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I. Situation analysis

1. Tunisia, a middle-income country with approximately 9.9 million inhabitants, continues to be one of the most competitive countries on the African continent, with an average growth rate which held steady at 5 per cent between 1997 and 2005, despite changing conditions. The commitment of the country to move towards liberalization and integration into the international economy has been accompanied by numerous reforms and programmes aimed at improving the performance of Tunisian enterprises, promoting foreign investment and diversifying the base of the Tunisian economy, with a more significant role for the service sector. National aggregates show that the country should attain or exceed the internationally proclaimed Millennium Development Goals (MDGs) by 2015, with the exception of the one having to do with the maternal mortality ratio, for which a reduction of 70 per cent is forecast. Tunisia ranked 89th in the human development index (HDI) for 2003, and the poverty rate has been significantly reduced since the country gained its independence. Evaluated at 6.7 per cent in 1990, it was estimated at 3.9 per cent in 2005 and should fall below 2 per cent by 2015. Primary education for all children is on the way to becoming a reality, and the goal of eliminating gender disparity at all levels of education was reached in 2000, with girls representing the majority of students in both secondary and higher education. State social investments have been increasing steadily, and between 1996 and 2005 the sum total of social transfers doubled, resulting in additional monthly family income equivalent to 275 dinars. For several years, Tunisia has integrated the principles of sustainable development, producing a national Agenda 21 starting in 1995 and continuing its socio-economic expansion while at the same time working to conserve its natural resources and provide access to basic environmental services for the entire population.

2. Concerned with global balance and social cohesion, Tunisia must contend with major structural changes. The increasingly sharp competition that goes with integration into the international environment continues to place new competitiveness demands on institutions, both public and private, to bolster their capacity to respond to changes in the international arena and to prepare for the opening up provided for under the association agreements with the European Union, *inter alia*. Demographic changes are now resulting in a heightened demand for jobs. The employment rate was 13.9 per cent in 2004 (the 15 to 59 age group represented 64 per cent of the population in 2004, as against 56.9 per cent in 1994), and the relative ageing of the population places new pressures on the social sectors.

3. Subject to these constraints and despite outstanding progress by Tunisia, there are a number of challenges which should be noted. Firstly, there are the disparities which persist in spite of State investments — among regions, for example, with the central and western part of the country and the south lagging behind on all socio-economic indicators (access to some basic infrastructures and social services, higher illiteracy and unemployment rates). Some gender disparities remain with women more affected than men by illiteracy (31 per cent of women compared to 14.8 per cent of men) and unemployment (16.7 per cent for women compared to 12.9 per cent for men in 2004), as well as disparities between town and countryside (in 2004, 46.4 per cent of women in rural areas were illiterate compared to 22.6 per cent in communes). Further challenges are presented by the demands made on the country by the processes launched to achieve integration into the international economy,

which are additional constraints in terms of the distribution of wealth and the vulnerability of certain population groups. There are also constraints on the Administration's capacity to provide citizens with continued access to quality services, but also to mobilize effectively the contribution made by all partners, including the private sector, to a development model which will provide equitable growth and generate sustainable employment. Recent studies carried out by the World Bank, among others, estimate that boosting the efficiency and transparency of public institutions could increase the growth rate by more than 1 per cent per year.

4. Some strategies and national programmes are already under way in response to these challenges, aimed at: providing the highest growth possible, with the goal of an average growth rate of 6.2 per cent for the period 2007-2011; maintaining and accelerating job creation, including promoting self-employment; strengthening the roles and responsibilities of the regions and consolidating local democracy; conserving natural resources, managing energy use by promoting energy efficiency and new and renewable forms of energy; bringing the administration closer to the citizens and business while improving service quality; maintaining and strengthening social cohesion with particular attention to population groups with special needs; and consolidating the contribution of women to political, economic and social life.

II. Past cooperation and lessons learned

5. The programme under way marks a turning point in cooperation between UNDP and Tunisia, which is now shifting from standard assistance projects to support in formulating development strategies and policies based on strategic advice and advocacy to respond to the country's changing needs.

