the principle of transparency and integrity, and new procurement methods including e-procurement with transparent and faster procedures.<br>(b) *A modern electronic procurement and electronic publishing of procurement processes:* The e-bidding component of the e-procurement system TUNEPS is operational since 2014 and is used by the 141 biggest public buyers, as of September 2017. Its e-shopping component (smaller amount and faster process) was put in place by a ministerial order in March 2017 and should be operational soon.<br>(c) *A transparent mechanism for resolution of disputes or complaints between public administrations and bidders:* the role of the arbitration body COSEM, which was consultative, became mandatory, and definitive since the reform. It is composed of an expert's committee, including from the private sector. COSEM is still under the umbrella of HAICOP and reports to the same line ministry (Prime Minister's Office).<br>(d) The 2018 DPF under preparation has further supported the procurement reform through a PA (approved in May 2018) that makes the e-procurement system mandatory rather than optional, with the objective to increase transparency and efficiency and to make it more inclusive. |
| **GOJ-3** | |
| **PILLAR 1: Promoting a More Competitive Business Environment** | |
| **PA#1:** Systematic and participatory regulatory review process of business formalities to streamline procedures, increase transparency, and reduce the room for arbitrary and discretionary behavior by public officials | *The Government has taken the following measures to implement and expand the regulatory simplification process: (a) Decree No. 2014-3484, dated September 18, 2014, on the extension of the regulatory simplification to 4 additional ministries, has been published in the Official Gazette No.78, dated September 26, 2014; and (b) a decision to simplify or cancel 154 measures identified as priority with the private sector has been approved by the Council of Ministers on October 22, 2014.*<br><br>**Status at the time of the ICR:** The reform initiated by the PA#1 GOJ-1 was extended to 4 additional ministries, namely the Ministries of Health, Tourism, Interior, and Equipment (which was then split into Ministry of Environment and Ministry of Equipment). However, the reform seems to have lost its momentum and the consultation was organized this time by the Government (no funding from the IFC to hire a private think tank to organize the consultation as it was done for the PA#1 GOJ-1). As a result, while 372 formalities were initially identified, low participation of the private sector slowed the process: the (administration driven) working group identified only 48 formalities to be simplified and 3 to be removed (13.7 percent), with remaining formalities unchanged. The package of these formalities has not been submitted to the Government's approval (as of February 2018). |
| **PA#2:** Increasing competition in the telecommunications sector | *The Government has taken the following measures to liberalize the telecommunications sector: (a) Decree No. 2014-4773 dated December 26, 2014, on the conditions and procedures for granting authorizations to internet service providers, has been published in the Official Gazette No. 7 dated January 23, 2015;* |

