**A. BASIC DATA**

<table>
<thead>
<tr>
<th>Beneficiary Country:</th>
<th>Tunisia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Name:</td>
<td>Community Works and Local Participation</td>
</tr>
<tr>
<td>Grant Recipient:</td>
<td>Republic of Tunisia</td>
</tr>
<tr>
<td>Name of Implementing Agency or Agencies with Joint Implementation:</td>
<td>Ministry of Development and International Cooperation (MDCI)</td>
</tr>
<tr>
<td>Implementing Agency Type:</td>
<td>Government</td>
</tr>
<tr>
<td>Main Sector:</td>
<td>BS Public administration– Other social services</td>
</tr>
<tr>
<td>Emergency Window Theme:</td>
<td>57 Participation and civic engagement</td>
</tr>
<tr>
<td>Recipient Grant Amount:</td>
<td>US$2,870,000</td>
</tr>
<tr>
<td>Bank Incremental Costs Grant Amount:</td>
<td>US$130,000</td>
</tr>
<tr>
<td>Total Grant Amount (Recipient and Bank Incremental Costs):</td>
<td>US$3,000,000</td>
</tr>
</tbody>
</table>

**B. PROJECT SUMMARY**

The main objective is to provide direct income support to low-skilled and long-term unemployed citizens, through their participation in labor-intensive community works, to be selected and implemented in a highly participatory manner in three underserved governorates of the Republic of Tunisia (Jendouba, Kassérine and Tataouine).

This proposal aims at providing temporary employment opportunities while restoring some local infrastructures and services. During and as a consequence of recent events, a significant number of local infrastructures have been damaged, social services have been disrupted, some local governments have been dissolved, and a strong demand for effective participation and involvement in local development has emerged. This proposal responds directly to the emergency needs of some of the poorest and most underserved groups in Tunisia, in particular low-skilled and long-term unemployed youth in three underserved interior regions, as it seeks to create temporary employment opportunities through the support of emergency locally generated projects that are proposed by civil society and/or community groups. These projects will include the upgrading of local infrastructures and services, through labor-intensive public works.

The proposal will have significant positive externalities. Emergency jobs and local development projects will provide a temporary relief to the negative impact of both the crises and the revolution on vulnerable households by creating income opportunities. They will also respond to widespread demand for increased transparency and popular voice in development processes. In addition, the proposed project will have a demonstration effect on how to effectively empower local communities, thus supporting ongoing decentralization and regionalization of local development activities that include: i) the creation of the Ministry of Regional and Local Development; ii) the decision to carry out an institutional assessment of the Fond 2121, which has financed a sizeable number of job creation and training activities through ANETI (a specialized agency of the MoVTE) but has operated in a highly centralized and politicized manner; and iii) the easing up of existing procedures to authorize and register civil society associations which have greatly increased in number since the revolution and have become a potentially significant partner in local development activities.
## 1. PROJECT INFORMATION

### 1.1 Strategic Context

In the past decade, Tunisia showed consistent economic growth and, with an average annual growth of 4.8 percent in GDP over the last eight years, is among the leading performers in the Middle East and North Africa (MENA). In recent years, however, **Tunisia has been deeply affected by the financial, food, and fuel crises.**

On one hand, the financial crisis has had a deep and profound effect on the real economy, with trade being the main channel of transmission of the crisis. Depressed external demand (particularly from the EU, which is the destination of 76 percent of Tunisia’s exports) resulted in a drop of over 25 percent in export value in the first seven months of 2009. This eventually translated into a reduction in industrial production, which resulted in the loss of 38,000 manufacturing jobs in 2009. In addition, officials believe that approximately 30,000 jobs that might have been created were not as a result of the global crisis in that same year.

On the other hand, prices of staple foods, such as rice and vegetable oil, doubled between January and May 2008 and continued to rise in 2009 and 2010. For countries whose population relies largely on staple foods, as it is the case with Tunisia, **higher food prices are hindering the country’s social, economic, and political stability.** The upturn coincided with record petroleum and fertilizer prices. At the end of 2010 and in early 2011, a new spike in international fuel and food prices is hitting the fragile Tunisian economy.

**High unemployment, poor working conditions and reduced available income due to inflation in fuel and food prices, coupled with corruption and lack of freedom of speech and other political freedoms were significant factors contributing to the Jasmine Revolution.** Moreover, exclusion is considered to be one if not the most important force that ignited the revolution. With the exception of selected groups close to the President, his entourage, and the ruling party, the overwhelming majority of Tunisians and youth in particular have been systematically excluded from public life for years. This exclusion has had significant costs in terms of missed economic opportunities, social and civic growth, transparency, and overall governance.

