



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: a report on Employment, Skills Development and Social Protection, a Small and Medium Enterprise Study on technical centers and industrial land management, a report on Agricultural Sector Review and a study on cost assessment of water degradation while building capacity on environmental valuation. A study on Tunisia's Global Integration, identifying reforms to boost growth in services and manufacturing through greater global integration will be disseminated in the Fall of 2007. Three sub-regional Maghreb studies covering Tunisia have been completed. These studies focus on: (a) the textiles and clothing sector and the impact of MFA dismantling; (b) economic discovery and export diversification; and (c) sub-regional study on Maghreb regional economic integration and on the link between policy reforms in the service sectors and economic performance in the region.

The Bank is currently working on a Water and Sanitation Infrastructure Strategy; Review of Energy Management Policy; Small and Medium Enterprise Finance Policy Note; and a regional study on the constraints to cross border investment and trade in the Maghreb.

In addition, the World Bank is providing technical assistance on a regular basis on issues such as public debt management, performance-based budgeting and Skills Development, Social Protection and Employment. Other technical assistance includes the Use of Country Systems, Trade Policy Modelling, Development of Logistics Infrastructure and Urban Transport Efficiency Improvement.

Portfolio At-a-Glance as of September 17, 2007

| Project Name | Ln/Cr | Date, Approval | Date, Effectv | Date, Rev Closng | Net Comm Amt | Tot Disb |
|--|-------|----------------|---------------|------------------|--------------|--------------|
| Ozone Depleting Substance | 21936 | 06/14/1994 | 06/14/1994 | 12/31/2010 | 5.1 | 3.5 |
| Agricultural Support Services | 70630 | 06/26/2001 | 02/02/2002 | 12/30/2008 | 18.1 | 15.4 |
| Water Sector Investment | 70250 | 06/22/2000 | 01/23/2001 | 12/31/2007 | 103.0 | 130.5 |
| GEF Protected Areas Management Project | 51308 | 06/27/2002 | 07/18/2002 | 08/31/2008 | 5.1 | 2.8 |
| Cultural Heritage | 70590 | 06/12/2001 | 02/12/2002 | 06/30/2010 | 17.0 | 7.2 |
| Transport Sector Investment | 70510 | 04/19/2001 | 03/27/2002 | 06/30/2009 | 37.6 | 25.3 |
| Urban Water Supply | 73390 | 11/17/2005 | 03/21/2006 | 06/30/2012 | 38.0 | 1.2 |
| GEF: Gulf of Gabes | 54942 | 03/10/2005 | 04/27/2005 | 06/30/2010 | 6.3 | 0.9 |
| Export Development II | 74870 | 06/29/2004 | 01/14/2005 | 03/31/2010 | 41.8 | 14.7 |
| NW Mountainous and For. Areas Dev. | 71510 | 10/31/2002 | 07/14/2003 | 12/31/2008 | 34.0 | 16.9 |
| Municipal Development III | 71540 | 12/05/2002 | 06/23/2003 | 06/30/2008 | 78.4 | 73.5 |
| Higher Education Reform Support II | 73920 | 06/15/2006 | 11/17/2006 | 11/30/2011 | 76.0 | 1.3 |
| GEF Energy Efficiency Program/Ind. | 54398 | 11/04/2004 | 12/13/2004 | 12/31/2009 | 8.5 | 1.8 |
| Africa Stockpile Programme | 55745 | 11/21/2005 | 11/21/2005 | 11/30/2009 | 4.0 | 0.6 |
| Education PAQSET II | 72200 | 03/08/2004 | 05/24/2004 | 06/30/2008 | 130.3 | 65.9 |
| ICT Sector Development Project | 72440 | 07/01/2004 | 01/18/2005 | 06/30/2009 | 13.1 | 3.5 |
| Sustainable Solid Waste Management | 74320 | 03/13/2007 | 07/20/2007 | 06/30/2012 | 22.0 | 0.0 |
| Tunis West Sewerage | 73970 | 07/06/2006 | 11/17/2006 | 12/31/2011 | 66.8 | 0.2 |
| | | | | | 705.2 | 365.2 |

