



World Bank Activities in Tunisia

Country Assistance Strategy

The World Bank's Country Assistance Strategy for July 2004 to June 2008 proposes to help the Government of Tunisia reach three strategic objectives which are to : (1) strengthen the business environment to support the development of a more competitive, internationally integrated private sector and improve competitiveness of the Tunisian economy; (2) enhance skills and employability of graduates and labor force in a knowledge economy; and (3) improve the quality of social services through enhanced efficiency of public expenditures. The World Bank will use a mix of lending, analytical and advisory services to support these objectives.

Recent and Ongoing Analytical Work

The World Bank plays an active role in supporting policy choices and reforms by producing in-depth analysis of key issues. Recent analytical work includes thorough studies of employment challenges, private participation in infrastructure, and tourism. A Development Policy Review was prepared in order to assess the key challenges that Tunisia faces for the years ahead. This provided a useful analytical base for the recent Country assistance strategy and it will inform the Government's thinking on the next 5-year plan (2007-2011). Other recent work includes Health Sector Review, Country Financial Accountability and Procurement Assessments, and analytical work in specific sectors such as education. Some of these reports are accessible to the public through the World Bank website and at the Public Information Centers in Tunis.

The World Bank is currently preparing a rural sector-wide review and analysis on public finance management. Through multi-year programmatic support, the Bank continues its work on employment. In addition, technical assistance is provided on a regular basis on issues such as knowledge economy and public debt management.

Portfolio At-A-Glance as of August 15, 2005

	Approval Date	Net Commitment	Amount Disbursed	Closing Date
		(US\$ million)		
Ozone Depleting Substances	6/14/1994	3.8	3.5	12/31/2010
Greater Tunis Sewerage and Reuse	5/29/1997	52.8	42.5	12/31/2005
Transport Sector	6/23/1998	50.0	38.0	12/31/2005
Water Sector Investment	6/22/2000	103.0	84.8	6/30/2006
Education PAQSET I	06/27/2000	99.0	71.9	08/30/2006
Transport Sector (APL-Phase 2)	4/19/2001	37.6	16.4	6/30/2006
Cultural Heritage	6/12/2001	17.0	3.7	6/30/2007
Agriculture Support Services	6/26/2001	21.3	8.4	6/30/2007
Protected Areas Management - GEF	6/27/2002	5.1	0.7	8/31/2008
NW Mountainous & Forestry Areas	10/31/2002	34.0	4.2	12/31/2008
Municipal Development III	12/5/2002	78.4	46.1	6/30/2008
Second Education Quality Improvement	3/8/2004	130.3	13.8	6/30/2008
Export Development II	6/29/2004	35.8	1.6	3/31/2010
GEF Energy Efficiency Program/Ind.	11/04/2004	8.5	1.2	12/31/2009
GEF Gulf of Gabes	03/10/2005	6.3	0.6	06/30/2010
ICT Sector Development	07/01/2004	13.1	1.4	06/30/2009
ECAL IV	06/09/2005	150.0	0.0	06/30/2007

Projects Under Implementation

SOCIAL SECTOR

Education Quality Improvement (loan 70280)

Original Loan amount: US\$99 million

Approval date: 6/27/2000

Effectiveness date: 12/22/2000

Closing Date: 8/30/2006

Implementing agency: Ministry of Education and Training

This project implements the first phase of an Adaptable Program Loan (APL) that seeks to promote excellence in teaching and learning, while continuing the push for the inclusion of all children at all levels of the basic education system .