### 1.2 Linkage to Vulnerability Financing Facility GFRP or RSR:

**The Jasmine Revolution has exacerbated the effects of the food and financial crises.** The revolution showed the high demand of disadvantaged people to participate in the decision-making process and influence development outcomes, starting with their own. However, the revolution has hindered any past albeit limited attempt to recover from the fuel, food, and financial crises. Major investment decisions have been postponed, there was a drastic drop in tourism, which is one of the main sources of hard currency and jobs, and signs of recovery are weak. The revolution also had an impact on some local essential services. Since many of the regional councils have been dismantled and replaced by temporary arrangements, the regular planning cycle of resource allocations to public services has been disrupted and existing policies in support of the most vulnerable have been stalling. In some localities, critical facilities such as clinics and hospitals have been closed, while food supply routes have been disrupted, thus making disadvantaged population even more vulnerable. Some essential local services such as waste collection have also been disrupted and existing plans to expand or improve services in health and education especially in disadvantaged areas have stalled. While the needs have increased due to the combined effect of the 3F crises, regular programming of activities in support of communities and of jobs are at a virtual stop. The uncertainty of such a situation is evident and it can lead to unpredictable institutional and security developments.

### 1.3 Main Beneficiaries

The Project is expected to finance approximately 100 community works subprojects in three regions. Each subproject will employ an average of 38 people for 6 months (or 120 days). Approximately 3,800 people will therefore be temporarily employed through the project, resulting in a total 456,000 workdays being created. The total transfer per beneficiary will be of a maximum of DNT 600 (or approximately USD 450) while the total cost of the project per direct beneficiary is approximately USD 755. This amount compares well with similar projects in the region. In addition, the socio-economic
infrastructures rehabilitated through the project will also serve the population of users of these services.

1.4 Project Location
Jendouba, Kassérine and Tataouine governorates

1.5 Project Duration: 2 years  Project Start Date: 6/30/2011  Project End Date: 6/30/2013

1.6 Task Team Leader Diego Angel-Urdinola

1.7 GRANT DEVELOPMENT OBJECTIVE

The main objective is to provide direct income support to low-skilled and long-term unemployed citizens, through their participation in labor-intensive community works, to be selected and implemented in a highly participatory manner in three underserved governorates of the Republic of Tunisia (Jendouba, Kassérine and Tataouine).

1.8 DEVELOPMENT OUTCOME INDICATORS

<table>
<thead>
<tr>
<th>QUANTIFIED TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>90%</td>
</tr>
<tr>
<td>30%</td>
</tr>
<tr>
<td>80%</td>
</tr>
</tbody>
</table>

2. GRANT RECIPIENT AND IMPLEMENTING AGENCY

2.1 Recipient Name: Republic of Tunisia as represented by Ministry of Development and International Cooperation (MDCI)

2.2 Recipient Background:

The MDCI is traditionally involved as the loan and grant recipient in Bank operations in Tunisia, although the line ministries remain the respective Bank teams' main technical counterparts.

2.3 Implementing Agent Details

Agency Name: Ministry of Vocational Training and Employment (Ministère de la Formation Professionnelle et de l’Emploi)

Address: Address : 10 Av, Ouled Haffouz 1005 Tunis – Tunisia

Contact Person in Proposed Implementing Agency: Madame Nawel Belhadj

Phone: ( 216-71 ) 79 7099

Email: Nawel.belhadj@mfpe.gov.tn

2.4 Implementing Agency Background

The MoVTE is responsible for employment programs in Tunisia. For example, the MoVTE manages a wide-range of on-the-job training programs that include: (i) Internships for Introduction of Young People to Professional Life (Stages d’Initiation à la Vie Professionnelle); (ii) Contracts for the Insertion of University Graduates (Contrat d’Insertion des Diplômés de l’Enseignement Supérieure); (iii) Insertion and Professional Adaptation Contracts (Contrat d’Adaptation et d’Insertion Professionnelle); (iv) Re-training Contracts (Contrats de Réinsertion dans la Vie Active); (v) and Voluntary Civil Service Programs (Programme du Service Civil Volontaire).

The MoVTE is now in charge of the programs financed under the Fonds 21/21, which include some public works programs. The proposed operation will complement those efforts, as it will be implemented in regions that have yet to benefit from public works programs.

The MoVTE has now officially launched “AMAL 2,” a program that seeks to provide income support and employment services to the low-skilled unemployed (around 70% of the unemployed). The MoVTE will leverage the proposed operation to increase AMAL 2’s reach and impact. More importantly, the grant’s beneficiaries will have access to the employment services (e.g.: training activities) that will be offered under AMAL 2.
2.5 Other institutions/NGOs that will be involved in implementation

The MoVTE would be supported by a national association (Byrsa) in the mobilization of communities and local associations in the targeted areas and in the support to the local associations to prepare their proposals.

3. INNOVATION

3.1 Innovation

The approach is innovative as it is the first public works plus program that will be implemented in Tunisia. A few public works programs were implemented under the Funds 21/21, the country’s solidarity fund. However, they did not offer employment services as envisaged under the proposed program.

