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PROJECT COMPLETION REPORT

TUNISIA

**THIRD URBAN DEVELOPMENT PROJECT
(LOAN 2223-TUN)**

SEPTEMBER 12, 1994

**Infrastructure Operations Division
Maghreb and Iran Department
Middle East and North Africa Regional Office**

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CURRENCY EQUIVALENTS

1 \$US (1982)	=	0.500 TD
1 \$US (1989)	=	0.903 TD
1 \$US current	=	0.966 TD

MEASURES AND EQUIVALENTS

1 meter (m)	=	39.37 inches (in)
1 square meter (m2)	=	10.9 square feet (sq ft)
1 kilometer (km)	=	0.62 mile (mi)
1 hectare (ha)	=	10,000 m2 or 2.471 acres
1 acre	=	4,047 m2 or 0.405 ha
1 kilogram (kg)	=	2.2 pounds (lbs)
1 pound (lb)	=	0.454 kg
1 ton (metric)	=	2,205 lbs or 1,000 kgs

ABBREVIATIONS AND ACRONYMS

AFH	Agence Foncière d'Habitation (Land Development Agency)
ARRU	Agence pour la Réhabilitation et la Rénovation Urbaine (Urban Upgrading and Renewal Agency)
ASM	Association pour la Sauvegarde de la Médina (Association for the Safeguard of Medina)
BCT	Banque Centrale de Tunisie (Central Bank of Tunisia)
BDET	Banque de Développement Economique de Tunisie (Economic Development Bank)
BH	Banque de l'Habitat (Housing Bank)
CNEL	Caisse National d'Epargne-Logement (National Housing and Savings Fund)
CPSCL	Caisse de Prêts et de Soutien des Collectivités Locales (Local Communities Support Fund)
FOPROLOS	Fonds Social pour la Promotion du Logement des Salariés (Workers' Housing Fund)
MOE	Ministère de l'Equipement (Ministry of Equipment)
MOH	Ministère de l'Habitat (Ministry of Housing)
MOINT	Ministère de l'Intérieur (Ministry of Interior)
MOPF	Ministère du Plan et des Finances (Ministry of Planning and Finance)
MTC	Ministère du Transport et des Communications (Ministry of Transport and Communications)
ONAS	Office National d'Assainissement (National Sewerage Authority)
SNIT	Société Nationale Immobilière de Tunisie (National Real Estate Company)
SONEDE	Société Nationale d'Exploitation et de Distribution des Eaux (National Water Production and Distribution Company)
SPROLS	Société de Promotion des Logements Sociaux (Social Housing Company)
STEG	Société Tunisienne d'Electricité et de Gaz (Public Electricity and Gas Company)

FISCAL YEAR

January 1st - December 31st

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

Office of Director-General
Operations Evaluation

September 12, 1994

MEMORANDUM TO THE EXECUTIVE DIRECTORS AND THE PRESIDENT

**SUBJECT: Project Completion Report on Tunisia
Third Urban Development Project
(Loan 2223-TUN)**

Attached is the "Project Completion Report on Tunisia - Third Urban Development Project (Loan 2223-TUN)" prepared by the Infrastructure Operations Division of the Middle East and North Africa Regional Office. Part II was prepared by the Borrower. It highlights the importance of well resourced coordinator mechanisms where project organizations are complex as well as the need to involve beneficiaries and private land developers to ensure sustainability.

The institutional framework caused numerous delays as different agencies were responsible for credit, land acquisition, roads, drainage and rehabilitation. Predictable difficulties were encountered in the implementation of cost recovery measures due to the fact that the project operated within an urban context where raising taxes is not a tradition.

Through flexible adaptation, the project achieved its objectives of improving housing and urban services for low-income families, strengthening the urban renewal agencies and ensuring better coordination between them, and promoting the implementation of a national approach to housing policy formulation. Project objectives were accomplished through rehabilitation of substandard settlements, development of serviced lots and the provision of housing credit.

The project underwent many changes (mostly beneficial) in the content of its components. The two most important amendments were the extension of the rehabilitation component to two more Governorates and the introduction of a new component consisting of a special sewerage project for substandard settlements as part of a national program. The Loan Agreement was amended three times without changing the amount of the loan. The project was successful in the implementation of its physical components, and in several areas exceeded appraisal expectations.

On balance, the project outcome is rated as satisfactory, its institutional development impact is rated as modest (due to the positive impact of technical assistance on key urban renewal agencies yet negligible impact on municipalities' ability to pay for urban renewal), and the sustainability of its policy approach is uncertain due to the lack of progress on cost recovery. The PCR is of good quality. An audit is planned.

Robert Picciotto
by H. Eberhard Köpp

Attachment

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PROJECT COMPLETION REPORT
TUNISIA
THIRD URBAN DEVELOPMENT PROJECT
(LOAN 2223-TUN)

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This Project Completion Report is based on the findings of desk and field work. The field mission was held in Tunisia on March 1994. Mrs. Dalila Tadjerouni (Urban and Regional Planner, task manager) prepared the report under the supervision of Amir Al-Khafaji, Division Chief, MN1IN, and Daniel Ritchie, Director, MN1DR.

PROJECT COMPLETION REPORT

TUNISIA

THIRD URBAN DEVELOPMENT PROJECT

(LOAN 2223-TUN)

PREFACE

This Project Completion Report describes the results of the analysis of the Third Urban Development Project from its preparation to its completion. The project was financed through Loan Agreement 2223-TUN in the amount of US\$25 million, which was signed on January 11, 1983 and became effective on September 8, 1983. The Loan Agreement was amended three times in order to adjust for new activities without changing the amount of the loan. The loan was closed June 30, 1993, with disbursements of US\$24.55 million.

Parts I and III of this report were prepared by the Infrastructure Division of the Maghreb and Iran Department, Middle East and North Africa Region, and Part II by the Borrower.

The preparation of this report is based on the Evaluation Report, the Loan Agreement and other legal documents, information from the files of the EMENA Information Center, supervision missions, and fund availability reports.

PROJECT COMPLETION REPORT

TUNISIA

THIRD URBAN DEVELOPMENT PROJECT

(LOAN 2223-TUN)

EVALUATION SUMMARY

Objectives

1. The project's major objectives were to assist the Tunisian authorities to: (a) design and implement projects providing better shelter and improved urban services for low-income families; (b) redress inequities in housing policy in order to reach the segment of the population who could not afford housing with adequate urban services as provided by the public sector; (c) strengthen the institutional framework of agencies involved in the urban and housing sectors and ensure better coordination between them; and (d) promote the implementation of a national approach to housing planning and policy formulation (para. 3.01).

2. These objectives were to be accomplished through four main components: (a) rehabilitation and urban upgrading of substandard settlements in four municipalities; (b) development of serviced lots (sites and services) and the provision of housing credit for the construction of on-site dwellings; (c) revitalization of an old part of the Medina of Tunis (Hafsia); and (d) technical assistance to the involved institutions (para. 3.02).

Implementation

3. Loan effectiveness took place nine months after Board approval and disbursement started one more year later (para. 5.01). The closing date was postponed three times extending the life of the project by three years. Overall, the execution of most project components was delayed due to a slow start up and the introduction of various changes (para. 5.04). The project had undergone, throughout its life, many amendments and changes in the content of most of its components. These amendments were, however, beneficial to the project as they allowed a better use of the loan and the accomplishment of more activities. The two most important amendments were the extension of the rehabilitation component to two more governorates and the introduction of a new component consisting of a special sewerage project for substandard settlements as part of a national program launched in 1989 (para. 5.03).

4. The execution of the rehabilitation works was, in general, performed smoothly. The implementation of the Hafsia component was successful and achieved more than initially planned. The sites and services component had known some difficulties tied to the land factor (para. 5.07) and part of the technical assistance activities, especially the studies and the computerization project for the Ministry of Transport, was considerably delayed. The works related to the "special sewerage project" were satisfactorily implemented.

Results

5. The project was successful in the implementation of its physical components. The rehabilitation program affected about 1,500 ha and improved the living conditions of 220,000 low-income, substandard settlement inhabitants, reaching a three-fold increase in the number of beneficiaries planned at appraisal. Under the project 1866 serviced lots were developed and 2,444 loans were provided for self help housing construction and extension (para.6.03 & 6.05). Through the "special sewerage project", which involved 80 urban sites throughout the country, 20,000 house connections were completed. Accomplishments made under the Hafsia component were also beyond appraisal expectations. This included 163 residential units, 53 commercial units, community facilities and offices.

6. Innovative financial measures were introduced in the framework of this project and were successfully implemented in the case of Hafsia which was designed on a self-financing basis. The floor space built was sold at market value and the profit generated was used to replenish a Special Account created in order to recycle the funds and allow further rehabilitation/renovation works to be undertaken. However, little success was achieved in other financial areas of the project, notably, the cost recovery for the rehabilitation and housing credit components. The tax that would have been levied on the beneficiaries and which would have recovered a sizable part of the loans granted by the State to the municipalities, failed to be established. Consequently, the repayment of these loans by both the municipalities and the Housing Bank was hampered (para.6.07).

7. On the institutional side, the main result of the project was the creation of an institution for urban upgrading and renewal, ARRU or "Agence de Rehabilitation et de Renovation Urbaine". ARRU was able to intervene in urban projects rapidly, operating under private law and financial autonomy. ARRU was the main executing agency of the project. It greatly benefitted from the project in strengthening its capacities and, hence, building its experience and human resource base, performing its role and responsibilities satisfactorily throughout the life of the project as well as extending institutional support to the municipalities, regional departments and private developers involved in the execution of the project.

