

Where applicable, priority will be given to private sector financing. The role of the private sector will be increased markedly in all areas of WBG intervention, including

- (i) social sectors (education) to address issues of skills mismatch of Tunisian youth with labor market needs;
- (ii) access to finance for MSMEs to support enterprise development and job creation;
- (iii) high value added and employment generating sectors like tourism, ICT, agribusiness, and health care; and
- (iv) infrastructure services, especially in the context of public private partnerships (PPPs) to ease the burden of the Government's fiscal position.

To this end, in areas where WBG support is needed, the World Bank will provide support to the Government to strengthen the policy and regulatory frameworks necessary for attracting private investments, while IFC will explore opportunities for catalyzing private investment into viable sectors. This includes assistance to address shortcomings in PPP financial attractiveness of socially-desirable projects, assistance to enable PPP development, and deal structuring, as well as guarantees from regulatory and political risks. Other areas of policy support that both the World Bank and IFC will provide is in the area of investment climate reforms and support for financial inclusion, building on the robust work that the WBG is already delivering in Tunisia.

Examples of potential for increasing private sector participation assuming a conducive environment for foreign and local investments would be in energy, transportation (e.g. ports, logistics), ICT, water, sanitation, and education. Manufacturing and agribusiness companies that focus on value-addition could also be supported through sustainable and efficient operations. Provided the overall Tunisian investment climate improves through effective implementation of long-delayed key economic reforms, IFC will contribute to restore investors' confidence and develop demonstration effect models both through investments and advisory projects. Finally, WBG will continue to be selective in engaging with private sector partners who meet high standards of independence from political spheres, corporate governance, environment and social practices. IFC's advisory will promote corporate governance and highest environmental and social standards along international best practices.