The impact of similar previous programs on beneficiaries’ employment and social outcomes has been largely unassessed. Thus, another innovative aspect of the proposed operation is the development of a rigorous impact evaluation strategy in partnership of ONEQ (National Observatory of Employment).

Previously, management of similar programs was centralized with little civil society participation. Therefore, another main innovation is that it is one of the first World Bank projects that engage Tunisian Civil Society Organizations which have been growing in number since the revolution. Civil society organizations are better positioned to articulate citizens’ interests and demands are thus able to play a mediating role between the individual and the state and mobilize social capital to serve development objectives.

At the national level, the creation of a Steering Committee with participation of civil society representatives will also be a major innovation in the Tunisian context.

The participation of civil society organizations will ensure that needs and priorities of local and emarginated communities are taken into account throughout the project’s cycle (project identification, design, and implementation), thus helping to address the “exclusion problem” that plagued previous similar efforts and ignited the revolution.

Another innovative aspect of the proposal is the close collaboration among the main donors (namely EU, French Development Agency, and African Development Bank). These development partners are all currently designing similar interventions in Tunisia, which made coordination critical to avoid duplication of efforts.

4. CONSULTATION WITH JAPANESE DEVELOPMENT PARTNERS

4.1 Name of Representative

Mr. Hajime Nishimura
Second Secretary of the Economic Cooperation
Embassy of Japan in Tunisia

Date of Meeting 6/2/2011

4.2 Summary of Consultation:

The purpose of the meeting was to present the proposal and obtain feedback. Mr. Nishimura was fully supportive of the proposal and asked us to keep him apprise of future project developments.

4.3 Potential Collaboration:

It was agreed that we would submit the proposal to the Ministry of Finance and that once/if approved, we would meet with him in Tunisia to coordinate next steps.

4.4 Name of Representative

Ms. Ritsuko Yamagata
Japan International Cooperation Agency (JICA)
Tunisia Office

Date of Meeting 2/28/2011

4.5 Summary of Consultation:
The purpose of the meeting was to present the program’s main design features and proposed implementation mechanism. The consultations centered on targeting of beneficiaries, implementing partners, geographic coverage, wage levels, and the program’s timeline.

### 4.6 Potential Collaboration

Ms. Yamagata showed interest in the proposed operation. It was agreed that we would share the full proposal with her upon completion of mission.

### 5. JAPANESE VISIBILITY

<table>
<thead>
<tr>
<th>5.1 Confirm that a grant signing ceremony will take place in the recipient country, including representatives from the Embassy of Japan, and that a press release would be issued in local newspapers</th>
<th>Agreed</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.2 Confirm that the Embassy of Japan in the recipient country will be invited to participate in field visits and project events, and will receive copies of progress review mission reports</td>
<td>Agreed</td>
</tr>
<tr>
<td>5.3 Describe the measures, other than the above, to be taken to ensure the visibility of Japan’s contribution:</td>
<td></td>
</tr>
</tbody>
</table>

Given the synergies between the proposed operation and AMAL 2, the Government of Japan will benefit from high visibility activities nation-wide. For example, Japan’s contribution will be mentioned not only in the grant’s signing and launching ceremonies, but also in those of AMAL 2 and all other visibility activities carried out under the US$500 million Governance and Opportunities Development Policy Loan (DPL). In addition, Japan’s contribution will be noted in all related mass-media (newspapers, magazines, radio, TV, internet – including the MoVTE website). Finally, Japan’s logo will be included in all project material, including the operations manual to be distributed among all relevant stakeholders.
6. DETAILED DESCRIPTION OF GRANT COMPONENTS

6.1 Component 1 Community Works and Local Participation

The proposed Project will provide grants to finance labor-intensive community works, to be proposed and implemented by local associations (including NGOs, CSOs, etc) with the support from technical services of government agencies at the local level (services techniques déconcentrés des ministères).

**Number of working days created.** The Project is expected to finance approximately 100 community works subprojects in three regions. Each subproject will employ an average of 38 people for 6 months (or 120 days). Approximately 3,800 low-skilled and long-term unemployed will therefore be temporary employed through the project, resulting in a total of 456,000 workdays being created.

**Level of wages.** The wage per month is set at 100 DTN (approximately 75 USD). This level is under the minimum wage (salaire minimum – around 250 DTN) and is similar to that paid by other programs targeting unskilled workers (e.g.: AMAL 2). The wage level will therefore act as a self-targeting tool, although it is still expected that the demand will exceed the supply and that other targeting criteria will need to be applied.

**Activities eligible as community works.** There will not be a menu of eligible activities, but rather a number of criteria that will need to be met by the proposed activities. The selection criteria will be as follows:

1. The proposed community works should provide a public good or service: this is a particular important point and details will be discussed in the Operations Manual to ensure that benefits are unambiguously public and not private;
2. They should be implemented using a budget ratio of 75% for wages and 25 % for material, tools, administrative costs, and capacity building of NGOs;
3. They should be implemented in a period of not more than six months;
4. They should not adversely affect the environment or have negative social consequences, as per environmental and social safeguards to be described in the Operations Manual;
5. They should be proposed on the basis of extensive and demonstrable consultations held with community members and civil society.