Sustainability

8. Many activities developed under this project could be replicated in their technical and, to a reasonable extent, institutional aspects as well. This is the case for the upgrading/renovation works, the sanitation and sewerage program and undoubtedly the Hafsia operation. It is, however, clear that financial sustainability is a crucial condition to the replicability of urban projects, especially in the current situation of shrinking public resources. Unless realistic mechanisms are designed to warrant the implementation of cost recovery policies, the institutional and financial viability of urban projects will remain an impediment to the development of this sector.

Findings and Lessons Learned

9. This project falls within the "Christmas tree" type of urban projects characterized by a complex design, numerous and diverse activities to implement, an ambitious set of objectives, and the involvement of many agencies and operators. Furthermore, the implementation arrangements were complicated as all these agencies

were made to function and interact within an ambiguous division of responsibilities which led to further complication in the exercise of these responsibilities during the life of the project causing additional difficulties and delays (para.12.02). In addition to these drawbacks tied to the complexity of the project, a major deficiency remains the cost recovery aspect resulting in poor results due to insufficient preparation and unrealistic design. Furthermore, it is worth noting that previous experience in this particular field did not seem to have been taken into account.

Overall Project Assessment

10. Despite this, the project achieved its physical and to a lesser extent institutional goals. Overall, the project did extremely well under such circumstances, thanks to the Government and Bank commitment and perseverance; especially ARRU who had challenged its capacities to make the most out of this complex but innovative project. Therefore, this project's implementation can be considered satisfactory.

PROJECT COMPLETION REPORT

TUNISIA

THIRD URBAN DEVELOPMENT PROJECT

(LOAN 2223-TUN)

PART I: PROJECT REVIEW FROM THE BANK'S PERSPECTIVE

1. Project Identity

Project Title : Third Urban Development Project
Loan No. : 2223-TUN
Amount : US\$25 Million
Region : Middle East and North Africa
Country : Tunisia
Sector : Infrastructure
Sub-Sector : Housing and Land Management

2. Project Background

2.01 During the last three decades urban growth in Tunisia has been characterized by relatively rapid population increase. The urban population accounted in 1980, for about 55 percent of Tunisian's total population of 6.6 million inhabitants. This urbanization rate was due, in particular for the period between 1975 and 1980, to a massive influx of immigrant workers and an intensive internal migration from the country to the urban areas. This migratory movement coupled with a relatively high rate of population growth and of family formation, resulted in unusual pressure on existing urban structures leading to a deterioration of the urban environment in the city centers and in their immediate suburbs.

2.02 The housing situation rapidly deteriorated during this same period (1975-1980). The urban housing stock, which consisted of 423,850 units in 1975, grew by 30 percent at the end of the period but this growth did not keep pace with the housing demand. The housing production capacities of the public sector could not meet the constantly growing demand. Consequently, the housing occupation rate rose from 1.2 to 1.5 households per unit. During the period 1975-1980, about 82 percent (61 percent in terms of investment) of the housing stock built was built by the private sector, of which, 52 percent was attributed to the informal construction sector. The participation of the public sector represented 18 percent of the total housing units built (34 percent of investments).

2.03 The capacity demonstrated by the private sector to finance housing programs through savings and other contributions was substantial. However, housing offered by the public sector was not always accessible to the median urban family (with an income of about TD 110 per month) despite subsidization. The housing developers--Société Nationale Immobilière de Tunisie (SNIT), Agence Foncière d'Habitation (AFH), Caisse Nationale d'Épargne-Logement (CNEL), Fonds Social pour la Promotion du Logement des

Salariés (FROPOLOS)¹ which in the 1970's executed the government's programs, did not succeed due to their ineffective operating system in accommodating the low-income groups (TD 100 per month). One of the objectives of the project was to respond to the needs of this section of the Tunisian urban population.

2.04 In the domain of infrastructure, access to the basic services (water, gas, electricity) was considerably enhanced at the end of the 1970's thanks to the efforts undertaken by STEG and SONEDE in the urban areas. Sanitation, however, remained a problem; ONAS was only recently created. Overall, only 8 percent of urban housing did not meet the standards, and were mainly located in substandard settlements in 1980. The main challenge, therefore consisted of upgrading the existing informal and slum settlements, catering for the new housing demand, and providing integrated site developments and urban services. This constituted one of the aims of the project.

2.05 The Bank has maintained a constant dialogue with the Tunisian authorities in the urban sector since 1966 through six water supply projects, two sanitation projects, and two urban development projects. These projects greatly contributed to the improvement of the provision of urban services in several municipalities. The Second Urban Project (2nd UDP), in particular, played an important role in introducing a new approach to the prevailing urban intervention policy, notably the rehabilitation of substandard settlements rather than their demolition, and the development of site and service programs as an economic and affordable solution to improve the living standards of the low-income groups.

2.06 The housing sector study conducted in 1982 by the Ministry of Housing (MOH) and the Bank, indicated that the main problems faced by the sector were: (a) the lack of reasonably-priced land for housing; (b) the complexity of the institutional framework; (c) the inadequacy between the existing financing and the housing savings programs; (d) the inability of public programs to reach low-income families and; (e) the lack of attention regarding the spatial implications of urban interventions.

3. Project Objectives and Description

3.01 Project Objectives. In line with the priorities adopted by the Sixth Development Plan and the Bank's strategy, the objectives of the Project were to assist the Tunisian authorities to: (a) design and implement projects providing better shelter and improved urban services for low-income families; (b) redress inequities in housing policy in order to reach the segment of the population which could not afford housing with adequate urban services as provided by the public sector; (c) strengthen the institutional framework of agencies involved in the urban and housing sectors and ensure better coordination between them and; (d) promote the implementation of a national approach to housing planning and policy formulation.

1/ AFH, whose mission was land development, offered lots of 200 to 400 m² for which it expected payment in advance. Consequently, this program was only accessible to middle-income families. SNIT produced "key-in-hand" housing which was plagued by delays and which was therefore elevated in price. CNEL, whose role was to use housing savings, did not succeed in mobilizing the savings in its program for low-income families. FROPOLOS reinforced CNEL, but with a program unavailable to low-income families.

3.02 Project Description. The main components of the project were the following:

A. Urban Upgrading. This component concerned the improvement of living conditions in substandard settlements inhabited by the low-income population in the municipalities of Effadhamen, Jendouba, La Goulette and Le Kef. It consisted of: (a) improving and extending the infrastructure network, including primary and secondary roads, water, sewerage, storm water drainage, electricity and connections to utility networks; (b) providing community facilities and services (primary schools, playgrounds, community centers, and health centers); and (c) providing loans through CNEL for home extension and the construction of 400 housing units on infill plots.

B. Sites and Services, and Housing Credit. This consisted of a line of credit under which beneficiaries would be offered a single package enabling them to purchase a developed site and obtain a loan for construction of a dwelling. This program aimed to produce 1,600 equipped lots on the identified sites of Ettadhamen, Zghadia (Jendouba) and Sidri Chiri (Le Kef).

C. Revitalization of Hafsia. Hafsia is part of the old Medina quarter, consisting of traditional housing and a majority of residents who are poor and of rural origin. The project concentrated on: (a) the development and improvement of the infrastructure and the various networks; (b) construction by the Municipality, as a model for development, of some residential and commercial buildings on part of the vacant land; (c) the development of approximately 1.2 ha of land and its sale by the municipality to private developers for the construction of hotels, residential and commercial buildings and; (d) the renovation of about 47,000 sqm of residential floor space in the most needy parts of the quarter, as well as the construction of 135 new housing units on infill plots, and the expansion of a few existing buildings.

D. Technical Assistance. This component mainly concerned the institutional strengthening of the entities involved in the execution of the project and those in charge of the urban and housing sectors. It includes: (a) providing assistance to ARRU for the technical and financial aspects in the conception, preparation and implementation of urban projects through a program of four man-years of expert services; (b) two man-years of expert services in urban planning to MOH; (c) assistance to MOH for the execution of pre-investment studies for the preparation of future urban projects and the establishment of an urban data bank; (d) training through scholarships and expertise of local authorities' staff in urban planning, engineering and finance and; (e) assistance to the Ministry of Transport and Communications (MTC) for the financing of pre-investment studies for the preparation of future urban transport projects.

4. Project Design and Organization

4.01 Both through its objectives and its timely planning, the project was an appropriate and opportune response to the on-going preoccupations of the Borrower and the Bank, regarding sector policy. The Sixth Plan was in fact initiating a change in housing sector intervention which was considered to be one of the priorities for levelling social inequalities. Following the observation that the public programs had mostly benefitted, until then, the relatively well-off families and the civil servants, the subsidized programs of the Sixth Plan had to be targeted more towards the low-income groups in order to satisfy their urgent needs. The remaining housing demand was

to be dealt with by the private sector whose participation was encouraged through putting in place a number of necessary incentives.

4.02 During this period, the strategy of the Bank was to encourage balanced growth and distribution between regions and the different social groups through operations targeting the low-income population. The Banks' urban loan program in Tunisia concentrated on long-term investments in operations dealing with social and urban development, notably, through infrastructure. The present project fell into this category and fostered the continuation of efforts begun in previous projects by extending them to the housing sector.

4.03 The concept of the project was, on the whole, a continuation of the 2nd UDP which had already prepared the ground work for a long-term program of action in this field. The latter included the renovation and development of sites and services in the substandard settlements of Tunis and Sfax. The experience of this project helped in the conception and preparation of the present project, and permitted, as a prime example, the adoption of the "self-help construction" formula on serviced sites rather than the "core-housing" system as was the case in the 2nd UDP. Furthermore, the new approach to the urban low-income housing issue introduced by the 2nd UDP (para. 2.05) had been well-received in Tunisia and had inspired a demand for similar operations. Therefore, the concept of the 3rd UDP had been approved and understood by all concerned parties.

