Business Environment and Entrepreneurship Development Policy Financing

Brochure

A new World Bank loan to Tunisia aims to spur faster job creation and economic recovery over the medium term.

The Business Environment and Entrepreneurship development policy loan aims to support the Tunisian governments continued efforts to promote stronger and more inclusive growth, and private sector jobs, especially for the youth, women and in less economically developed regions. In the amount of US$500 million, this development policy loan supports key reforms to improve the business environment and boost investor confidence, while encouraging entrepreneurship and expanding access to finance.

The World Bank comes to support the government’s conviction that investing in entrepreneurs and private sector start-ups, now, will boost overall growth in Tunisia and generate new jobs, perhaps even new industries.

To boost prosperity and encourage entrepreneurship, the World Bank is supporting Tunisia in:

- Making it easier for young firms and entrepreneurs to get access to much-needed capital
- Improving information about credit ratings and opening credit lines to micro-, small-, and medium-sized companies
- Simplifying bankruptcy laws

To improve private sector investment in Tunisia by:

- Put the new Competition Law in place
- Streamline red tape via a new government unit at the Ministry of Development, Investment and International Cooperation

Credit for housing is a particular area of focus. Here, the World Bank supports the government reform to:

- Revise the eligibility criteria of the FOPROLOS (Fond de Promotion du Logement pour les Salaries) so as make credit available for low- and middle-income workers.
Main highlights of this DPL:

This DPL supports the Government of Tunisia’s reforms to improve the business environment, support entrepreneurship and deepen access to Finance with the aim to achieve stronger and more inclusive growth and private sector-led job creation.

- Measures to support entrepreneurship:
  
  o This DPL supports the Government of Tunisia’s efforts to lay the ground for faster private sector-led job creation, particularly through entrepreneurship.

  How?
  
  1. Enhancing access to finance of young firms and entrepreneurs;
  2. Improving credit information and promoting access to credit for young MSMEs (Micro, Small and Medium Enterprises) and entrepreneurs;
  3. Simplifying the bankruptcy regime

- Measure to expand access to housing finance:

  o This DPL supports the Government of Tunisia’s reform to improve access to housing finance for low and middle-income workers.

  How?

  Revising the eligibility criteria of the FOPROLOS (Fond de Promotion du Logement pour les Salaries).

- Measures to improve the business environment:

  o This DPL supports the Government of Tunisia’s reforms to improve the investment climate.
How?

1. Implementing the new Competition Law;

2. Establishing a unit at the Ministry of Development, Investment and International Cooperation responsible for streamlining investment entry authorizations and related administrative procedures as part of the implementation of the new Investment Law;

3. Establishing a unified public investment management framework for public investment projects (PIP) and public private partnership (PPP) projects to cover the appraisal, selection and prioritization, financing modalities and continuous monitoring of all investment projects,

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<th>Development Policy Financing’s Policy Area Intervention</th>
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<th>Entrepreneurship and Access to Finance</th>
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<td><strong>Prior Actions Needed</strong></td>
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<td>Enhancing access to finance of young firms and entrepreneurs through the draft Code for Seed and Equity Capital (Code des Organismes d’Investissement Collectif)</td>
<td>Implementing the new Competition Law the adoption and publication of its implementing decrees;</td>
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<td>Improving credit information and promoting access to credit for young MSMEs and entrepreneurs through the draft Credit Bureau Law (loi organique)</td>
<td>Implementing the new investment law; in particular by establishing a unit at the Ministry of Development, Investment and International Cooperation responsible for streamlining investment entry authorizations and related administrative procedures</td>
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<td>Simplifying Tunisia’s bankruptcy regime through the new law of Collective Procedures,</td>
<td>Establishing a unified public investment management framework for public investment projects (PIP) and public private partnership (PPP) projects to cover the appraisal, selection and prioritization, financing modalities and continuous monitoring of all investment projects;</td>
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<td>Improving access to housing finance for low and middle-income workers through the revision of the eligibility criteria of the FOPROLOS (Fond de Promotion du Logement pour les Salaries).</td>
<td>Introducing the digitization of remaining port procedures to improve the efficiency and transparency of port procedures.</td>
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