Activities may include (but are not limited to): Cleaning and rehabilitation of public parks or spaces; cleaning and rehabilitation of cultural or leisure infrastructure and services (e.g. Maisons de jeunes, sport centers, etc); rehabilitation of small roads in rural and peri-urban areas; rehabilitation of small roads and spaces leading to cultural sites of importance for the community; rehabilitation of schools and health centers; conservation and reforestation activities; urban beautifying activities.

**Selection of regions and delegations.** Three regions (gouvernorats) were selected during the project preparation phase: Jendouba (North west), Kassérine (Center west) and Tataouine (South). They are all underserved interior regions and in the case of Kassérine, has witnessed particularly violent social unrest and disruption during the revolution. Tataouine is also a region bordering Libya and affected by the Libyan conflict, and from where many youth are migrating illegally to Europe. Within each region, two or three delegations will need to be selected at the beginning of the project, to include the capitals of the regions (chefs-lieu) which concentrate the highest proportion of unemployed in each gouvernorat. Other large programs are currently financing rehabilitation of public works and infrastructures in the rural areas of these regions using community participation mechanisms: this include the 4th Northwest Mountainous & Forested Areas Development Project (PNO4) in Jendouba and Kassérine and the IFAD Project in Tataouine, which supports the financing of community development plans in all rural delegations through the GDA (Groupes de Développement Agricole). The proposed Project would focus therefore on the capital cities and surrounding areas of these regions that do not receive financing from these other World Bank or IFAD financed projects, and that also concentrate the highest proportion of unemployed.

**Information and communication.** Information and communication campaigns about the community works program will be carried out, engaging with community members and local associations. These messages will outline the details of community works activities, specifically the selection of activities, the beneficiary selection processes and eligibility criteria and working conditions (wage level, number of days and duration of participants’ involvement in the program). Throughout the life of the community works program, other information and messages will be disseminated to ensure...
transparency and social accountability and to ensure that people know their rights and obligations.

**Request for proposals for participatory community works.** Community works will be selected through two Requests for Proposals (RFP) in each region, to be carried out in two phases (one in October 2011 at the beginning of the project and a second one after 6 months). Each RFP will lead to the selection of approximately 15 subprojects in each region. Proposals will be presented by local associations. Local associations will need to have formally registered and obtained their *recipissé* (the official acknowledgement that they have requested to be registered) but will not be requested to have obtained the *visa* (the official approval by the administration, which is given within a delay of maximum three months) to send a proposal. Proposals will have to demonstrate that the proposed community works meet the criteria described above (and which will be further detailed in the Operations Manual) and that they have been identified in a participatory manner, in particular involving members of the community where the subproject is located and future beneficiaries and users of the rehabilitated infrastructure and services (e.g. youth in the case of a *maison de jeunes*, or parents in the case of a school, etc).

**Capacity-building for local associations and civil society organizations.** Training will be provided to all potential associations willing to send a proposal on how to meet the selection criteria, and in particular in ensuring that subprojects are developed in a participatory way with community members and beneficiaries. Proposals will also explain the benefits that the community will derive from the rehabilitated infrastructure, and how these benefits will be shared in an equitable, participatory and transparent manner. Some funds will also be allocated to the organizations whose proposals have been selected, and will be used to build the capacity of these organizations by providing some basic equipment, participation in training or other events. Proposals will detail how the organizations intend to use the capacity-building funds.

**Selection of community works.** Proposals will be evaluated against a set of evaluation criteria including the extent to which they meet the eligibility criteria, the benefits they will generate for the community, the number of beneficiaries, the extent to which they have been identified in a participatory manner and other criteria to be described in the Operations Manual. Proposals will also be evaluated according to their potential for employing women, as one of the objective is to employ a significant number of women and men overall through the various community works.

**Design of the community works.** Once the community works are approved, the design of the works, and in particular some of the technical aspects and the exact number of people to be employed, will be done in collaboration between the local associations and technical services of the ministries involved. It is expected that the community works will be simple rehabilitation works with no complex technical design, and therefore just a minimum support from the technical services of the ministries will be required e.g. ministry of Agriculture and environment for conservation or reforestation projects, or ministry of Equipment for small roads, etc.