4.04 The project introduced innovative elements into the design and mode of implementation, especially for certain components. The Hafsia operation was conceived with the intention of involving the owners in the renovation and extension of their properties by helping them financially and technically. It also enabled the participation of the private sector in the renovation of an old neighborhood, thereby minimizing the cost for the government and creating an interest for the historic sites often considered the sole responsibility of the State. The loans granted through the "sites and services" component combined in a single financial operation both the purchase of a serviced lot and the construction of a housing unit on this lot; thus, achieving, for the first time, economy of time and procedures, and assuring the realization of a decent building on the plot.

4.05 The execution and overall coordination of the project, as well as the liaison with the Bank were mainly ARRUS' responsibility. The most important tasks of the execution were shared as follows: (a) for the rehabilitation component, sites located in the municipalities of Kef and Jendouba as well as Ettadhamen and La Goulette in the District of Tunis were within the responsibility of the ARRUS; (b) for the Hafsia component, the municipality of Tunis delegated to ARRUS the responsibility of implementing the rehabilitation and the first phase of the new construction program; (c) the CNEL and the AFH were responsible for the housing credit and site development components, respectively; (d) the municipalities, with the assistance of ARRUS and MOH were responsible for road maintenance, drainage, street lighting, and the disposal of solid waste. The renovation works in Hafsia were to be completed by the municipality of Tunis helped by its agencies; (e) the management of the technical assistance program was the joint responsibility of ARRUS, MOH and MTC; and (f) the Caisse de Prêts et de Soutien des Collectivités Locales (CPSCL) was in charge of the loan program to the municipalities.

5. Project Implementation

5.01 Loan Effectiveness and Start of the Project. The loan was approved on December 16, 1982 and signed on January 11, 1983. The signature of the Subsidiary Loan and Management Agreement between respectively CPSCL and the Tunisian Government, and between the latter and the CNEL, constituted conditions of loan effectiveness. The latter which was set for April, 1983, did not take place until September 8, 1983 because of delays caused by the preparation of the Agreements and legal opinion. Launching of the bidding related to the first works (infrastructure) of the project's implementation schedule had also been delayed for more than one year due to difficulties encountered in the acquisition of the land needed in the project and, to some extent, the redesign of the technical studies prepared few years ago for a better selection of intervention sites.

5.02 Project Amendments. Three major amendments were adopted in the project (page 7 of Part III). These amendments resulted in considerable extensions and additions in the activities of the project for the same loan amount by using the surplus generated by the appreciation of the dollar in relation to the dinar (from US\$1 = TD 0.500 in November 1982 to US\$1 = TD 0.780 in November 1985).

5.03 These amendments allowed for financing of computer equipment for MOH, ARRU, CPSCL and CNEL. Community facilities were programmed (commercial center at Le Kef and later a health center in Hafsia) as well as site servicing and housing credit for an additional land area of 40 hectares in the district of Tunis, 30 hectares in the municipality of Ettadhamen-Douar Hicher, and 4 hectares in the municipality of La Goulette. The two most important changes of these amendments were the extension of the rehabilitation component to two other governorates within the country, Gafsa and Béjà, and the introduction in 1989 of a new component called "Projet Spécial d'Assainissement des Quartiers Populaires". This project, to be implemented by ONAS, was destined to emphasize the sewerage dimension of a large national sanitation program in several ill-served urban areas throughout the country.

5.04 Planning and Implementation Schedule. The closing date of the project was originally set for June 30, 1990, but was extended three times, the last extension brought it to June 30, 1993. Although this extension was justified by the introduction of the new components requested by the Borrower, a relatively important delay characterized the overall execution of the project. This delay was due to the slow pace of the start-up of the project, the heavy and cumbersome administrative procedures and the land problems encountered on the development sites. On the whole, the start and execution of most project components were set back an average of two years. Some experienced even more serious delays. This was particularly the case for the sites and services component, the related housing credit component, and the community facilities. As far as the latter are concerned, difficulties of coordination and programming of these activities with the recipient ministries, notably the Ministries of Health and Sport, had led to the cancelling of many community facilities such as sport halls. Problems encountered by certain agencies in carrying out their responsibilities, as well as difficulties in the coordination of project activities between the various institutions involved, had also contributed to the late execution.

5.05 Rehabilitation. This component concerned eight intervention areas: Kram Ouest (La Goulette), Ettadhamen, Douar Hicher, Zghaidia (Jendouba), Sidi-Chrichi (Le Kef), Moalla (Gafsa), Mzara (Béjà) et Ras Tabia (Meharzia). In general, the infrastructure

works were completed smoothly, except for the site of Ettadhamen where the construction of the roadway and the primary sanitation system was blocked for several months because of technical difficulties related to the existing infrastructure.

5.06 Hafsia Rehabilitation. The execution of this component was considered as successful by both professionals and the general public. In addition to the extension of the project area to other neighborhoods of the Medina for the provision of housing credits, 163 residential units were constructed under the project and all were sold. Commercial units were also built (53) and few remain to be sold (8). Public (Société de Promotion des Logements Sociaux--SPROLS) and private developers implemented, with success, the planned construction program. ARRU undertook the execution of a program totaling 53 housing units, 16 commercial units, 9 offices and 1 coffee house. The renovation program had achieved such good results both technically and financially that the municipality of Tunis replicated the operation (under a different program) to renovate 600 oukalas - decayed traditional apartment buildings within the Medina owned by the municipality - thus, benefitting some 800 families.

5.07 Sites and Services. The implementation of this component was impaired by two major elements: the land factor and the performance of AFH. Works on most sites could not begin before 1986. The acquisition of land from private owners caused serious problems, the "expropriation à l'amiable" did not produce the expected results. The promulgation of the expropriation for public utility decrees was not sufficient to convince some of the land owners who were unwilling/recalcitrant to have their land compulsory purchased. The recourse to court procedures had the disadvantage of further deteriorating already deadlocked situations, causing significant delays in the start of the works on the development sites. The AFH, on its part, requested an advanced payment of 20 to 30 percent of the total cost of the lot from the beneficiaries. Furthermore, AFH was, for a long time, reluctant to get involved in the development of lots for beneficiaries for whom the advanced payment represented a significant sum of money. Throughout the execution of the project, the implementation rate of this agency was much lower than originally estimated. Consequently, the program was reduced. Of the 2,200 lots initially planned to be developed by AFH, only 1,866 were delivered. Delays were also caused by additional infrastructure work that needed to be done in order to make the connections to the rehabilitated networks. Inefficient site management is also worth mentioning. Moreover, for certain developments, beneficiaries were allowed to take possession of their lots before the work had finished, and sometimes before the work had even begun.

5.08 Housing Construction and Extension Loans. As loans were granted based on the allocation of serviced lots, the delays experienced in the development of sites affected the activities of CNEL/Banque de l'Habitat (BH), responsible for loan granting and management. The paperwork for Loan approval was difficult to assemble for beneficiaries of modest social and economic means, but CNEL/BH proved to be flexible enough to significantly simplify the procedures and conditions of loan attribution. Although less than originally estimated, a significant number (4,118) of loans were given for the purchase of the serviced lots and housing construction and extension. These loans were made with subsidized interest rates, enabling households earning less than US\$100 per month to take advantage of this opportunity. However, there was room for improved management of these loans and a better assistance to the beneficiaries.

5.09 Technical Assistance. Seven percent of the Bank loan was earmarked to finance technical assistance as described in para. 3.02D. Bilateral Italian aid constituted

an important part of this component, which consisted of training, provision of specialists for ARRU and the MOH and the execution of studies (rehabilitation studies and reference plans for Gabes, Tozeur and Nafta). The technical assistance component of the project was used for: (a) Urban transport studies which would serve other Bank-financed projects already in preparation, notably the Second Urban Transport Project; (b) the purchase of computer equipment for MTC, MOH, ARRU, CNEL and CPSCL; (c) studies of the housing rental market for the Direction de l'Habitat, the computerization of its financial and land data and rehabilitation studies for the 4th UDP. Assistance to MTC for the execution of the studies was delayed, as well as that for the implementation of the computerization project for which the equipment was ordered only in June, 1993. The program realized by the "Direction Générale des Transports Terrestres" consisted of studies on the improvement of urban transport management, establishment of a national training program for the transport sector and the opening up of the latter to the private sector. It also included the execution of two studies for setting up an action program geared towards improving the quality and quantity of urban transport provision in Sousse and Sfax. It was possible to use the undisbursed funds allotted to MTC for the technical assistance for conducting a training program and investments studies at the level of the municipal authorities within the framework of the Municipal Development Project. USAID had also contributed to the finance rehabilitation studies in Gafsa and Kasrine.

5.10 "Projet Spécial d'Assainissement". The activities in this new component of the project introduced by the July 1989 amendment totaled US\$7 million and were satisfactorily implemented. The experience gained in the execution of the preceding components had favorably served the implementation of the works and the management of the project by both ARRU and ONAS.

5.11 Procurement. Overall, there were no major difficulties with procurement. Due to the nature and diversity of the works involved, only contracts above US\$800,000 were subject to international competitive bidding in conformity with Bank rules and procedures. For the remaining contracts, local competitive bidding was permitted with the prior approval of the Bank for those contracts over US\$350,000. In the Medina and due to access difficulties, the rehabilitation works, grouped into an amount of not more than US\$2 million, were executed by the municipality of Tunis after Bank approval. However, a few irregularities in the way the contracts were processed were observed in the beginning, consisting of: (a) some contractors were invited to start the works before the contracts had been formally awarded; (b) sometimes, payments exceeding the contracted amounts were made and advanced payments were recorded without supporting documents; (c) delays in the bidding invitations and the processing of the contracts and, consequently, in the execution of the works did occur frequently. It should also be noted that there were, in some cases, discrepancies between the payments and the disbursement requests presented to the Bank due to the lengthy and cumbersome payment approval process, especially at the municipal level. This resulted in a gap between the physical works executed and the actual payments made to the contractors.