Second Education Quality Improvement (loan 72200)

Original Loan amount: US\$130.3 million

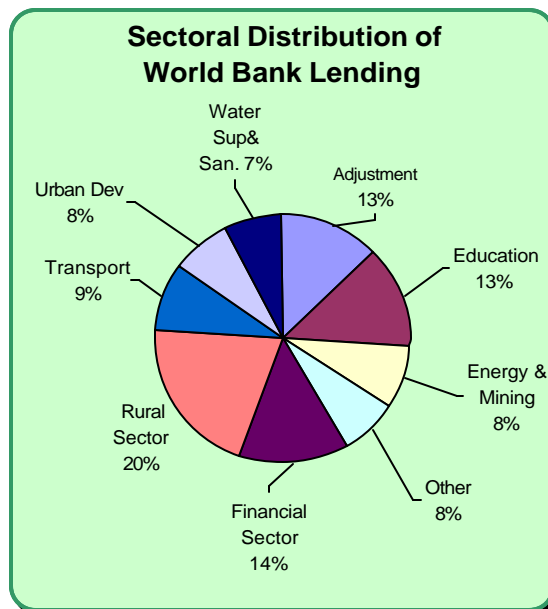
Approval date: 3/8/2004

Effectiveness date: 5/24/2004

Closing date: 6/30/2008

Implementing Agency: Ministry of Education and Training

The purpose of EQIP II is to support the Government's efforts to: (a) provide a greater number of students with opportunities for post-basic education; and b) modernize the sector in ways that improve the quality of outputs and the efficiency with which they are produced.



PRIVATE SECTOR / FINANCE

Economic Competitiveness Adjustment Loan IV (loan 73040)

Original Grant amount: US\$150.0 million

Approval date: 6/9/2005

Effectiveness date: n.a.

Closing date: 6/30/2007

Implementing Agency: Ministry of Development and International Cooperation

The program will support mutually reinforcing development objectives: (a) maintaining a sound and reactive macroeconomic framework, in particular by deepening fiscal consolidation and strengthening the medium term fiscal framework; (b) improving Tunisia's private investment climate and increasing private investment opportunities; and (c) reinforcing the financial sector's capacity to finance growth, by supporting initiatives to reduce the level of non-performing loans, further strengthening the regulatory framework for bank inter-mediation, and fostering alternative sources of financing.

INFRASTRUCTURE

Water Sector Investment (loan 70250)

Original Loan amount: US\$103 million

Approval date: 6/22/2000

Effectiveness date: 1/23/2001

Closing date: 6/30/2006

Implementing Agency: Ministry of Agriculture, Environment and Water Resources

This project aims to: a) promote effective integrated water resources management and (b) promote conservation of water resources and protection of the environment. These two objectives are expected to significantly improve the productivity of agriculture and increase the access of rural populations to safe water.

Greater Tunis Sewerage and Reuse (loan 41740)

Original Loan amount: US\$60.0 million

Cancelled amount: US\$7.2 million

Approval date: 5/29/1997

Effectiveness date: 4/30/1998

Closing date: 12/31/2005

Implementing Agency: ONAS/Ministry of Agriculture

The revised objectives are to: (a) improve service levels of urban sewerage; (b) promote efficient reuse of effluent from sewage treatment plants for agricultural purposes, (c) reduce urban pollution and promote reduction of coastal pollution and other recipient systems, (d) improve ONAS financial position ; (e) introduce appropriate new sewerage technology; and (f) develop private sector participation in the sewerage sector.

Transport Sector – Phase 1 (loan 43570)

Original Loan amount: US\$50.0 million

Approval date: 6/23/1998

Effectiveness date: 12/22/1998

Closing date: 12/31/2005

Implementing Agency: Ministry of Transport

The project implements the first phase of an Adaptable Program Loan that seeks better, cheaper and less polluting transport services, together with improved transport sector management. This first phase focuses on ports and railways. It supports sector reforms and establishment of a regulatory framework.

Transport Sector – Phase 2 (loan 70510)

Original Loan amount: US\$37.6 million

Approval date: 4/19/2001

Effectiveness date: 3/27/2002

Closing date: 6/30/2006

Implementing Agency: Ministry of Transport

The objectives of this second phase are to increase the efficiency and quality of transport services and reduce the financial burden of the transport sector on the Government's budget. The program focuses on creating an institutional framework for urban transports and investments that will support sustainable growth of public transport in major cities, initiate private sector involvement in transport services and enhance the profitability of railway operations in the phosphate sector.