**Selection of community workers.** As already mentioned, the monthly wage has been set at the 100 DTN per month. Though this low wage is expected to limit the number of participants (through self-targeting), it is possible that the number of people applying is greater than the number of people that can be employed under each community works. Additional criteria will need to be applied to limit the number of participants, especially considering the high unemployment in the regions targeted by the project. These criteria will include, among others: period for which the person has been unemployed (with priority given to long-term unemployed), participation of only one member per household, existence of other sources of income within the family, etc. These criteria will be discussed in each region with employment offices including the *Bureau de l’Emploi* and the *Bureau des Affaires Sociales* and in broader community meetings with unemployed citizens in order to achieve the greatest consensus – and will be detailed in the Operations Manual. The selection of the workers will be done by each association in charge of a community works, using these criteria. The association will have the responsibility to organize the selection and to explain the criteria and selection results in a transparent manner to all the applicants. Special attention should be paid to the recruitment of women, depending on the type of work. Women should represent at least 30% of the beneficiaries overall.

**Enrolment and training of participants.** Once the workers’ selection process is completed, the associations will carry out the enrollment of the workers in presence of the *Bureau de l’Emploi* and/or the supervising technical ministry (depending on the type or community works). All workers should receive a short training after enrolment but before starting to work, during which they will obtain key information regarding the community works program and also the working conditions under which they are expected to work, including rights and obligations. A simple contract (a sample format/template will be included in the Operations Manual) will be signed between the participants, the association responsible for the subproject and the technical services of the relevant ministry.
**Procurement of material and equipment.** Around 25% of the cost of each subproject will be used towards purchasing of small material and equipment to complete the community works as well as capacity building of NGOs if needed. The selected associations will be responsible for procurement of these material and equipment. Given the very limited amount of the material and equipment to be procured, the association will use the shopping procurement method. The suppliers will be paid by the Project Coordination Unit upon submission of simple procurement documents by the associations.

**Managing and supervising community works.** The overall implementation responsibility to organize teams of workers will be with each association in charge of a subproject. Site team leaders (typically responsible for 10 to 15 workers, although this may vary depending on the type of community works) will be appointed and will be paid a slightly higher wage than regular workers. The site team leaders will be responsible for the work of his/her team on a daily basis, including control of attendance, daily distribution of tools, and verification of completion of tasks. The technical services of the relevant ministry will oversee the implementation of the public works activities with a visit to each site and team at least twice a week. Participants will receive from their site team leader daily tasks for completion. However and depending on the type of work and agreements reached at the beginning of each subproject, there may be flexibility regarding the time at which these tasks are undertaken, especially for women to minimize interference with other responsibilities such as childcare and other household duties. Throughout implementation, the implementing association will submit bi-monthly monitoring reports on the project progress.

**Payment of beneficiaries.** The payments to workers will be done on a monthly basis through bank accounts opened by each worker in a commercial bank at the beginning of the program (the costs to open and maintain the account will be the responsibility of the beneficiary). Transfers will be made by the Project Coordination Unit, upon submission of the attendance records by the civil society association in charge of the implementation of the community works and acceptance of these records by the regional technical services of the relevant ministry (depending on the type of community works).

**Sustainability.** The proposed operation seeks to provide the most disadvantaged with emergency assistance to address their immediate needs. In other words, it seeks to provide temporary support without distorting labor market conditions – providing a positive signal to an emergency situation without creating dependency. However, it is envisaged that project beneficiaries will have access to the training modules (workfare plus) offered under AMAL 2, thus enabling them to acquire skills that could be marketable in the medium-term.

**Outputs:** Approximately 3,800 low-skilled and long-term unemployed will be temporarily employed through the project, resulting in a total 456,000 workdays being created.

**Project Management, Monitoring and Evaluation, and Knowledge Dissemination**

**Project Management.** The overall implementation of the Project will be placed under the responsibility of the MoVTE, under general guidance of a Steering Committee and following the guidelines set in the Operations Manual. A small Project Coordination Unit will be established at the Ministry to manage the project on a daily basis. The Ministry will also be assisted, for all the participatory processes to be carried in each region, by a national association with the relevant expertise and legitimacy vis-à-vis the population in the regions.

This component will finance:

i) The recruitment of a national project coordinator, whose terms of reference will be drafted and included in the Operations Manual, and who will be recruited by the Steering Committee according to criteria also set in the Operations Manual.

ii) The costs associated to the services provided of a national civil society association to support the Project Coordination Unit in managing the participatory processes in each region, to be carried out by a national association with the relevant mandate, expertise and legitimacy.

iii) The operating costs associated with the functioning of the PCU;

iv) Monitoring and evaluation activities, to be carried out by the PCU and by the relevant local authorities.

No staff from the MoVTE will be paid under this grant. The MoVTE has agreed to appoint a point person, who will work closely with the program’s national project coordinator in the implementation of the proposed operation.
**Monitoring & Evaluation and Knowledge Dissemination.** A Monitoring & Evaluation (M&E) system will be established to ensure continuous follow up and assess the quality and impact of project activities. The M&E system, which will benefit from the robust M&E mechanism that is currently being developed under the Governance and Opportunities DPL, will include a beneficiary survey (to be conducted before and after project completion) and indicators that will be established in collaboration with ONEQ. The M&E system will ensure that all stakeholders comply with the administrative and financial procedures established in the project’s operations manual. In all, the M&E system will not only increase project transparency and accountability, but will also provide lessons learned that could be used for project scale-up/replicability.