6. An assessment of the programme under way shows a particular impact in the following areas in support of national priorities: capacity-building in respect of identification, integration and reintegration of the poorest population groups and support to management and monitoring systems for assistance programmes targeting these groups; and forward-looking analyses conducted as part of the exercise Tunisia 2030 in partnership with the Tunisian Institute for Strategic Studies on subjects as diverse as employment, governance and energy, have mobilized over 100 national and international academics and experts and effectively contributed to the development of related public policies. UNDP has played the role of catalyst in modernizing public institutions through the introduction of new information management systems and enhanced procedure effectiveness in certain partner institutions (the Ministry of Justice, the Court of Auditors), as well as support for developing the e-government programme in the office of the Prime Minister. These UNDP activities have also supported efforts by the national authorities to mobilize partners and additional official development assistance resources. The provision of financing from such sources as the Global Environment Facility (GEF) for technical expertise and pilot experiments in ecosystem preservation, combating desertification and energy management has served as an effective complement to national efforts to adjust national strategies and regulatory frameworks with a view to the gradual implementation of the relevant international commitments. Finally, the experiments supported by UNDP to promote local governance, and participatory processes of planning and local human development management — including Micro-GEF (GEF's microfinancing programme in Tunisia), the human development programme

at the local level and the GOLD Maghreb initiative (partnerships for local governance and development) — have introduced innovative integrated management approaches at the local and regional levels which merit support.

7. More recently, as part of new partnerships, UNDP has joined the national authorities in their efforts at: (a) adapting the MDG framework to the national context (MDG-Plus), orienting efforts towards disaggregated MDG monitoring, but also towards a redefinition of the targets and indicators set out at the international level and their use in support of national development strategies over the next five-year plan period (2007-2011); and (b) capacity-building in collection and analysis of data disaggregated by sex, from a perspective of promoting women's rights, in support of the targeting and monitoring of gender mainstreaming in regional and national planning. These activities should be strengthened in the coming years, in collaboration with the various United Nations agencies in Tunisia.

8. The midterm review of the United Nations Development Assistance Framework (UNDAF) for the period 2002-2006 has highlighted the need for the United Nations system in Tunisia to strengthen the operational coordination of its activities, especially in those regions of the country which are still lagging behind, identified in the Millennium Development Goals national report published in 2004.

III. Proposed programme

9. The current country programme is based on an evaluation of the tenth national development plan (2002-2006) carried out in 2004, on the goals outlined in the Presidential programme, and on the strategic areas identified during the preparations for the eleventh national development plan (2007-2011) now being formulated.

10. The proposed programme also aims to respond to a double imperative: on the one hand, to continue providing Tunisia with high-quality consulting services, drawing on high-level national and/or international expertise, as well as on the technical contribution made by the United Nations organizations, so that the country will benefit from best international practice, and to promote the expertise and experience which Tunisia has gained through UNDP networks to support South-South cooperation in the Arab region and beyond, which is a national priority.

11. The proposed programme also reflects the results expected from UNDAF 2007-2011, as prepared jointly with the national authorities. It focuses on four main elements: managing integration into the international economy, strengthening equality and quality of services with a view to vulnerability reduction, incorporation and participation of young people and adolescents in the development process, and employment promotion. In this context, the UNDP contribution will primarily support three of the four UNDAF outcomes, as follows:

Globalization

12. The pursuit of a proactive policy of integration of the Tunisian economy into its regional environment and the international economy continues to be a national strategic priority. Eager to seize new opportunities, Tunisia has embarked on initiatives allowing its Administration to continue to adjust to a changing environment, and wishes to strengthen management, enhance human resources training, bring quality systems into general use in the administrative services and

integrate the use of results-based management into the work of all State agencies. On this basis and in the context of UNDAF,¹ the activities selected will support the efforts begun to:

(a) *Increase the efficiency and effectiveness of public bodies and public policies* through: (i) support for development and the implementation of strategies and programmes aimed at capacity-building for administrative staff in strategic planning, monitoring and evaluation, and the consolidation of quality-assurance systems within government organization partners; (ii) capacity-building in administrative innovation to complement the updating of services for citizens and businesses, based on the use of new information and communications technologies within partner organizations and the development of online services; and (iii) consolidating Tunisia's position in the international context, through institutional and technical assistance to the inter-ministerial negotiation platforms and efforts to adjust national regulatory frameworks in line with the commitments made by the country under numerous international conventions and agreements.

(b) *Mobilize all development partners to work towards an increase in resources additional to the State budget* by: (i) identifying potentials and options which would allow Tunisians living abroad to make a greater contribution to national development, in terms of both financial flows and skill transfers; and (ii) contributing to strengthening an effective partnership between the public and private sectors to establish innovative mechanisms for financing investments, particularly in the areas of the environment and energy, and to enhance support services in the private sector.

Disparity in equality and quality of life

13. For a long time now, Tunisia has been applying an approach based on the indissociability of the economic and social dimensions of development, aimed during the next five-year period at strengthening the human development components. Particular attention will be paid to young people, women, special needs categories and combating poverty. Regional development will be a priority, with a view to making the region an active pole of development. The contribution of UNDP to these national priorities, in the framework of UNDAF² will reinforce the efforts begun in order to:

(a) *Support policies and programmes aimed at preventing and reducing vulnerabilities and disparities* by: (i) capacity-building in the field of statistics to support strategic planning and decision-making, including support to statistical bodies in gender-based and geographic identification of poor and vulnerable groups, in particular for purposes of disaggregated MDG monitoring and capacity-building for analysis and tracking of various vulnerability phenomena; and (ii) promoting sustainable human development strategies and programmes and mechanisms at the national and regional levels which allow for integrated management of risks and vulnerability phenomena (socio-economic, environmental).