| Prior Actions | Implementation Status |
|---|---|
| and improving access to the Internet | *(b) the President of INT has issued and published on INT's website, decision No. 74/2014 dated November 17, 2014, accepting a technical and tariff offer for unbundling, thereby allowing telecommunications market operators to have direct access to the SNT's local loop telecommunication infrastructure at conditions acceptable to the World Bank; and (c) the President of INT has issued and published on INT's website, decision No.71/2015 dated July 5, 2015, establishing the conditions and implementation modalities for portability of fixed and mobile numbers.*<br><br>**Status at the time of the ICR:** (a) The measure changed the status of the Internet service providers, allowing them to develop their own infrastructure. However, no new infrastructure was built by any new Internet service providers. (b) While unbundling and bitstream as wholesale offers by the incumbent operator were supposed to allow competitors to have access to TT's copper infrastructure, no unbundling agreement was established, due to higher demand for fiber optic rather than copper cables. (c) Number portability (allowing the change of phone company with the same number) is in place for the mobile numbers (not landlines). Despite legal challenges by TT, this reform was implemented successfully. |
| **PA#3:** Increasing competition in the telecommunications sector and improving access to the Internet | *Implementation Decree No. 2015-85 dated April 24, 2015, of Law No. 2014-48 dated July 24, 2014, on the restructuring of SNT, the state-owned telecommunications company, has been published in the Official Gazette No. 34 dated April 28, 2015.*<br><br>**Status at the time of the ICR:** The TT restructuring plan was successfully implemented following the above decree, based on two phases—the first wave of early retirement (more than 55 years old) reached 300 staff, while the second wave (more than 50 years old) reached 1,200 staff. In total, about 1,500 staff were granted the early retirement plan as of September 2017 (compared to 1300 a year earlier), making it the biggest restructuring operation of a telecom operator in Middle East and North Africa with a reduction of about 20 percent of total staff. It is however below the initial target, with 2,800 staff who were eligible to the early retirement. Moreover, TT has created a new statute with higher salaries to which new staff will be hired and the current staff could apply. |
| **PILLAR 2: Strengthening the Financial Sector** | |
| **PA#4:** The restructuring of State-Owned Banks | *The following measures have been taken to restructure the SOBs: (a) the board of directors of STB has adopted a detailed restructuring plan for STB on April 16, 2015; (b) the board of directors of BH has adopted a detailed restructuring plan for BH on March 3, 2015; and (c) the Interministerial Council has adopted a restructuring strategy for BNA on November 11, 2014 (However, for the STB, it was an intermediary restructuring plan).*<br><br>**Status at the time of the ICR:** Restructuring plans were adopted in 2015 based on the findings of the strategic and financial audits (PA#3 GOJ-1). They included the following measures: (a) recapitalization of the Banks (TND 750 million for STB, TND 200 million for BH and asset transfer for BNA), which helped to bring above the minimum solvency ratio at the end of 2016, with their CAR reaching 12.1 percent for STB, 10 percent for BH, and 11.2 percent for BNA. However, the BH which has the lowest solvency ratio and reduced provisioning ratio plans another recapitalization at the end of 2017; (b) The BH and the BNA launched the process to modernize their IT systems, which should shift toward global banking, the contracts are expected to be awarded by February 2018. The STB however opted for internal development of its IT systems; (c) a performance contract for each bank (signed in 2015, covering 2016–2020 period); (d) the BNA which faces less severe human resource issues has started a nonsystematic replacement of retired staff, whereas BH (2014–2017) and STB (2017–2018) have initiated their retrenchment plans. |

| Prior Actions | Implementation Status |
|---|---|
| **PA#5:** State-owned Banks' governance | *The Government has taken the following measures to improve the governance of SOBs: (a) the call for manifestation of interest for the positions of chief executive officers for STB, BH, and BNA has been published on the Ministry of Finance's website on July 22, 2015; and (b) Decree No. 968 dated August 6, 2015, complementing Decree No. 90-1855 dated November 10, 1990, and establishing the compensation regime of chief executives of state-owned companies has been published in the Official Gazette No. 63 dated August 7, 2015.*<br><br>**Status at the time of the ICR:** The unified Chairman/CEO function for the three SOBs has been split into two distinct ones (Chairman and CEO). The CEOs for the three banks were hired (from private sector) in 2015 based on a competitive recruitment process and with a salary comparable to the private sector (PA#3 GOJ-2). However, the recruitment process is still handled by the Ministry of Finance, although under the Ministry of Finance, a recruitment commission that included also members of the private sector, such as banking association, auditors, and the business was established. |
| **PILLAR 4: Increasing Transparency and Accountability in Public Governance** | |
| **PA#6:** Increasing transparency and accountability in public governance | *The Government has submitted a revised draft of the Organic Law on Access to Information to the Parliament (Assemblée des Représentants du Peuple) on August 6, 2015, before the Board presentation. The Organic Law was then adopted by the Parliament on the March 11, 2016 and published on the March 29, 2016.*<br><br>**Status at the time of the ICR:** While the substance of the law in terms of access to information was being implemented since the Decree-Law 2011 (see PA#8 GOJ-1), implementation of the institutional arrangements planned by the Organic Law are witnessing delays. An action plan to implement the Organic Law was prepared and approved only in June 2017. The Information Commission (*Instance nationale de l'accès à l'information*) was setup by the Organic Law and its members were appointed in August 2017 (Decree 918-2017 on the August 17, 2017). Its operational budget was included in the 2018 budget. The work on harmonization of legal texts, such as the protection of personal data, public servant law, and so on is ongoing. |
| **PA#7**: Increasing transparency and accountability in public governance | *The annual official report on the finances of SOEs for the period 2010–2012 has been published on the website of the Prime Minister's Office.*<br><br>**Status at the time of the ICR:** In September 2015, a summary of the financial situation of SOEs from 2010 to 2013 was published on the website of the Prime Minister's Office. By end of 2016, the summary report was updated for 2014. The quality of the reports is acceptable. The financial status for 2015 and 2016 finalized in February 2018, and the report covering 2010–2016 was published and presented in public events. The delay in publication of the reports is due to the SOEs fragmented information systems, which affects data collection on time to be audited (for example, a few SOEs had their 2015 accounts to be audited, while data on some SOEs were partial for 2016), but also due to the final subsidies which are transferred usually after the end of the fiscal year. |