The MoVTE will be in charge of collecting quarterly technical and financial reports from the participating CSOs. Both the technical and financial reports will use a standard format/template to allow for easy reporting and data analysis. The reports will highlight project achievements, challenges, success stories, and future plans. Quarterly and annual reports will also be prepared for external audiences.

The World Bank will provide regular supervision of project implementation and will conduct a Mid-Term Review together with all partnering organizations.

**Outputs:** (i) 2 annual audits, (ii) 1 survey, and (iii) 1 Mid-Term and Final Report.

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### 7. ELIGIBLE EXPENDITURES

List all applicable eligible expenditures below in one or more categories as necessary. Eligible expenditures include consultant services (including audits), local training and workshops, small civil works, goods, sub-grants, and Bank incremental costs.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (US Dollars)</th>
<th>Percentage of Expenditures to be Financed</th>
<th>Percentage of Grant Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disb-Other</td>
<td>2,570,000</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Disb-Consulting</td>
<td>128,400</td>
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<td></td>
</tr>
<tr>
<td>Disb-Goods</td>
<td>30,000</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Disb-Operating Cost</td>
<td>141,600</td>
<td>100</td>
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<tr>
<td>Allowed Expenses</td>
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<tr>
<td>Allowed Expenses</td>
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</tr>
<tr>
<td>Total Grant to Recipient</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Bank Incremental Costs</td>
<td>130,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Grant Amount:</td>
<td>3,000,000</td>
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</tbody>
</table>
## Risk Category: Project Beneficiaries and Stakeholders Risks

<table>
<thead>
<tr>
<th>Risk Rating</th>
<th>Risk Description</th>
<th>Proposed Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium-L</td>
<td>Project intents to provide temporary income support to low-skilled.</td>
<td>Beneficiaries will have access to employment services (e.g.: training), which will improve their employability in the medium/long-term.</td>
</tr>
</tbody>
</table>

## Risk Category: Implementing Agency Risks

<table>
<thead>
<tr>
<th>Risk Rating</th>
<th>Risk Description</th>
<th>Proposed Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium-L</td>
<td>Implementing agency's capacity to implement grant activities</td>
<td>This risk is mitigated by activities provided under component 2, in particular (i) recruitment of a national coordinator, with TOR and profile acceptable to the Bank (to be further described in the Operational Manual); (ii) contracting of a national association with experience and legitimacy with the local populations and in particular with the youth, to provide support to the implementing agency, the Ministry of Vocational Training and Employment (MoVTE), to mobilize and coordinate participation of local associations, and assist in the preparation of the RFP; (iii) technical assistance to establish a simple but efficient monitoring and evaluation system to track progress towards project indicators.</td>
</tr>
</tbody>
</table>

## Project Risks:

### Design

<table>
<thead>
<tr>
<th>Risk Rating</th>
<th>Risk Description</th>
<th>Proposed Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium-L</td>
<td>Given the high unemployment rate among the low-skilled (70%), the demand for the service may exceed the slots that the project offers, which may create dissatisfaction among the people who are not selected.</td>
<td>Other donors (namely EU, French Development Agency, and African Development Bank) will implement similar projects throughout the country (meetings have been held to avoid duplication of efforts), thus increasing the reach and impact of the operation.</td>
</tr>
</tbody>
</table>

### Social and Environmental

<table>
<thead>
<tr>
<th>Risk Rating</th>
<th>Risk Description</th>
<th>Proposed Mitigation</th>
</tr>
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<tr>
<td>Low</td>
<td>Environmental or safeguards risks arise from community works.</td>
<td>The grant will use the same safeguards instruments used in two other Bank-financed projects in Tunisia (PN04 and PGRN2). A small check environmental and social check-list will be used to screen proposals and will be included in the Operations Manual.</td>
</tr>
</tbody>
</table>

### JSDF Program and Donor

<table>
<thead>
<tr>
<th>Risk Rating</th>
<th>Risk Description</th>
<th>Proposed Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Delivery Quality

<table>
<thead>
<tr>
<th>Risk Rating</th>
<th>Risk Description</th>
<th>Proposed Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium-L</td>
<td>Few NGO’s/CSOs in Tunisia. Of those that are operational, many lack expertise in the subject matter.</td>
<td>Participating institutions will be provided technical assistance (capacity building) to manage the program and thus ensure the efficient delivery of services.</td>
</tr>
</tbody>
</table>
PART II

8. GENERAL INFORMATION

<table>
<thead>
<tr>
<th>Grant Type: Capacity Building</th>
<th>Resubmission: Choose an item.</th>
<th>Was a JSDF Seed Fund Used? If yes, insert TF Number.</th>
<th>TF No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing sector operation in the country</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Project name: Governance and Opportunity Development Policy Loan
Project ID: Board Date 6/21/2011

The DPL supports the interim government in its task to consolidate social and economic change, and prepare the ground to complete the transition. The operation supports a program of immediate measures that are emblematic of improved governance and opportunity and are within the mandate of the interim government. The measures focus on: (i) improving transparency and accountability in a visible way to respond to the aspirations of the population, and to signal to investors that Tunisia is creating a level playing field for private sector-led growth; and (ii) taking immediate actions to relieve the plight of the unemployed and the poorest and vulnerable families.