6. Project Results

6.01 Project Costs and Disbursements. The total cost of the project including contingencies and the front-end fee was estimated in the appraisal report at US\$60.1 million equivalent or TD 30.1 million. The Bank loan amounted to US\$25.0 million. By the end of 1989, the project amount reached TD 41.7 million due to the devaluation of the local currency (table on page 9 of Part III). The cancellation of a sizeable

amount of the loan (about US\$8.6 million) was, therefore, expected. The project had, nevertheless, succeeded in using up the entire loan amount through the successive amendments to the loan agreement (section 5.02). The final cost of the project was TD 42.2 million (Table in page 9, Part III).

6.02 Disbursements as indicated in table 3 (page 4 Part III) reached, at closing date, 98.2 percent of the total loan amount. They were, however, slow and below appraisal estimates with an average gap of 31 percent per year. This was due to the delays in execution of the project during the first two years and to the appreciation of the US dollar against the Tunisian Dinar. It should be noted though, that the initial disbursement estimates were rather optimistic. The standard disbursement profile of Tunisia (page 6, Part III), was closer to the actual disbursement curve than the estimated one, especially for the first years of the project.

6.03 Implementation of Project Objectives. Overall, the objectives of the project were met as far as the physical components are concerned. The scope of the project was greatly enriched by the successive amendments. Indeed, not only were the initial project components successfully implemented but some were redesigned and others added to make the project achieve more than expected. In particular, within the context of urban services improvement for the low income population, a major objective of the project, it was possible to increase the number of beneficiaries from the 77,000 initially targeted to 220,000, a three fold increase with the same dollar budget and a relatively limited additional implementation period.

6.04 The project proved to be flexible in its execution and its capacity to make the best of unexpected factors as they arose. The devaluation of the dinar was used to increase project activities, which in turn kept the level of disbursement constant rather than decreasing. The decision to link the project, half way through, to the nationwide sewerage program launched by the President of the Republic in 1989, and its effective and timely contribution to the achievement of a sizeable part of this program allowed the project, while closely following its initial objectives, to accomplish much more and adapt to the changing conditions.

6.05 Physical Accomplishments. Quantitatively, the achievements of the project were impressive. Thus, the rehabilitation program for the entire eight areas had allowed interventions on about 1,500 ha including the creation of 443 infill lots in order to increase the density of the existing urban fabric. New plots were developed on 9 sites with the creation of 1866 serviced lots. At Hafsia, the achievements encompassed not only the entire planned program for the initial project area but also new extensions identified during implementation. The total number of approved housing credit loans reached 2,444 of which 1,500 were for housing construction and extension, and 944 for self help housing. Finally, the sewerage program for 80 urban sites (8 sites more than initially planned), throughout the country, had allowed the connection of 20,000 households to the different networks.

6.06 Financial Aspects. The project introduced innovative measures in financing and cost recovery. For example, the conceptual framework of Hafsia was based on self financing with a minimum contribution from the State which would have been paid back upon completion. The operation proved to be very profitable. The sale to the private developers of apartments and commercial spaces constructed, as well as the equipped lots generated a cash amount of US\$5 million equivalent. These profits were used to

replenish a Special Account, created within the municipality of Tunis to be recycled, and finance additional rehabilitation works for both privately owned and municipal buildings. This has also allowed the repayment of the loans made by the State/CPSCCL to the municipality.

6.07 Except for the financial success which has characterized the Hafsia component, the project has nevertheless failed in the recovery of costs, especially in the setting up of the "contribution des riverains" - tax administered by the municipality for the recovery of the rehabilitation costs. The revenues generated by this tax would have recovered an important part of the loan granted to the municipalities by CPSCCL. Despite ARRUs commendable efforts to sensitize the municipalities and provide them with the necessary technical support regarding this question, the decrees establishing this tax were not published (except for the municipality of Kram Ouest-La Goulette). Similarly, the repayment of the loans by the beneficiaries for the self help construction and housing improvement, two years before the project's closing date was still low, amounting to less than 25 percent of the amounts due to CNEC/BH. It is only at the end of the project and through legal means against beneficiaries in default that the collection rate of CNEC/BH reached 30 percent. Although, the supervision missions had persistently raised this issue, the Tunisian administration failed to take charge of this aspect of the project, and so did the Bank by not taking firm measures to make them comply with this important covenant.

7. Project Impact

7.01 Institutional Impact. ARRUs was the institution that had most benefitted from the project in strengthening its organizational, managerial, project monitoring, and urban planning capacities. In fact, it is through the execution of the 3rd UDP (and later the 4th UDP) that the ARRUs built its experience and human resource base. The project helped in the training of ARRUs manpower, its computerization, the strengthening of its financial management and its technical capacity. ARRUs, had also contributed in the institutional support to the municipalities and regional departments by training their staff involved in the project and sharing with them the experience gained throughout the implementation of the project. CNEC had been reorganized during the project life and within the context of the 5th UDP became a banking institution, the Housing Bank (BH).

7.02 Furthermore, the project benefitted 500 public servants from the different institutions involved in the project in a program of training courses and seminars. The recipients of this training program included 124 professionals from the municipalities, 76 from the ministries of housing and equipment, 40 from ARRUs, 27 from SNIT, and 15 from AFH. The latter also strengthened, through this project, its financial and technical capacities by the establishment of a new department responsible for the implementation of the 3rd UDP.

7.03 Environmental and Social Impact. The physical interventions of the project (rehabilitation and sanitation works) significantly improved the environmental and living conditions of what used to be squatter areas. These settlements, the product of uncontrolled urbanization, would have, in the context of a water shortage, lack of infrastructure, and population growth, led to an increase of the pollution levels and degradation of the urban environment along with a loss of the cultural heritage in the case of Hafsia. Through the rehabilitation program, these settlements had been integrated in the urban fabric and could finally benefit from the urban services

(transport, postmail, and waste collection) as a recognized neighborhood. Furthermore, from the social point of view, the project permitted the social integration of an important number of poor and underprivileged households.

7.04 Architectural and Urban Impact. The Hafsia component both from the conceptual and operational point of view could be considered as a success. Indeed, the project not only helped preserve and protect part of the national heritage, but also regenerated a number of activities in the Medina. The success of the physical intervention and the financial framework generated value added to the land and real estate, as well as the general betterment of the whole Medina by reactivating its economy and resuscitating its historical, cultural, architectural and artistic values. This is undoubtedly a case worth studying further regarding intervention in historic urban cities throughout the world. As far as the sites and services component is concerned less architectural and urban integrity was achieved, mostly due to the lack of technical assistance to the self-help housing construction. It is worth noting that such programs would gain from being conceived and designed as integrated urban operations.

7.05 Economic and Sectoral Impact. The sectoral policy of the government evolved, during the life of project, around two important actions recommended by the Sector Study: development of adequate means for housing finance on the one hand and appropriate systems of land development on the other. In addition to its major objectives mentioned earlier, the project successfully responded to these two recommendations. The Sector Study also came up with recommendations to the government, notably, concerning the reduction in the housing standards (including the size of the lots equipped by AFH) with the aim of housing a larger number of citizens and the promotion of the self-help housing construction.

7.06 A last aspect, but not the least, worth mentioning amongst the achievements of the project is the participation of the private sector. The project succeeded in raising the interest and involvement of the private sector in operations traditionally considered the sole domain of the State, both in some of the rehabilitation program (under the supervision of ARRU) and in Hafsia. By creating competition in similar operations (and sometimes on the same building sites) between private and public enterprises, the project highlighted the competencies of each sector. Hence, the successful participation of the private sector in this project did lead to its further involvement in subsequent projects.

8. Sustainability of the Project

8.01 The sustainability of many activities of the project is easily envisaged for the following reasons: (a) the project, in some of its components, had already been reproduced through the 4th UDP, the 5th UDP and the Municipal Development Project assuring, thus, a continuity; (b) ARRU has acquired a remarkable experience and expertise in the field of rehabilitation/renovation and could well undertake similar operations with minimum involvement of the Government; (c) BH and AFH have started working together, and included in their program low income buyers and; (d) private developers who participated with success in the programs could help implement similar projects. However, the cost recovery of the project as a whole remains an open question as it proved to be, so far, a failure. There is no doubt that cost recovery is a necessary condition for the recycling of funds without which project sustainability could not be assured.

9. Bank Performance

9.01 The Bank, through this project, substantially contributed to the conceptual and practical improvement of the intervention in the urban areas. Project supervision constantly ensured that project objectives were accomplished despite the numerous changes the project went through. Project adjustments to the changing needs throughout its life span and the devaluation of the Tunisian dinar had the positive effect of multiplying its achievements and were a challenge for a number of its executing agencies. However, the Bank was not forceful in making the borrower abide by its agreements.

9.02 The recognized importance of the project objectives in the struggle for economic and social development led the Bank, just after this project was signed, to launch the preparation of the 4th UDP and later the 5th and 6th urban projects². These were, within the medium to long-term, to complement and assure a continuity in the urban intervention started with the 2nd UDP so that the attained results would be significant and durable. It is worth noting that the 4th UDP as well as the 5th benefitted in their design from the experience gained in the present project, notably, the involvement of the public and private developers in the construction of social housing.