## Annex 4: GOJ-Supported Reforms and the World Bank Support

| Reforms | World Bank Support |
|---|---|
| **PILLAR 1: Attracting Investment and Jobs Creation** | |
| **Investment Climate** | |
| Regulatory simplification of business formalities (PA#1 GOJ-1, PA#1 GOJ-3) | IFC advisory TA in (a) organizing consultation of the private sector, (b) assessment on the sample simplified formalities with the private sector. |
| Legal framework reform for the business climate (Triggers on the new Competition Law, the new Investment Law, and the new Bankruptcy Law) | IFC TA provided the legal expertise to help the Government revise the laws. |
| **Telecommunication** | |
| Legal and regulatory reform to increase competition in the ICT sector (PA#2 GOJ-1, PA#2 and PA#3 GOJ-2, PA#2 and PA#3 GOJ-3) | ICT sector reform TA on (a) training, workshops, and expertise on competition in the telecommunication sector, local loop unbundling, and interconnection tariffs; (b) liberalization reform (support in granting licenses to operators, assistance to the Tunisian Internet Agency, legal support). |
| **PILLAR 2: Strengthening the Financial Sector** | |
| Regulatory reform (PA#3 GOJ-1) | Financial Sector Assessment Programs jointly with the IMF (2012) |
| SOBs reform (PA#4 GOJ-1, PA#3 GOJ-2, PA#5 and PA#6 GOJ-3) | TA for the three public banks restructuring |
| **PILLAR 3: Improving the Quality of Social Sector Services and Inclusive Policies** | |
| Employment policy reform (PA#5 GOJ-1) | TA on (a) Strategic Assessment of National Employment Fund and Labor Markets; (b) evaluation of the post-revolution employment program AMAL; and (c) participatory public works program. |
| Health sector accreditation reform (PA#6 GOJ-1) | TA on (a) Health Sector Productivity and Governance Policy Note (2012); (b) Social accountability and community health development in underserved regions (JSDF and KTF) |
| Higher education accreditation reform (PA#7 GOJ-1) | The World Bank supports through (a) Higher Education Reform Support Project II; (b) Tunisia Equity in Higher Education and Employability Study (2010); (c) Benchmarking University Governance Study (2012). |
| Reform in evaluation system of service delivery (PA#4 GOJ-2) | TA on (a) National Network of Social Accountability; (b) Governance in Social Sectors. |
| **PILLAR 4: Strengthening Governance, Transparency, and Accountability** | |
| Access to information reform (PA#8 and PA#9 GOJ-1, PA#6 GOJ-3) | TA on (a) economic and open governance; (b) public financial management (FY16); (c) workshop on access to information; (d) parliamentary strengthening; (e) programmatic TA on open governance and fiscal transparency, including Mizanyatouna. |
| Public procurement reform (PA#5 GOJ-2) | TA on (a) joint World Bank/African Development Bank support for a self-assessment of the national procurement system using OECD/DAC methodology (2012); and (b) drafting the new public procurement decree and support in revising the regulations. |

**Annex 5: Borrower's Comments on Draft ICR – Minutes of the Meeting with the Authorities**

**Compte rendu de la réunion sur le projet du Rapport d'achèvement des Prêts de politique de développement pour la « Gouvernance, les Opportunités et l'Emploi »**