9. JUSTIFICATION FOR INCREMENTAL BANK SUPERVISION COSTS

Additional resources are requested in order to provide sufficient Bank supervision in mitigating risks related to implementation capacity and to provide technical guidance to the MoVTE and the associated NGOs. Approximately $130,000 is being requested to carry out necessary supervision.

10. LESSONS LEARNED REFLECTED IN THE GRANT DESIGN

The grant design benefited from lessons learned from other projects that utilize participatory approaches and promote local development in disadvantaged areas (e.g.: Employment Development Policy Loan, 4th Northwest Mountainous & Forested Areas Development Project, Second Natural Resources Management Project, and Local Integrated Development Project).

Main lessons learned fall under the following areas: (i) grant objective – defining what the grant seeks to achieve against clear indicators; (ii) targeting – selecting beneficiary regions so as to avoid duplication of efforts, and CSO’s that have the administrative and financial capacity to delivery high quality services; (iii) wage level - providing temporary support without distorting labor market conditions; (iv) implementation arrangement – defining role and responsibilities of all stakeholders; and (v) sustainability – providing employment services to project beneficiaries (public works plus) to enable them to acquire skills that could be marketable in the medium-term.

11. JSDF BENEFICIARY PARTICIPATION

11.1 Participatory Design Consultations

The proposed project is based on discussions with government agencies and a variety of stakeholders, held during the recent mission. The Project responds to urgent needs signaled during the mission and reflects participatory design and
consultation processes with the targeted beneficiaries.

11.2 Consultation with other Development Partners

NGOs and partners that have been consulted and which will have the opportunity to participate in the project as member of the Steering Committee include: (i) Le Kef Foundation, (ii) ATLAS Foundation, (iii) PADIL - Promotion and Support to the Development of Local Initiatives, (iv) COSPE - Co-operation for the Development of Emerging Countries, and (v) CIVS - Italian Volunteer Development Center, UNICEF, the EU and the AfDB have been consulted widely on this proposal, and have expressed interest in its design and objective.

11.3 Community Driven Activities

The design and implementation of the 100 community works will be done by the CSO themselves, thus ensuring ownership of project activities. In addition, the MoVTE will work closely with a national association with the relevant expertise and legitimacy vis-à-vis the population in the selected regions in the overall management of the project. This will ensure project buy-out as well as accountability of stakeholders and the implementing agency.

12. REVIEW PROCESS AND CLEARANCES

<table>
<thead>
<tr>
<th>Title/Role</th>
<th>Name</th>
<th>Date Cleared</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector Manager cleared Concept Note</td>
<td>Roberta Gatti</td>
<td>5/24/2011</td>
</tr>
<tr>
<td>Distribution for Comment</td>
<td>Name</td>
<td>Comments Addressed</td>
</tr>
<tr>
<td>Country Lawyer</td>
<td>Jean-Charles de Daruvar</td>
<td></td>
</tr>
<tr>
<td>Task Team Designated Procurement Specialist</td>
<td>Anas el Mikias</td>
<td></td>
</tr>
<tr>
<td>Country Disbursement Officer</td>
<td>Hassine Hedda</td>
<td></td>
</tr>
</tbody>
</table>

13. SUBMISSION OF PROPOSAL TO JSDF UNIT FOR STEERING COMMITTEE AND DONOR APPROVAL

Once this proposal has been completed, and comments from reviewers in section 12 above have been addressed, a GFR is created with the Basic Data Tab completed, and the Funding Proposal, Cost Table, Review Matrix with Minutes of Decision meeting attached and, when applicable, Government Letter endorsing NGO as grant recipient.

The GFR is then sent out for clearance utilizing the Workflow, to the Sector Manager, Country Director, and Regional TF Coordinator. Then it is submitted to the JSDF Unit for Steering Committee and Government of Japan approval.

VERSION DATE: June 3, 2011
**Grant Recipient**

The grant Recipient is the entity that signs the grant agreement. The Recipient may be a government, an NGO, or other legally established group such as a cooperative or association which is acceptable to the Bank.

**Implementing Agency**

The grant Implementing Agency is the NGO, civil society association or cooperative, or local government which would be contractually responsible for administering and disbursing the grant, overseeing implementation of the grant activities, and for monitoring and reporting. The grant Recipient and the Implementing Agency may be the same. However, the central government may be a Recipient, but may not be an Implementing Agency.