10. Performance of the Borrower

10.01 ARRUE was created in August 1981 just before the project was launched. Despite being a young organization and a lack of experience, ARRUE performed its tasks satisfactorily with constant improvement in its various capacities. It acquired significant expertise in rehabilitation and renovation and has even succeeded in implementing most rehabilitation works at a lower cost than estimated, which is significant in this particular field. The BH played an important role in the project through its management of the funds destined to finance the civil works of the sites and services component (implemented by AFH), the Special Account created for Hafsia, and the loans. The BH introduced major improvements in its financing and housing loan practices and procedures. CPSCL and AFH performed relatively less effectively (para. 5.07). The CPSCL showed weaknesses in its management of the loans to the municipalities. The loans were blocked for a long time and the cost recovery tables and amortization schedules were not provided to the borrowing municipalities. The latter, in turn, did not establish the local tax destined to recover an important part of their debts to CPSCL. The performance of the municipalities was also characterized by the slowness and complexity of their reimbursement procedures.

11. Performance of the Consultants

11.01 In general, the consultant services and other contractors involved in the different tasks of the project did not cause any major difficulty. The local consultants work was also carried out satisfactorily.

2/ The 6th UDP is known as the Municipal Development Project.

12. Lessons and Recommendations

12.01 The project has largely demonstrated that it is possible to succeed in operations as complex and ambitious as the rehabilitation of slum settlements and the revitalization/conservation of parts of the historic cities; however, it has achieved less in other components that are as important. In fact, the project in its implementation as well as conception, clearly privileged the physical realizations at the expense of the financial and, to a lesser extent, institutional aspects. The lessons of this project concern the five following areas:

12.02 A. Complexity of the Project. One of the lessons that could be drawn from the project is, undoubtedly, its complexity. This project was characterized by: (a) a program composed of a multitude of elements all very ambitious and entailing for their implementation the complex chain of activities involved in the production of urban space; (b) the multiplicity of operators and participants; and (c) the lack of a clear delineation of responsibilities between different executing agencies. As might be expected, these already constraining elements at the design level proved to be even more difficult at implementation. The execution of the project by various agencies and institutions was made even more difficult by the delegation of authorities and transfer of responsibilities. The diversity of project activities implied integrated actions at both central and local levels in administrative, financial and technical circuits that were not always performing well. Hence, it was difficult to organize a monitoring system that would be able to assure a coherence of the programmed activities. Despite this, the project did attain satisfactory results thanks to the commendable efforts made by all the parties concerned. However, it is recommended, for future urban projects that there be less complexity of design and prioritization and closer targeting of the objectives, including a simplification of the means for their implementation to increase their durability.

12.03 B. The Land Issue. The experience of urban projects in different countries reveals, in general, difficulties tied to the land question. Expropriations for public utility, even in countries that have a tradition in this field, often turn into difficult and conflict-ridden operations. This was the case for the 3rd UDP. Given that the legal status of land in Tunisia could well be problematic, due to the varied and still existing tribal and family types of land ownership³, difficulties in this area should have been foreseen. Though the documentation of the project does not allow a precise diagnosis of the reasons behind the difficulties posed by the land acquisition, it is clear that the initial hypothesis stipulating that any possible delays would be minimized by the capacity of ARRU to expropriate land quickly, did not

3/ In Tunisia, there are various types of land ownership: land owned by the State that could be either "private State domain" or "public domain" when it is retroceded to public institutions; land owned by the Domaine; "collective land"; "Habous land"; "Municipal land"; and the private land that could be individually/tribally/family owned.

give the expected results. In fact, the instruments⁴ for expropriation at the disposal of ARRUE were not always used to the maximum of their legal strength, minimizing, thus, the power of ARRUE of acquiring land quickly. Moreover, some of the land concerned by the project changed status involving additional lengthy processes for freeing it, increasing the delays and cost overrun. This was the case for certain land parcels in Douar Hicher, part of the sites and services program, which necessitated the use of tedious means for its acquisition. Part of it, though, could not be freed as it was sold to illegal tenants. It was also necessary for some other land parcels to have recourse to the change of use, from agriculture to urban use which is a conflicting and cumbersome procedure to undertake in the existence of a Master Plan. It was only through this artifice that some of the land could be made available for the project. On the other hand, the stakes were high related to this issue since the project was to operate on land 60 percent of which was privately owned. Furthermore, one of the principles of the project was to regularize ownership land status and to secure tenure of land through the provision of ownership titles to the future beneficiaries of serviced plots. For this reason, it would have been prudent to make sure of the reliability of the prevailing land acquisition procedures well in advance in order not to further disturb the functioning of the project. In fact, project design neither did it take into account these elements and their related difficulties as well as many others that could not all be mentioned in the scope of this work, nor did it make any room for a prior and appropriate preparation of such a crucial issue for a project based on land development.

12.04 C. Cost Recovery. The difficulties encountered in the implementation of cost recovery measures are partly due to the insufficient preparation regarding the project environment and its various intervening entities. Within a context where raising taxes is not a tradition, the problems tied to this issue were foreseeable. A survey undertaken on a few sites of the project in 1986 revealed that beneficiaries were in general very poorly informed on certain aspects of the project, i.e., selection criteria for allocating plots and loans, type of services that would be provided, and most importantly, the beneficiaries responsibility in paying back their share of works and services made available to them through the above mentioned tax. Thus, the beneficiaries were not only reluctant to pay such a tax, if it was established, but they assumed and believed that it was public intervention and had, therefore, nothing to pay. The local authorities (municipalities), on their part, owing to the novelty of the concept, found it hard (for different reasons) to impose a tax on their communities. It was, hence, necessary to devote more time for the preparation of this aspect, especially, since the 2nd UDP went through the same problems as far as cost recovery is concerned. Moreover, the 4th UDP follows the same design. The cost recovery being generally made over a 20 year period, it is hoped that the on-going urban projects would adjust to this situation. It is crucial that the cost recovery principle should be adhered to and its implementation enforced, as it is only through financially solvent operations that the process of urban development can be pursued and sustained without being a burden for a local or central Government.

4/ The instruments through which ARRUE could exercise its power of expropriation are the PIF- Périmètre d'Intervention Foncière- and the decree of expropriation which along with its preemption right are sufficient enough to free transactions.

12.05 **D. Resettlement.** In spite of the importance of the rehabilitation program that affected more than 80,000 inhabitants, the project was based on the principle of maintaining the population concerned on site and had, to this effect, displaced only a very limited number of residents. The latter, were relocated in apartments owned by SNIT, SPROLS and the municipality of Tunis. This aspect permitted further reinforcement of the position of the Tunisian Government regarding the rehabilitation of the squatter settlements rather than their demolition, hence, avoiding the consequences of massive relocation of the population. The project did, however, face some difficulties in resettling a few of the concerned population owing to the scarcity of empty housing units that would have been made timely available to the population affected by the re-housing scheme. Once again, insufficient preparation lay behind this other aspect of the project.

12.06 **E. Procurement.** In this project, the works were: (a) scattered over many sites; (b) of diverse types; and (c) executed and managed by many agencies. As a result, the related contracts were of small amounts, numerous and similar in nature leading to cumbersome and lengthy processing for both the Borrower and the Bank. A consolidation of all these contracts in homogeneous sets would have made the job of the Borrower and Bank's supervision missions much easier.

13. Documentation and data

13.01 The staff appraisal report, the legal documents and other documentation were useful to the implementation of the project. However, and maybe due to the nature of this project, the documentation relating to its execution and necessary for PCR preparation was difficult to exploit due to often contradictory and incompatible data requiring multiple and lengthy cross-checking.

PROJECT COMPLETION REPORT
TUNISIA
THIRD URBAN DEVELOPMENT PROJECT
(LOAN 2223-TUN)

PART II

1. Introduction

1.01 The objective of the Third Urban Development Project was to assist the Borrower to prepare and carry out integrated development programs. These programs comprised the production of urban services and equipped lots for the low-income population in substandard settlements.

1.02 It was intended that all sectors of the urban mainstream be involved in the preparation and implementation of these programs, without recourse to the creation of any new agencies. However, on the strength of experience gained from the Second Urban Development Project, ARRU, a public institution of an industrial and commercial nature, was created to coordinate, direct and monitor the Project. ARRU was, thus, regarded as an agency to which local authorities would delegate responsibility for these integrated projects.

1.03 To what extent, then, has this project, which loan was closed in June 1993, after three amendments in 1986, 1987 and 1989, achieved its objectives?

1.04 What sort of evaluation can we make of the preparation and implementation of the various components and the performance of the various parties involved?

2. Project Design

2.01 The project proved complex in terms of both its institutional and financial organization and also in the formulation of its intervention programs.

2.02 Project Organization. The multiplicity of parties involved in the project cycle was bound to increase the number of implementation instruments (covenants, agreements, orders, decrees, etc.) and the number of references to the legislation and procedures peculiar to each of the parties. All this ultimately resulted in the extension of the periods allotted for project preparation and implementation.

2.03 The financial package for this project combined several different financing schemes, which were tailored to the components and were dependent on whether they involved connection works (off-site), on-site networks (secondary) or hook-ups to the various networks.

2.04 Because of the multiplicity of parties and financial schemes involved, project organization was also based on complex financing procedures and channels. It was originally planned that the Bank's rate of participation in the financing would vary depending on the nature of the project activity (land development, civil engineering works, housing loans, studies, equipment, etc.). The rates were revised in the course of project implementation in order to increase and standardize the World Bank's contribution.

2.05 The objective of assisting the Borrower to prepare and execute integrated development programs was achieved despite the large number of parties involved, the diverse financing schemes and the complex procedures required for project preparation and approval.

2.06 Formulation of intervention programs and cost estimates. The sites selected by the project all suffered from a severe lack of basic urban services and

social/community infrastructure. Also, given the prevalence of anarchistic land use and the high density of occupancy of the housing units, any action was bound to result in large-scale rehousing and demolition.