Cultural Heritage (loan 70590)

Original Loan amount: US\$17 million

Approval date: 6/12/2001

Effectiveness date: 2/12/2002

Closing date: 6/30/2007

Implementing Agency: Cultural and Inheritance Agency

This project seeks to assist the Government in the sustainable management of the country's cultural heritage in order to develop cultural tourism and, in time, gain additional revenues. Regarded as a model in the region and elsewhere the project: (a) is designed in such a way as to tackle the comprehensive set of issues encompassing cultural preservation and management; (b) has generated tremendous interest and very promising bids from top world specialists in the sector; and (c) relies on a team of experienced practitioners in the country.

Export Development II (loan 72390)

Original Loan amount: US\$36 million

Cancelled amount: US\$0.2 million

Approval date: 6/29/2004

Effectiveness date: 1/14/2005
Closing date: 3/31/2010
Implementing Agency: Ministry of Commerce

The objective of the project is to build upon and anchor more deeply the reforms started under the first Export Development project with the intention of encouraging a more supportive export environment. Areas of emphasis will include: (a) improving access to export markets; (b) modernizing trade-related services; (c) providing start-up and expansion capital for new exporters through emerging exporter venture funds; (d) enhancing the efficiency and performance of customs operations; and (e) making internal trade and distribution more efficient.

Municipal Development III (loan 71540)

Original Loan amount: US\$78.4 million
Approval date: 12/5/2002
Effectiveness date: 6/23/2003
Closing date: 6/30/2008
Implementing Agency: CPSC/Ministry of Interior

The objective is to strengthen the institutional environment for the delivery of basic municipal services and infrastructure through: a) increasing institutional capacity of both local governments and sector agencies, and b) enhancing the financial and institutional capacity of the Municipal Development Fund.

ICT Sector Development (loan 72440)

Original Loan amount: US\$13.1 million
Approval date: 7/1/2004
Effectiveness date: 1/18/2005
Closing date: 6/30/2009
Implementing Agency: Ministry of Transport and Telecommunications

The Project aim is to assist in the development of Tunisia's Information and Communications Technology (ICT) sector by: (a) supporting ICT institutional and sector reforms, (b) improving e-security mechanisms, (c) developing e-government applications; and (a) promoting the participation of the private sector in ICT development.

GEF Energy Efficiency Program/Industrial Sector (TF054398)

Original Grant amount: US\$8.5 million
Approval date: 11/4/2004
Effectiveness date: 12/31/2004
Closing date: 12/31/2009
Implementing Agency: ANER (National Agency for Renewable Energies)/SOTUGAR (Tunisian Corporation of Guarantees)

The main objective of the proposed Global Environment Facility (GEF) energy efficiency program for the industrial sector in Tunisia is to overcome barriers to the development of a sustainable market of energy efficiency projects. These projects will focus in a first instance on the larger and medium-size industries, which present the bulk of potential for energy efficiency measures

RURAL DEVELOPMENT/ENVIRONMENT

Protected Areas Management (TF 51308)

Original Loan amount: US\$5.1 million
Approval date: 6/27/2002
Effectiveness date: 7/18/2002
Closing date: 8/31/2008
Implementing Agency: Ministry of Agriculture

The project's main development objective is improved management and protection of selected national parks for the purposes of conserving biodiversity of global importance and contributing to the overall improvement in welfare of local populations .

Agriculture Support Services (loan 70630)

Original Loan amount: US\$21.3 million

Approval date: 6/26/2001

Effectiveness date: 2/2/2002

Closing date: 6/30/2007

Implementing Agency: Ministry of Agriculture

The project aims at improving production quality, competitiveness and market access, particularly for smaller and medium scale producers. To this end, the objectives are to: (a) develop organizational structures for producers that represent their needs and interests, on a pilot basis ; (b) improve the institutional capacity and quality of agricultural services delivered by public, private and producer organizations; and (c) improve the flow of information for all sector stakeholders.