Projects Under Implementation

| Montreal Protocol: Demonstration Project for the Phase-out of Ozone Depleting Substance (TF 21936) | |
|--|---|
| Original Loan amount: US\$5.1 million Approval date: 6/14/1994 Effectiveness date: 6/14/1994 Closing date: 12/31/2010 Implementing agency: National Agency for Environmental Protection | The project objective is to implement a strategy aimed at establishing an institutional and regulatory framework for decreasing the use of ozone depleting substances and introducing, on a demonstrational basis, ozone depleting substance-free technologies to the country's refrigeration, foam, and aerosol industries, thus initiating actions leading to the phase-out of ozone depleting substances. |
| Water Sector Investment (loan 70250) | |
| Original Loan amount: US\$103.0 million Approval date: 6/22/2000 Effectiveness date: 1/23/2001 Closing date: 12/31/2007 Implementing agencies: Ministry of Agriculture, Environment & Water Resources. Ministry of Environment and Sustainable Development | The project's main objectives are: (a) to promote effective integrated water resources management; and (b) to promote conservation of water resources and protection of the environment, both of which are expected to significantly improve the productivity of agriculture and increase access of rural populations to safe water. |
| Agricultural Support Services (loan 70630) | |
| Original Loan amount: US\$21.3 million Amount cancelled: \$3.2 million Approval date: 6/26/2001 Effectiveness date: 2/2/2002 Closing date: 12/30/2008 Implementing agency: Ministry of Agriculture, Environment and Water Resources | The project development objective is to upgrade public and private services to agricultural producers, processors and exporters, in order for them to become more competitive on export as well as on domestic markets, with a view toward the opening of trade barriers in the future. |
| Cultural Heritage (loan 70590) | |
| Original Loan amount: US\$17.0 million Approval date: 6/12/2001 Effectiveness date: 2/12/2002 Closing date: 6/30/2010 Implementing agency: Cultural and Inheritance agency (AMVPPC) | The objective is 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, through: (i) enhancement of the legal framework, development of policies, and strengthening of cultural institutions capacity to enable efficient management of the country's cultural assets; (ii) development and marketing of cultural products, including promotion and communication programs; and (iii) improving infrastructure and management of a representative sample of six archaeological and historic sites to increase their appeal and tourism potential. |

| Transport Sector Investment Phase 2 (loan 70510) | |
|--|--|
| Original Loan amount: US\$37.6 million Approval date: 4/19/2001 Effectiveness date: 3/27/2002 Closing date: 6/30/2009 Implementing agency: Ministry of Communication Technologies and Transport (SNCFT) | The objectives of the program are to increase the efficiency and quality of transport services and reduce the financial burden of the transport sector on the Government's budget. |
| GEF: Projected Areas Management (TF51308) | |
| Original Loan amount: US\$5.1 million Approval date: 6/27/2002 Effectiveness date: 7/18/2002 Closing date: 8/31/2008 Implementing agencies: Ministry of Agriculture and Water Resources. Ministry of Environment and Sustainable Development. | The project's development objective is to improve the 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. |
| Northwest Mountainous and Forestry Areas Development (loan 71510) | |
| Original Loan amount: US\$34.0 million Approval date: 10/31/2002 Effectiveness date: 7/14/2003 Closing date: 12/31/2008 Implementing agency: Ministry of Agriculture, Environment & Water Resources | The Project Development Objective of the project is to increase household incomes and enhance the socio-economic conditions of the rural populations in the mountainous and forested areas of Northwest Tunisia while ensuring sustainable management of the natural resources through the improvement and diversification of the agricultural and pastoral production systems and the promotion of off-farm income-generating activities. |
| 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: CPSCL/Ministry of Interior | The objectives are to: (i) strengthen the institutional environment for the delivery of municipal basic services and infrastructure; and (b) increase the institutional capacity of both local governments and related central agencies. |
| Export Development II (loan 72390) | |
| Original Loan amount: US\$36.0 million Additional financing: US\$6.0 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 development objectives are to improve access to export markets and finance, and enhance the efficiency trade logistics. The Project is expected to create linkages between domestic and off-shore sectors, enhance competitiveness of private enterprises, and strengthen public-private interface to administer and promote internal and external trade. |
| 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 objective of the project is to promote excellence in teaching and learning through the school sector while continuing the push for equity by ensuring the inclusion of all children at all levels of the basic education system. |
| GEF: Gulf of Gabes Marine and Coastal Resource Protection (TF54942) | |
| Original Loan amount: US\$6.3 million Approval date: 3/10/2005 Effectiveness date: 4/27/2005 Closing date: 6/30/2010 Implementing agencies: Ministry of Environment and Sustainable Development., APAL, CITET, INSTM | The project's development objective is to establish a functional integrated monitoring and participatory management system for the project area to manage biodiversity degradation in the Gulf of Gabes region. |
| GEF: Energy Efficiency Program/Industrial Sector (TF54398) | |
| Original Loan amount: US\$8.5 million Approval date: 11/4/2004 Effectiveness date: 12/13/2004 Closing date: 12/31/2009 Implementing agency: ANER (National Agency for Renewable Energies) | The objective is to achieve a deeper penetration of sustainable commercial energy-efficiency investment activities in Tunisia's industrial sector, by removing barriers and lowering transaction costs. |