2.07 The program therefore had to take account of all these needs in terms of service networks (water, electricity, sewerage, lighting, roads), youth facilities (sports field, children's playground), education (school) and health (clinic, district hospital). The development of infill lots and sites and services were also components of the intervention programs. The share of these components in the total volume of activity carried out by the various institutions involved in the Project remained marginal. Consequently, difficulties were encountered in programming and scheduling the coordination of certain activities, even resulting, in some instances, in their simply being eliminated (as in the case of the sports fields originally planned in the Project).

2.08 Outside of ARRU, which was the project coordinator and agency responsible for project progress, and the Municipality, which was the owner of the project, the degree of identification with this Project among the various parties involved was weak at the design stage.

2.09 The Project extensions in 1987 and 1989, to include new sites, were made possible thanks to the appreciation of the dollar in relation to the dinar, the non-use of the loans originally earmarked for technical assistance and the savings achieved on the contracts signed. These savings stemmed essentially from an overestimation of the various operations programs at project appraisal stage and particularly from the loan amount.

3. Project Implementation

3.01 Execution Periods. The time periods originally set for rehousing, land settlement transactions, releasing rights of way and purchasing sites for the production of serviced lots were based on optimistic estimates. The actual implementation of these operations took longer than planned, causing a delay in the start-up of the works. The postponement of the date for loan effectiveness and the need to repeat certain project studies for updating purposes also contributed to the delay in the start-up of the works.

3.02 Despite the improvements made in the course of project implementation with respect to its institutional organization, certain inherent difficulties in project implementation were encountered due to the multiplicity of parties involved, all reporting to different decisionmaking centers. Project implementation could have been shortened, had the procedures (for handling the lot and loan dossiers, awarding contracts, preparing expropriation cases and financing arrangements) been simplified.

3.03 The slow pace at which the service works were executed on certain sites was closely linked to the anarchistic use of rights of way and to the systematic need to resort to the raising or lowering works-and even diversion-of the service networks.

3.04 Conditions of Project Implementation. In order to offset the lack of rehabilitation experience among the enterprises, ARRU strengthened their staffing by assigning a project manager and an assistant project manager per site on a permanent basis. However, and unlike what was done in the case of the infrastructure networks,

the self-help construction of core housing units program did not benefit from technical project assistance. This resulted in failure to comply with the architectural plans and the generally unfinished look of the serviced lots.

3.05 The attitude of the population toward the project and the commitment of the municipalities were, to a large extent, conditioned by the information, awareness-raising and extension campaigns conducted on the sites prior to the start-up of the works. These actions targeted the beneficiaries, the authorities and the various participants (concession companies, regional departments, etc.). In this connection it can be said that:

- (a) the population, on the whole, supported the Project, which made it possible to establish friendly relations and to help with the execution of various components;
- (b) the municipalities, on the whole, actively participated in the execution of these projects, which were not always perceived as municipal projects in view of the fact that the organization, financing and execution were the responsibility of national institutions, i.e. ARRUE (rehabilitation), AFH (serviced lots), ONAS (Special Sanitation Project included under the third amendment);
- (c) the service network concession companies and the ministerial departments primarily followed their own scheduling and programming logic. Because of this, the coordination for the various interventions was not always easy.

3.06 Project Management. The channeling of funds adopted by the project was complex. But this complexity was somewhat offset, however, by ARRUE being provided with resources that enabled it to bear the costs relating to the land settlement, on the one hand, and by the delegation-in the course of Project implementation-of credits to finance primary infrastructure and social/ community facilities. This arrangement enabled ARRUE to obtain advances and to undertake operations under normal conditions and to pay the consulting firms and the enterprises involved in a reasonably timely fashion. The problem was still passed on to the next phase, however, since the municipalities took at least three to four months to reimburse people for the secondary infrastructure contracted by ARRUE.

4. Project Impact

4.01 Although it might be premature, without a proper survey, to determine the Project's impact on development, it is nevertheless possible to make a few comments along these lines:

- (a) the restructuring and rehabilitation of the squatter settlements and the regularization of the land tenure status of the occupants triggered a boost in investment in the construction sector that was visible on all the sites;
- (b) increases in land prices, the cost of rental housing and commercial funds were also recorded;

- (c) the rehabilitation and renewal of the old Hafsia district brought about significant development in economic activities, well in excess of expectations.
- (d) the integration of the project sites into their environment was achieved by providing them with services and linking them to the city and, in social and economic terms, by providing access to various urban services (transportation, Post and Telecommunications, frequent garbage collection).

5. Achievement of Objectives and Lessons to be learned

5.01 All in all, the project can be regarded as having achieved its objectives. It was, after all, successful in setting up the rehabilitation projects in the squatter settlements, renovation and preservation of the old urban center and the production of low-income housing subdivisions. It proved that it is possible to protect a city's urban heritage while upgrading living conditions by producing urban services. As for the serviced lots, these demonstrate not only the feasibility of small serviced lots but particularly the existence of a major demand for this product.

5.02 As in the case of development operations of new areas, it was possible to concentrate and combine in time and space the intervention of several urban operators in the rehabilitation of districts within the framework of a single project authority. This authority was entrusted to an operator that was responsible for coordinating, monitoring and directing the Project.

5.03 The project also aimed at improving as much as possible the recovery of costs incurred in order to ensure the replicability of these operations. The results in this area so far still fall below expectations for several reasons, including the following, in particular:

- (a) on six sites, although most of the works have been finished since 1989, only one decree for the recovery of secondary costs (through the *taxe des riverains*-taxes administered by the municipality for the recovery of rehabilitation costs) has been issued;
- (b) insufficient resources were made available to handle recovery operations;
- (c) the Banque de l'Habitat, the agency responsible for managing the loans earmarked for the self-help construction and upgrading of housing, performed the role of administrator on the Government's behalf. This Bank needs to be more involved in the financing of this product.

5.04 Lessons to be learned: Several lessons can be drawn from this Project, some of which have already been adopted:

- (a) it is essential that the decision to make a single agency responsible for coordinating all the operators, with the accompanying delegation of authority for complex projects, be accompanied by the provision of sufficient resources, including financial resources, in particular;

- (b) it is obvious that the same objectives could have been achieved with fewer participants;
- (c) it would be better to simplify the channeling of funds;
- (d) the project showed the appropriateness of cross-subsidizing the operations to rehabilitate old centers;
- (e) the production of serviced lots is one way of meeting the housing demand of lower income groups; steps should be taken to make this an ongoing activity of legal land developers and to identify regular sources of financing. But the subdivision of land into lots must be better supervised and must be integrated into the urban fabric;
- (f) in the area of cost recovery, it would be wise to standardize the recovery methods used.

PROJECT COMPLETION REPORT
TUNISIA
THIRD URBAN DEVELOPMENT PROJECT
(LOAN 2223-TUN)

PART III

1. RELATED BANK LOANS

Title and Loan Number	Purpose	Approval Date	Status and Observations
First Urban Development Project	Essentially, an urban transport project with the objectives of: establishing a regional planning context (District de Tunis), renewal and expansion of the public transport fleet of SNT, the renovation of the railways Tunis-La Goulette-La Marsa and the improvement of the traffic conditions in the center of Tunis.		Closed in 1982. This project contributed to the preparation of the 3rd urban project through the establishment of the District of Tunis which played a key role in the formulation of the housing policies for the low income population.
Second Urban Development Project Loan 1705-TUN	Assist in the development of new approaches to the prevailing policies in the sectors of housing and urban services for the low income population through rehabilitation and site and services programs. Also the setting up of the institutional framework which would help reproduce these approaches on a larger scale and in a long run.	05/22/1979	Closed in 1985. The first Bank intervention in the housing domain in Tunisia and a milestone of a series of urban projects.

Title and Loan Number	Purpose	Approval Date	Status and Observations
<p>Fourth Urban Development Project</p> <p>Loan 2736-TUN</p>	<p>Improvement of the housing conditions of the low income households and delivery of accessible serviced lots. Capacity building of the institutions responsible for the implementation of the urban development policies.</p>	<p>07/03/1986</p>	<p>On-going. Follows the same objectives as the 3rd. Project. May be considered as a continuation of the 3rd. UDP.</p>
<p>Fifth Urban Development Project</p> <p>Loan 3064-TUN</p>	<p>Strengthen the housing production capacity for low income population by supporting the newly created housing bank through savings and rationalization of the use of available resources. Promote the participation of the private sector in the land and housing production and initiate the modernization of land management system.</p>	<p>05/18/1989</p>	<p>On-going. This project builds on the 3rd and 4th by further concentrating on housing finance and the increased participation of the private sector. It is within this project that one of the executing agencies of the 3rd UDP, CNEL, was reorganized into the Housing Bank.</p>
<p>Municipal Development Project</p> <p>Loan 3507-TUN</p>	<p>Development of local authorities capacity (municipal and regional) in the execution of urban programs: resource mobilization and utilization, financing and project implementation, planning and management of municipal services including the rehabilitation of low income settlements.</p>	<p>07/02/1992</p>	<p>On-going. The project concentrates on the institutional weaknesses, especially at the local level, already identified in the 3rd and 4th UDP.</p>

2. PROJECT TIMETABLE

	<u>Scheduled Date</u>	<u>Revised Date</u>	<u>Effective Date</u>
■ Identification (IEPS)			06/1981
■ Preparation	11/1981		12/08-18/1981
■ Appraisal Mission	01/1982	02/1982	02/02-28/1982
■ Loan Negotiations	05/07/1982	06/14/1982	10/21/1982
■ Board Approval	06/29/1982	09/28/1982	12/21/1982
■ Loan Signature			01/11/1983
■ Loan Effectiveness	04/1983	07/19/1983 10/12/1983	09/08/1983
■ Closing Date	06/30/1990	06/30/1992	06/30/1993
■ Project Completion	12/31/1989	12/31/1991	12/31/1992
■ Last Disbursement Date	12/30/1990	12/30/1992	10/30/1993