**Project Summary – NOT TO EXCEED HALF PAGE**

Development Objective, Country/Sector Context, and Activities Summary *(Sections A and B may not exceed one page)*

**Strategic Context**

a. What are the key elements of the country’s social sector or poverty alleviation strategy?

b. What are the key policy, institutional, and other issues that constrain the achievement of the social sector or poverty alleviation strategy?

c. What are the unique aspects of the needs of the vulnerable group that cannot be addressed by other means or financing, and what is the rationale for JSDF funding as the best or only way to assist the vulnerable group?

d. What is the rationale for grant funding instead of Bank lending?

**Main Beneficiaries**

a. What are the characteristics of the targeted beneficiaries, and the key challenges they face as the poorest and most vulnerable?

b. What is the number of direct beneficiaries receiving grant inputs in terms of individuals, villages, households, or other groups? (Note: this number will be used to determine the cost per beneficiary)

**Project Location**

a. What is the geographic areas where the targeted beneficiaries live?

**Development Objectives**

a. What will be the principal outcome of the grant financed project that will address the needs of the vulnerable target group, and how will it be accomplished?

**Development Outcome Indicators**

a. What are the (SMART) Specific, Measurable, Attributable, Realistic, Relevant and Time-bound indicators (one/three) that will give evidence that the project outcomes have been attained? A minimum of three, or maximum of five, quantified indicators are required, demonstrating achievement of the grant Development Objective under Item 1.5

**Recipient Background**

a. Briefly describe the organization's mission, country/sector experience, and capacity and qualifications to implement the grant activities

b. For government, describe the general function, role or responsibility (brief and succinct)

c. For NGOs, years in operation; description of scope of work; achievements which should be highlighted; size of workforce (staff), and annual budget (brief and succinct)

**Implementing Agency Background**

a. Briefly describe the organization's mission, country/sector experience, and capacity and qualifications to implement the grant activities

b. For local government, describe the general function, role or responsibility (brief and succinct)

c. For NGOs, years in operation; description of scope of work; achievements which should be highlighted; size of workforce (staff), and annual budget (brief and succinct)

**Other institutions that will be involved in implementation**

a. If sub-grants are a component, describe how they are going to be managed?

**Innovation**

a. What is new or different about the approaches that will be tried/piloted to bring the benefits to the vulnerable group?
b. What will be the immediate benefits obtained by the vulnerable group that will address and begin to relieve their vulnerability?

xiii Consultation with Japan

a. What consultations have been conducted with the Japanese embassy and JICA?
   b. What was the date(s) of the consultations, who was the embassy and JICA officials consulted and what were the main points of the consultations?
   c. What are the final comments from and/or agreements with the embassy and JICA (attach memorandum of understanding or email comments/agreements)?
   d. What kind of collaboration with potential Japanese development partners was discussed with the embassy official and JICA staff and what, if any, collaboration has been agreed upon?
   e. If consultations have been conducted with Japanese stakeholders other than the Japanese embassy and JICA, the information on the consultations should be provided as well.

xiv Japanese Visibility

a. What kind of activities, events, press release or notices will be arranged to ensure the visibility of Japan as the donor of this grant project?
   b. What kind of arrangements have been made for inviting the Embassy to participate in field visits and missions and for transmitting progress and mission reports to the Embassy on a regular basis?
   c. What agreements have been made with the Government, implementing agency, beneficiaries and NGOs/CSOs to ensure that the recognition of Japan as the donor will be sustained throughout the life of the project?

xv Detailed Component Description

a. What is the description of the activities, grouped by component, that will be undertaken to turn the inputs into outputs and outcomes for the vulnerable group?
   b. What is the total cost of each component? The cost of the inputs for each activity is calculated in the EXCEL cost table, ensuring consistency in the name of the component and activities for easy cross-reference
   c. What is the list of all outputs/deliverables?

xvi Monitoring and Evaluation Component – This is a mandatory component -- see comment vii above


xviii Risk Framework: Project Beneficiaries and Stakeholder Risks

a. Include how the grant will prevent “elite capture” of the JSDF benefits.

xix Justification for Bank Incremental Supervision Costs

a. If additional resources are needed for Bank supervision, please describe the context and justification. Up to 9% of the recipient grant amount may be added to the Japan grant.

xx Lessons Learned Reflected in the Proposal Design

a. What are the lessons learned from other JSDF or Bank project and how are these lessons reflected in the proposed project?
   b. Have the lessons/recommendations of the peer reviewers been incorporated?

xxi Participatory Design Consultations

a. What direct consultations have been held with the vulnerable group to identify their vulnerability and to select the inputs that will address these vulnerabilities?
   b. What are the key challenges facing the most vulnerable group?
   c. What are the unique aspects of the needs of the vulnerable group that cannot be addressed by other means or financing?

xxii Community Driven Activities

a. What community driven activities will be used to involve the vulnerable group in the project activities and ensure ownership of the project and accountability of stakeholders and the implementing agency?