**Le 10 janvier 2018**

La réunion s'est tenue dans les locaux de la Banque Mondiale le 10 janvier 2018. Les personnes suivantes ont participé à la réunion: Mmes/MM. Karim Bououni (MDICI), Nabgha Fayache (MDICI), Fhaya Fatnassi (MDICI), Ridha Dellali (Ministère des Technologies de la Communication et de l'Economie Numérique), Chokri Hsin (PM, DG unité de suivi des systèmes de productivité dans les entreprises publiques), Khaled Sellami (PM, DG Unité de l'administration électronique & Instance nationale d'accès à l'information), Raifa Mohjoub (PM, Reforme des administrations publiques), Najla Romdhane (Ministère de l'Enseignement Supérieur), Abdoulaye Sy (Banque mondiale, Sr Economiste-pays), Jose Luis Diaz Sachez (Banque mondiale, chargé du rapport), Natsuko Obayashi (Banque mondiale, consultante).

**1. Commentaires généraux et Notation générale**

- Les contraintes suivantes ont été soulignées par la partie tunisienne : contexte politique, largeur de réformes couvertes par la série de DPL qui devaient également être pris en charge par d'autres opérations (projet, assistance technique), longue période (2012-2016) couverte par le programme.
- Formulation liée aux références religieuses (islamiste, laïc) doivent être reformulée.
- Après discussion sur le rôle du MDICI qui a quelque peu évolué et qui reste à clarifier pour le prochain DPL, il a été demandé de préciser le contexte et l'organisation institutionnelle de la Tunisie dans la partie liée à la notation de l'agence d'exécution.

**2. Commentaires spécifiques par secteur**

De manière générale, tous les participants ont demandé le rehaussement de notes concernant leur secteur, excepté le secteur financier et les secteurs non représentés (emploi, santé, passation des marché).

- Réforme réglementaire : Le deuxième paquet de formalités à supprimer/simplifier (GOJ3) sera soumis à l'approbation du gouvernement ultérieurement.
- Secteur Télécom : Les objectifs globaux ont été atteints, même si certaines mesures n'ont pas été réalisées, notamment celles imposées par la BM alors que la partie tunisienne n'était pas d'accord (landing station et dégroupage).
- Secteur financier : Il a été soulignée que l'idée de société de gestion d'actifs (AMC) n'est pas totalement abandonné.
- Enseignement supérieur : les données de base de la réforme sont mauvaises et trop ambitieuses, non conformes à ce qui étaient prévues initialement, sous-évalue les résultats atteints.
- Accès à information : (i) Préciser que la Tunisie a la 11e meilleure loi sur l'accès à l'information d'après le centre sur la loi et la démocratie au Canada ; (ii) Commission de l'accès à l'information est devenue opérationnelle avec un budget, le personnel et les locaux, et tiendra sa première réunion prochainement ; (iii) les états financiers 2015 et 2016 (provisoire) seront publié dans un mois.

**Annex 6: List of Supporting Documents**


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- *République Tunisienne, Institut National des Statistiques, Rapport sur l'application de la loi sur l'Accès à l'information à l'Institut National de la Statistique*, September 2017.

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- World Bank, Tunisia Country Program Evaluation FY2005–13, IEG, April 2014.
- World Bank, Tunisia Country Partnership Framework FY 2016-2020, April 2016.
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- World Bank, Tunisia ICT missions, Aides Memoires, February, March, July, August 2014, June 2015.
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**MAP**


IBRD 33500R1
Mediterranean Sea
Sicily (ITALY)
Strait of Sicily
ALGERIA
LIBYA
Mediterranean Sea
TUNISIA
CITIES AND TOWNS
GOVERNORATE CAPITALS
NATIONAL CAPITAL
RIVERS
MAIN ROADS
RAILROADS
GOVERNORATE BOUNDARIES
INTERNATIONAL BOUNDARIES
TUNIS
BIZERTE
JENDOUBA
BEJA
SILIANA
LE KEF
KASSERINE
KAIROUAN
SOUSSE
MONASTIR
MAHDIA
SFAX
SIDI BOU ZID
GAFSA
TOZEUR
KEBILI
GABES
MEDENINE
TATAOUINE
NABEUL
ZAGHOUAN
Gulf of Tunis
Gulf of Hammamet
Gulf of Gabes
Chott el Jerid
Great Eastern Erg
0 25 50 75 100 Kilometers
0 25 50 75 Miles
SEPTEMBER 2012