3. LOAN DISBURSEMENT

CUMULATIVE ESTIMATED AND ACTUAL DISBURSEMENTS

(in million dollars)

BANK FISCAL YEAR (By quarter)	APPRAISAL		ACTUAL		VARIATION	PROFILE OF TUNISIA
	AMOUNT	%	AMOUNT	%	(*)	
1983						
Sept. 30, 1983						
Dec. 31, 1983	0.94	3.76	0.369 (**)		0.39	0
1984						
Mar. 31, 1984	-	-	0.369	1.5		
Jun. 30, 1984	2.30	9.20	0.488	2.0	0.21	1
Sept. 30, 1984	-	-	0.590	2.4		
Dec. 31, 1984	5.40	21.60	0.701	2.8	0.13	3
1985						
Mar. 31, 1985	-	-	0.953	3.8		
Jun. 30, 1985	8.40	33.60	1.441	5.8	0.17	10
Sept. 30, 1985	-	-	1.833	7.3		
Dec. 31, 1985	10.92	43.68	2.378	9.5	0.22	14
1986						
Mar. 31, 1986	-	-	3.022	12.1		
Jun. 30, 1986	13.30	53.20	3.653	14.6	0.27	22
Sept. 30, 1986	-	-	3.822	15.3		
Dec. 31, 1986	15.68	62.72	4.222	16.9	0.27	30
1987						
Mar. 31, 1987	-	-	4.768	19.1		
Jun. 30, 1987	17.68	70.72	5.231	20.9	0.30	38
Sept. 30, 1987	-	-	5.378	21.5		
Dec. 31, 1987	19.36	77.44	5.803	23.2	0.30	42
1988						
Mar. 31, 1988	-	-	6.704	26.8		
Jun. 30, 1988	20.86	83.44	7.401	29.6	0.35	58
Sept. 30, 1988	-	-	7.618	30.5		
Dec. 31, 1988	22.35	89.40	8.206	32.8	0.37	66

1989

Mar. 31, 1989	-	-	8.956	35.8		
Jun. 30, 1989	23.20	92.80	9.461	37.8	0.41	74
Sept. 30, 1989	-	-	9.953	39.8		
Dec. 31, 1989	24.00	96.00	10.310	41.2	0.43	82

1990

Mar. 31, 1990	-	-	12.314	49.3		
Jun. 30, 1990	25.00	100.00	13.756	55.0	0.55	86
Sept. 30, 1990			14.158	56.6		
Dec. 31, 1990			16.950	67.8		90

1991

Mar. 31, 1991			17.901	71.6		
Jun. 30, 1991			18.664	74.7		100
Sept. 30, 1991			19.251	77.0		
Dec. 31, 1991			20.029	80.1		

1992

Mar. 31, 1992			21.141	84.6		
Jun. 30, 1992			21.464	85.9		
Sept. 30, 1992			21.677	86.7		
Dec. 31, 1992			22.236	88.9		

1993

Mar. 31, 1993			22.647	90.6		
Jun. 30, 1993			23.142	92.6		
Sept. 30, 1993			23.720	94.9		
Dec. 31, 1993			24.551	98.2		

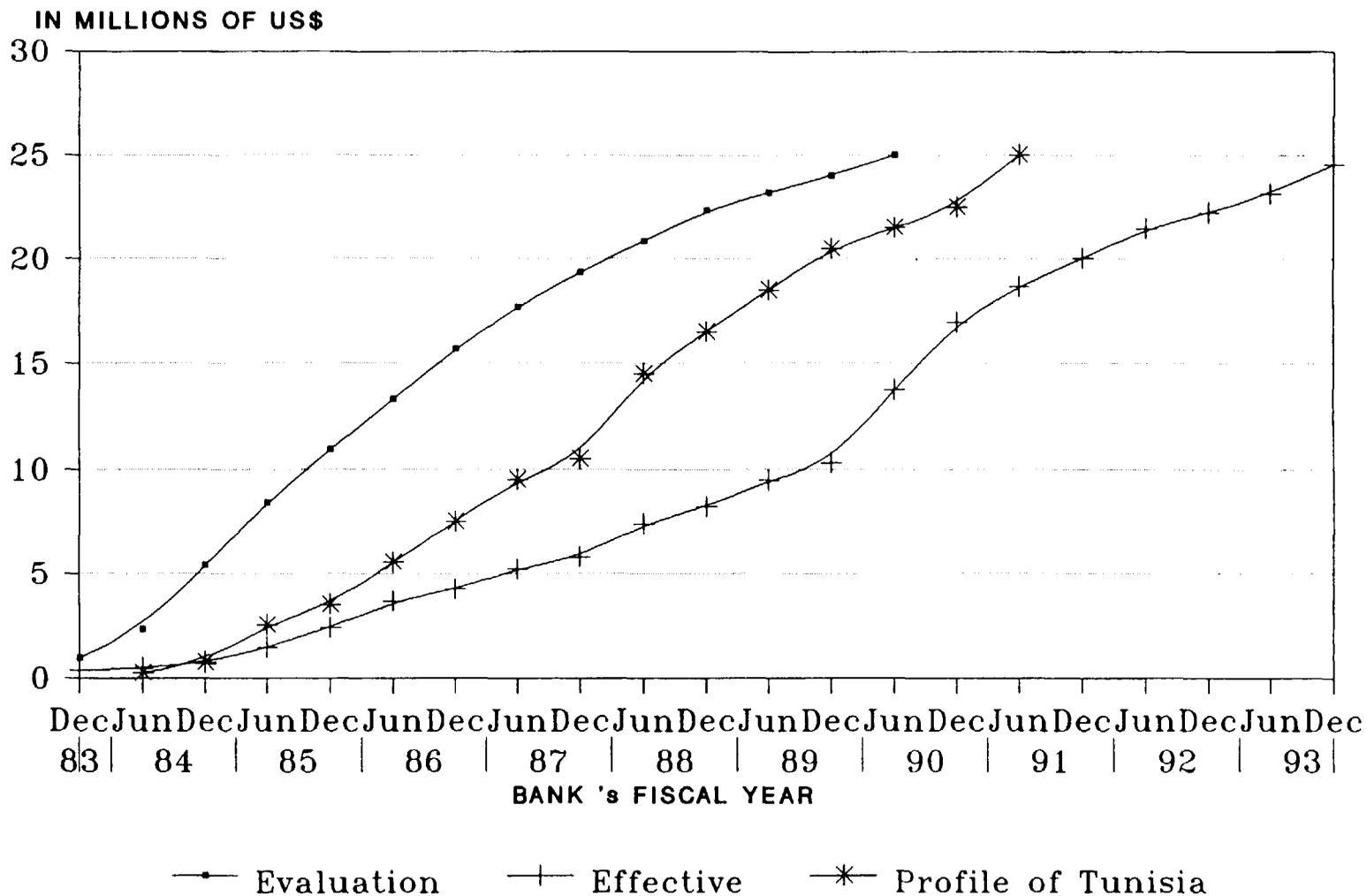
(*) It is the ratio between actual and estimated disbursements.

(**) This amount represents the front-end fee.

(***) Disbursement profile of Tunisia for the urban sector in July 1993.

3. LOAN DISBURSEMENT

Time Line of Planned & Actual Disbursement Schedule 1/



1/ CUMMULATED DISBURSEMENT

4. PROJECT EXECUTION

A. PROJECT AMENDMENTS¹

Type of Amendment	Effectiveness Date	Justifications	Initiated By
<ul style="list-style-type: none"> ■ Building of a municipal market at Le Kef. ■ Acquisition of computer equipment for MOH estimated at US\$ 20,000. ■ Increase of the Bank's participation rate for the component "Civil Works" from 45 to 53%. 	<p>First Amendment to the loan. Was effective on March 27, 1986.</p>	<ul style="list-style-type: none"> ■ Benefit the community living on the equipped sites. Includes 90 shops which will allow the municipality to reimburse its financial obligations. ■ Necessary to the MOH and AARU for conducting housing and finance studies. 90% financed by the Bank. ■ Cover the hard currency part of the "Civil Work" component, using the surplus generated by the appreciation of the dollar. 	<p>The Borrower, since November 1985, i.e, 2 years after the effectiveness of the loan.</p>
<ul style="list-style-type: none"> ■ Project activities were extended to 2 other localities: Béjà and Gafsa ■ The municipality of La Goulette benefitted from a new component "site and services and housing loans" for the development of 4 ha site into 200 lots. ■ The servicing of 40 ha of land in the District of Tunis, i.e. 1,600 lots on different sites. ■ Increasing the disbursement rate of the "site and services" component from 30 to 53%. ■ The budget allocation for the different components was revised to reflect the expansion of described activities by using the savings made. 	<p>Second Amendment of the loan. Effective on May 29, 1987.</p>	<ul style="list-style-type: none"> ■ Due to the appreciation of the dollar against the Tunisian Dinar, an important part of the loan (US\$8 million) would have been cancelled. The Borrower preferred to expand the project activities. 	<p>The Borrower, on December 2, 1986.</p>

^{1/} Only the most important amendments to the Loan Agreement have been summarized in this table. The amendments to the Project Agreement and related understandings are not included but were taken into account in the analysis of project execution, Part I of this report.

