

Objective 2.1. Narrowing the gap in basic social and economic services

The WBG will support Tunisia as it implements its decentralization agenda. The Bank's engagement will focus on supporting GoT efforts to establish a performance-based fiscal transfer system, strengthening the capacity of central government agencies to support and oversee the performance of local governments, strengthening the back-office functions of local government to deliver local services and infrastructure, and developing tools for citizens to monitor local service delivery. WB financial support will promote gradual roll out of performance incentives in fiscal transfers to local governments for priority sectors (infrastructure, health and education). In tandem, IFC would help support private sector models of delivering some of the services. In order to help GoT increase female participation in local government an emphasis will be placed to promote women participation in municipal councils. Narrowing the welfare gap between leading and lagging areas requires tailored approaches to rural and urban service delivery. Given the scale of the problem this area acknowledges the need for different approaches in urban and rural areas and seeks to have interventions focused around three types of local delivery areas:

- (a) very large metropolitan areas which provide a high percentage of national economic activity,
- (b) rapidly urbanizing secondary cities and
- (c) rural and deprived areas.

In rural lagging regions, the majority of jobs are in agriculture. In the agricultural sector, the Bank will continue improving farm or off-farm related livelihoods and job creation. The Bank will continue to support Government efforts to infrastructure and service-delivery issues. In the water sector in particular, the Bank will continue to provide support to ensure water security in a context of climate change and growing demands; to strengthen public investment patterns; help redefine pricing, quality of services; respond to rural access deficit in sanitation; and address institutional framework and financial sustainability problems for water, sanitation, rural and urban utilities. Community-based maintenance schemes for rural infrastructure will also be explored to ensure the sustainability of such investments and create employment opportunities for the rural poor.