Northwest Mountainous and Forestry Areas Development (loan 71510)

Original Loan amount: US\$34 million

Approval date: 10/31/2002

Effectiveness date: 7/14/2003

Closing date: 12/31/2008

Implementing Agency: Ministry of Agriculture, Environment and Water Resources

The project's development objectives are to improve the socio-economic conditions of the rural populations in the mountainous and forested areas of the Northwest, while also improving the sustainable management of the natural resources

Demonstration Project for the Phase-out of Ozone Depleting Substance (TF 21936)

Original Loan amount: US\$3.8 million

Approval date: 6/14/1994

Effectiveness date: 6/14/1994

Closing date: 12/31/2010

Implementing Agency: National Agency for Environmental Protection

This project seeks to implement a strategy to phase out ozone depleting substances through : a) establishment of the institutional and regulatory framework for decreasing the use of ozone depleting substances (ODS); b) introduction of ODS-free technology in refrigeration, foam and aerosol industries; and c) actions leading to definition of ODS phase-out program.

GEF Gulf of Gabes Marine and Coastal Resources Protection (TF 54942)

Grant amount: US\$6.3 million

Approval date: 3/10/2005

Effectiveness date: 4/27/2005

Closing date: 6/30/2010

Implementing Agency: Ministry of Agriculture, Environment and Water Resources

The main objective of the Global Environment Facility (GEF) project is to protect biodiversity and promote more harmonious economic development based on the sustainable management of the marine and coastal natural resources. The specific objectives of the Project are: (a) to develop mechanisms for the integrated biodiversity management of the Gulf of Gabes at six pilot sites and implement them on three priority pilot sites; and (b) to identify the long-term institutional and technical resources required to reverse the current trend of biodiversity degradation through involvement of the communities concerned within a frame-work of promoting sustainable participatory development.

Projects Under Preparation

SOCIAL SECTOR

Second Higher Education Reform Support

Implementing Agency: Ministry of Higher Education, Research and Technology

The objective of the project is to support the government in its higher education reform efforts, focusing on: (a) building up traditional and alternative models to increase enrollment opportunity; (b) improving the quality and relevance of higher education teaching and research; and (c) broadening sources of higher education finance.

INFRASTRUCTURE

Urban Water Supply

Implementing Agencies: SONEDE and Ministry of Agriculture, Environment and Water Resources

The proposed project will support the Government of Tunisia and SONEDE achieve the following development objectives: (a) strengthening of water supply and sewerage sector policy development and implementation processes to enhance sector performance, promote private sector participation and improve sound tariff and subsidy policies; (b) enhancing of SONEDE's performance through operating and financial management capacity building; and (c) sustaining the reliability and quality of water service in Greater Tunis and other urban centers, through added production capacity, and transmission and distribution network upgrades.

RURAL DEVELOPMENT / ENVIRONMENT

Integrated Solid Waste Management

Implementing Agency: Ministry of Environment and Sustainable Development

The development objective of the project is to support the Government of Tunisia in establishing an integrated municipal solid waste management system and improving its health care waste disposal system. The project also aims at supporting the Tunisian Government in accessing the global markets for Green House Gas emission reduction and identification of opportunities under the Kyoto Protocol's Clean Development Mechanism (CDM).

Second Natural Resource Management

Implementing Agency: Ministry of Higher Education, Research and Technology

The project aims to promote sustainable natural resource management, in particular of crop and rangeland in severely degraded zones, and agricultural productivity improvements, attained with greater involvement of resource users by: (a) where feasible, helping to reverse degradation, and by developing integrated management practices, controlling soil erosion and introducing new technologies to increase on-farm income; and (b) allowing local communities to express their development priorities through comprehensive Participatory Development Plans covering soils, water, rangelands and forests, as well as rural infrastructure, and to carry them out in partnership with local Government agencies, leading to higher incomes and living standards.



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