¹ UNDAF outcome: By 2011, the authorities will be in a position to continue to respond to the needs of citizens and the private sector generated by the international context.

² By 2011, access by the population to quality socio-economic and environment services will be improved and vulnerability will be mitigated, especially for the poorest population groups, women, children and groups vulnerable to HIV/AIDS, in rural areas and in the most disadvantaged regions of the country, contributing to the achievement of the MDG nationwide.

(b) *Strengthening participation and partnership in decision-making processes at the regional and local levels* through: (i) promotion of mechanisms at the regional and local levels allowing various population groups, such as women and young people, in civil society, the private sector and the various local structures, to participate in defining and implementing regional and local development strategies and strategies to improve services; and (ii) capacity-building for regional and local actors — territorial or decentralized administrations, non-governmental organizations (NGOs) or community organizations, regional universities, etc. — in the area of formulating and implementing integrated and sustainable development strategies and programmes to support the national will to promote decentralization and local governance. In this regard, UNDP will endeavour, through its networks, to mobilize decentralized cooperating actors, regions, cities and local actors in some countries of the North to support local and regional development of governorates identified as priority areas by the national authorities.

Employment

14. Employment promotion will continue, during the next five-year period, to be the national authorities' absolute priority. The national authorities must satisfy the dual necessity of preserving the existing job pool, given an unemployment rate of 13.9 per cent in 2004, while absorbing the increased demand for jobs expected during this period. The contribution of UNDP to this national priority in the framework of UNDAF³ will support the efforts begun in order to:

15. *Enhance the performance of employment market institutions* by:

(a) Supporting efforts at analysis and provision of gender-based and disaggregated identification of population groups experiencing unemployment or precarious circumstances, especially young people and workers who do not have productive and sustainable work with a decent income, which will make for strengthened systems of monitoring, retraining, professional reinsertion and social protection, and women, who are employed in larger numbers in so-called traditional sectors and/or those undergoing restructuring, but also in less regulated and protected sectors (agriculture, the informal sector); and (b) capacity-building at the regional level in managing employment issues, supporting the implementation of the various programmes already in place in the regions for this purpose.

16. UNDP will not develop specific programming for young people and adolescents. However, recognizing the importance of young people's needs, UNDP will incorporate this dimension horizontally into all of its programming, making this population group a priority beneficiary of its activities, particularly in promotion of participation and employment. UNDP will continue to contribute to the inter-agency work conducted in collaboration with the national programme to combat sexually transmitted diseases and HIV/AIDS, which targets young people in particular.

³ UNDAF outcome: By 2011, increase employment opportunities, especially for young people, women and college graduates, in order to provide productive and stable jobs with decent incomes.

IV. Management, monitoring and evaluation of the programme

17. The present programme, which was formulated with due regard for the capacities and comparative advantage of UNDP, will be carried out in line with the principles of results-based management. Most of the activities planned will be conducted according to the national execution modality, with the goal of maintaining government co-financing at the 50 per cent level. Thus UNDP will strengthen its role in providing support to the national partners in carrying out operations.

18. Funding for the present programme under regular resources for the period 2007-2011 is estimated to total \$2,023,000.⁴ In close cooperation with the national partners, UNDP will aim to mobilize an additional \$12 million to support programme implementation for the period. This amount will include government co-financing, allotments mobilized from certain trust funds managed by UNDP, and contributions mobilized in cooperation with the national authorities from bilateral and multilateral partners.

19. The activities planned under this programme are linked directly to the results UNDAF expected. Some of them, especially at the regional level, will be carried out jointly with other United Nations agencies. Optimum operational modalities for coordination and management of activities on the ground will be defined with these agencies.

⁴ This amount refers only to funds earmarked as regular resources (target for resource assignment from the core-TRAC, 1.1.1 and 1.1.2).

Results and resources framework for Tunisia (2007-2011)

Priority or national goals: To enhance the integration of Tunisia into the international economy by modernizing the administration and mobilizing partnerships, having particular regard to the role of Tunisians abroad in development.

UNDAF outcome: By 2011, the authorities will be better able to respond to the changing needs of all citizens and the private sector generated by the international context.