| ICT Sector Development (loan 72440) | |
|--|--|
| Original Loan amount: US\$13.1 million Approval date: 7/01/2004 Effectiveness date: 1/18/2005 Closing date: 6/30/2009 Implementing agency: Ministry of Communication Technologies and Transport | The Information and Communication Technologies (ICT) Sector Development Project Development Objective is to assist Tunisia in promoting the development of its ICT sector by: (a) supporting ICT institutional and sector reforms; (b) improving its e-security mechanisms; (c) developing e-government applications; and (d) promoting the participation of the private sector in the ICT sector. |
| GEF: Africa Stockpile Programme (TF055745) | |
| Original Loan amount: US\$4 million Approval date: 11/21/2005 Effectiveness date: 11/21/2005 Closing date: 11/30/2009 Implementing agency: Agence Nationale de Gestion de Déchèts | The objective is to eliminate inventoried publicly-held obsolete pesticide stockpiles and associated waste, and implement measures to reduce and prevent future related risks. |
| Urban Water Supply (loan 73390) | |
| Original Loan amount: US\$38.0 million Approval date: 11/17/2005 Effectiveness date: 3/21/2006 Closing date: 6/30/2012 Implementing agency: SONEDE | The objectives are to: (i) sustain the reliability and quality of water service in Greater Tunis and selected urban centers, through augmentation, upgrade and renewal of water supply infrastructure; and (ii) enhance the competitiveness and sustainability of SONEDE operations, through modernization of management practices and information systems, for better cost control, enhanced revenue and more responsive customer service. |
| Higher Education Reform Support (loan 73920) | |
| Original Loan amount: US\$76.0 million Approval date: 6/15/2006 Effectiveness date: 11/17/2006 Closing date: 11/30/2011 Implementing agency: Ministry of Higher Education, Research and Technology | The development objective is to support the implementation of the Government's program to develop the higher education system by increasing the capacity and efficiency in expanding access and improving the quality of education and institutional performance. |
| Tunis West Sewerage (loan 73970) | |
| Original Loan amount: US\$66.8 million Approval date: 7/6/2006 Effectiveness date: 11/17/2006 Closing date: 12/31/2011 Implementing agencies: Office National de l'Assainissement (ONAS) | The objectives of the project are to: (a) improve the quality of sanitation services in Greater Tunis, and preserve the achievements of the sewerage sector; (b) promote the reuse of treated wastewater in irrigation on a sustainable basis and in significant quantities, which is very important given the severity of water scarcity in Tunisia; and (c) enhance ONAS performance through financial and operational management capacity building. |
| Sustainable Municipal Solid Waste Management (Loan 74320) | |
| Original Loan amount: US\$22.0 million Approval date: 3/13/07 Effectiveness date: 7/20/07 Closing date: 6/30/2012 Implementing Agency: Ministry of Environment and Sustainable Development | The development objective of the Project is to assist the Tunisian Government in strengthening the key elements of sustainability of municipal solid waste management. This objective will be achieved through the operationalization of a planning and implementation system of solid waste management at the national and local levels and through the rehabilitation of a number of environmentally harmful dumpsites. These actions will enable the Tunisian Government to enter the emerging global market of carbon credits through the Clean Development Mechanism (CDM) introduced under the Kyoto Protocol. |

Projects Under Preparation

| Community Based Integrated Rural Development | |
|---|---|
| FY09 | 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. |
| Water Sector Investment II | |
| FY09 | Follow-up to investments and policy reforms supported by ongoing Water Sector Investment Project. (to be defined after identification mission) |
| Energy Efficiency | |
| FY08 | Development and implementation of an energy efficiency program. (To be defined after identification mission) |
| Skills Development | |
| FY09 | (To be defined after identification mission) |
| Tunis Urban Transport | |
| FY10 | General objectives of the project are to improve the quality of transport services in the Greater Tunis Area by supporting implementation of the institutional set up, financing the development of urban transport infrastructure and strengthening public transport management. |