<i>Programme component</i>	<i>Programme outcomes</i>	<i>Programme outputs</i>	<i>Output indicators, baselines and targets</i>	<i>Role of partners</i>	<i>Resources (in United States dollars)</i>	
Improved integration of Tunisia in its regional and international environment	1. Increased efficiency and effectiveness of public bodies and policies.	1.1 Strengthened Administration strategic planning, monitoring, evaluation and quality assurance capacities.	Number of new applications/tools established within public bodies.	Government: planning, implementation.	Regular resources: 867,000	
		1.2 Strengthened administrative innovation capacities to modernize services.	Number of personnel trained in strategic planning, monitoring and evaluation.	Private sector: partnership, implementation.	Other resources: 8 million	
	2. Mobilization of development partners to work towards increased resources additional to the State budget.	1.3 Operational inter-ministerial negotiating platforms for monitoring and implementation of international commitments.	Strategy for upgrading human resources in the public sector developed and implemented.	Procedure manuals integrating results-oriented management developed and used.	Universities: research.	United Nations: joint programmes.
			Number of new online services.	Number of personnel trained in areas of negotiation (trade, environment).		
		2.1 Identification of potential areas where Tunisians abroad can make a greater contribution (financial and human flows).	Regulatory texts adjusted to international conventions and agreements.			
		2.2 An effective public-private partnership contributing to the establishment of innovative investment financing mechanisms.	Study conducted identifying options for mobilizing Tunisian expatriates.			
			Number of expert missions performed by Tunisian expatriates.			
			Number of partnership agreements/ conventions ratified for the introduction of innovative mechanisms.			

Priority or national goals: Construct an economy of knowledge, make the region a pole of development and enhance living conditions in both urban and rural areas, with particular attention to the role of women as active development partners.

UNDAF outcome 1: By 2011, public access to high quality socio-economic and environmental services will be enhanced and vulnerability reduced, especially for the poorest population groups, women, children and groups vulnerable to HIV/AIDS, particularly in rural areas and in the most disadvantaged regions of the country, contributing to the equitable achievement of the MDGs nationwide.

<i>Programme component</i>	<i>Programme outcomes</i>	<i>Programme outputs</i>	<i>Output indicators, baselines and targets</i>	<i>Role of partners</i>	<i>Resources (in United States dollars)</i>
Reduction of disparities and promotion of equality and quality of life.	1. Strengthened policies and programmes aimed at preventing and reducing vulnerabilities and disparities.	1.1 Strengthened statistical capacities in support of strategic planning and disaggregated monitoring of the MDGs.	Data available disaggregated by sex and geographical region. MDG goals and indicators integrated into national statistics programmes.	Government: planning, resource allocation. Local/regional authorities: mobilization, planning, resource allocation, implementation.	Regular resources: 743,000 Other resources: 3 million.
		1.2 Sustainable human development strategies developed at the regional and national levels, permitting integrated risk management.	Operational plans for the collection and analysis of disaggregated data implemented by the relevant bodies. Number of people trained in using statistics to support strategic planning.	United Nations country team: joint programmes.	
	2. Consolidated participation and partnership in decision-making processes at the regional and local levels.	2.1 Operational mechanisms at the regional and local levels permitting the participation of population groups (women, young people), civil society and the private sector in development planning and implementation.	Number of natural and environmental risk management programmes implemented. Number of people who have participated in participatory planning processes (young people, women, NGO representatives).	NGOs participation, implementation support.	
		2.2 Strengthened capacities of local/regional actors in formulating and implementing strategies and programmes.	Number of projects implemented by local and regional authorities to respond to their priorities. Number of people trained in participatory planning and management. Number and types of new services available which respond to the needs of vulnerable groups (socio-economic and environmental). Number of public local/regional bodies/institutions which have integrated the participatory approach into their management/decision-making methods.	Donors: partnership, co-financing. Universities: research, participation.	

Priority or national goals: Employment an absolute priority: support enterprise creation and develop new impetus for exports, support the integration of young people into the employment market and the advancement of women as active development economy partners.

UNDAF outcome 3: By 2011, increase job opportunities especially for young people, women and college graduates, in order to provide productive and sustainable jobs with decent incomes.

<i>Programme component</i>	<i>Programme outcomes</i>	<i>Programme outputs</i>	<i>Output indicators, baselines and targets</i>	<i>Role of partners</i>	<i>Resources (in United States dollars)</i>
Job promotion	1. Improve the performance of job market institutions.	1.1 Strengthened capacities to analyse and identify population groups experiencing unemployment and/or precarious circumstances. 1.2 Strengthened regional job management capacities.	Disaggregated data available in the regions (by sex, age group, profile, etc.). Number of regions with operational employment monitoring tools. Additional resources mobilized to support regional employment strategies.	Government: planning, resource allocation. Regional authorities: implementation. United Nations/ International Labour Organization country teams: joint programmes. Private sector: participation.	Regular resources: 413,000 Other resources: 1 million