Type of Amendment	Effectiveness Date	Justifications	Initiated By
<ul style="list-style-type: none"> ■ The previous Amendment concerning the development of Béjà and Gafsa was extended to other non equipped areas throughout the country. ■ Addition of a new component called "sanitation of non equipped areas" for an amount of US\$7 million. ■ The closing date of the Project is extended to June 30, 1992. ■ Acquisition of computer equipment for CNEL leading to an increase of the budget allotted to this component from US\$20,000 to US\$200,000. 	<p>Third Amendment. Effective July 6, 1989.</p>	<p>Linking the project to a presidential sanitation program for low income settlements. Instead of implementing the sites and services works for only few areas, the Borrower preferred to extend this component to several urban areas focusing on the sanitation aspects. The savings made in the Project estimated at US\$7 million allowed to finance this component. The budget was redistributed accordingly.</p>	<p>The Borrower, on February 16, 1989.</p>
<ul style="list-style-type: none"> ■ The closing date was extended to June 30, 1993. 	<p>Fourth Amendment.</p>	<p>In order to allow the implementation of the local authorities investment studies. These studies were important for the preparation of the Municipal Development Project already appraised in November 1991. This Amendment was also necessary to complete disbursements.</p>	<p>The Borrower, on January 6, 1992.</p>

5. PROJECT COSTS AND FINANCING

A. PROJECT COSTS

(in 000)

CATEGORY (including amendments)	ESTIMATED COSTS			REVISED COSTS(2)			ACTUAL COSTS		
	LOCAL COSTS(*)	FOREIGN COSTS	TOTAL	LOCAL COSTS(**)	FOREIGN COSTS	TOTAL	LOCAL COSTS	FOREIGN COSTS	TOTAL
1. Ettadhamen - Douar Hicher/Jendouba/La Goulette/ Le Kef/Beja/Gafsa/District de Tunis									
a) Civil Works	2,185	3,575	TD 3,972 US\$ 7,944	3,043	3,800	TD 6,474 US\$ 7,170	3,135	4,400	TD 7,236 \$EU 7,764
b) Housing extensions and Construction loans	856	1,400	TD 1,556 US\$ 3,111	883	800	TD 1,605 US\$ 1,778	1,093	1,005	TD 2,030 \$EU 2,178
c) Site and Services - Civil Works	3,967	3,400	TD 5,667 US\$ 11,333	1,602	2,000	TD 3,408 US\$ 3,774	721	813	TD 1,479 \$EU 1,587
d) Site and Services - Construction loans				2,207	2,000	TD 4,013 US\$ 4,444	2,689	2,442	TD 4,965 \$EU 5,327
2. Hafsia									
a) Civil Works and Construction loans	2,087	3,415	TD 3,794 US\$ 7,589	1,762	2,200	TD 3,748 US\$ 4,151	2,097	2,035	TD 3,994 \$EU 4,285
b) Housing extensions and Construction loans	917	1,500	TD 1,667 US\$ 3,333	552	500	TD 1,003 US\$ 1,111	734	1,019	TD 1,684 \$EU 1,807
3. Technical assistance									
a) Expert services and fellowships	188	1,500	TD 938 US\$ 1,875	45	200	TD 226 US\$ 250	-	1,041	TD 970 \$EU 1,041
b) Urban transport studies	150	1,200	TD 750 US\$ 1,500	226	1,000	TD 1,129 US\$ 1,250	183	772	TD 903 \$EU 968
c) Computer equipment				20	200	TD 201 US\$ 222	43	412	TD 427 \$EU 458
4. Civil Works for off-site infrastructure	1,833	3,000	TD 3,333 US\$ 6,667	2,402	3,000	TD 5,111 US\$ 5,660	2,539	2,551	TD 4,917 \$EU 5,275
5. Civil Works for community facilities	611	1,000	TD 1,111 US\$ 2,222	801	1,000	TD 1,704 US\$ 1,887	801	1,053	TD 1,782 \$EU 1,912
6. Civil Works for infrastructure - Special Project				5,605	7,000	TD 11,926 US\$ 13,208	5,246	6,639	TD 11,434 \$EU 12,268
7. Commission		369	TD 185 US\$ 369		369	TD 334 US\$ 369	-	369	TD 344 \$EU 369
8. Unallocated	4,950	4,641	TD 7,270 US\$ 14,541		931	TD 840 US\$ 931			
S/TOTAL IN TD	17,743	12,500	30,243	19,148	22,575	41,723	19,281	22,882	42,163
S/TOTAL IN US\$	35,485	25,000	60,485	21,205	25,000	46,205	20,688	24,551	45,239
Exchange rate (from US \$ to TD equivalent)	0.500			0.903			0.932		

(*) These figures are derived from the Loan Agreement.

(**) These figures are derived from the Third revision of the Loan Agreement.

6. STATUS OF LOAN COVENANTS

<u>Source & Covenant</u>	<u>Covenant Description</u>	<u>Compliance & Remarks</u>
<u>Loan Agreement</u>		
Cov.:P Section: 2.03	Procurement of the goods and civil works necessary to the Project and out of proceeds of the Loan and as governed by the agreement provisions.	Were implemented as stipulated.
Cov.: A Section: 2.04	Closing date scheduled for June 30, 1990.	Three amendments had postponed the date to June 30, 1993.
Cov.: A Section: 3.01	The Borrower shall cause the Project to be carried out through agencies and institutions designated in the Agreement.	Complied with.
Cov.: Fin Section: 3.02(a)	The Borrower shall make available to CPCSL an amount of US\$6,400,00 equivalent out of proceeds of the Loan for a duration of 20 years.	Implemented in December 1983.
Cov.: Fin Section: 3.02(b)	The Borrower shall make available to CNEL the amount of US\$ 4,800,000 equivalent.	Implemented in December 1983.
Cov.: Fin Section: 3.02(c)	The Borrower shall make available as grant from the Loan to ARRU, ONAS, SONEDE and STEG such amount as shall be necessary for the execution of the Project.	Accomplished for ARRU, ONAS, STEG and SONEDE did not receive directly any grant from the Project.
Cov.: Fin Section: 3.02(d)	The Borrower exercises rights under the Subsidiary Loan and Management Agreement to protect his interests together with the Bank's and accomplishes proposes of the Loan and shall not change either the Subsidiary Loan Agreement and the Management Agreement or any provision thereof.	Accomplished.
Cov.: A Section: 3.03	The Borrower shall cause the agreements to be implemented between ARRU and the municipalities, l'ARRU and SONEDE, STEG and ONAS, ARRU and AFH, and finally, AFH and CNEL.	Accomplished.
Cov.: Fin Section: 3.05	The Borrower shall establish a special account within the budget of the Municipality of Tunis.	Scheduled date January 1984. Was accomplished in December 1986 due to late start of the Project.

<u>Source & Covenant</u>	<u>Covenant Description</u>	<u>Compliance & Remarks</u>
<u>Loan Agreement</u>		
Cov.: A Section: 3.06	The Borrower shall establish a municipality for Ettadhamen-Douar Hicher.	Scheduled date May 85, accomplished in advance, in September 1984.
Cov.: F Section: 3.07	The Borrower shall establish a legal and administrative framework for the recovery of the cost by the municipalities (contribution des riverains).	Planned for June 1984, but was not accomplished excepted for the Municipality of La Goulette.
Cov.:A Section: 3.08	The Borrower shall cause the BDET to establish a management unit in order to help CPSCL.	Accomplished.
Cov.: F Section: 3.09	The Borrower shall employ in the Ministry of Housing an urban planner and a programming expert.	Accomplished. Paid by Italian bilateral aid.
Cov.: A Section: 3.10	The Borrower shall maintain a technical coordinating Committee and interministerial coordinating Committee throughout the execution of the Project.	Accomplished, however the functioning of these Committees was not satisfactory.
Cov.: A Section: 3.11(a)	The Borrower shall provide the Bank with plans, reports, contracts and prescription documents and work schedules for the Project.	Accomplished.
Cov.: Fin Section: 3.12(b)	ONAS, SONEDE and STEG shall recover costs of house connections at sites through charging fees and customer contributions.	Complied with concerning ONAS. SONEDE and STEG have directly financed there connections.
Cov.: Fin Section: 3.13	The Borrower shall lend ARRU an amount of US\$ 400,000 equivalent for the land expropriation.	Accomplished.
Cov.: Fin Section: 3.15	CNEL shall lend the beneficiaries amounts out of the Loan proceeds as specified in the Management Agreement.	Started in July 1986, a special unit was created to manage the sub-loans.
Cov.: Fin Section: 4.02	The Borrower shall review with the Bank annually, starting December 1983, and until Project completion, the interest rates applied in the Housing.	Accomplished starting from March 1986.

<u>Source & Covenant</u>	<u>Covenant Description</u>	<u>Compliance & Remarks</u>
<u>Loan Agreement</u>		
Cov.: Fin Section: 4.03(a)	The Borrower shall cause the executing agencies to maintain separate accounts for ONAS, SONEDE, STEG and the Municipalities.	Accomplished by ARRU and AFH.
Cov.: Fin Section: 4.04(a)	ARRU and AFH shall have their accounts and financial statements audited for each fiscal year.	Accomplished.
Cov.: Fin Section: 4.04(b)	CNEL and CPSCL shall have their accounts and financial statements audited for each fiscal year.	Accomplished for CNEL, postponed for CPSCL.
Cov.: Fin Section: 4.04(c)	The Borrower shall cause CPSCL, CNEL, AFH, ONAS, SONEDE, STEG and the Municipalities to provide the Bank with audited financial statements.	ONAS, SONEDE and STEG were not direct borrowers. Their financial statements had been furnished under other projects. Municipalities accounts were audited by the Ministry of Finance. CNEL, AFH and ARRU had provided the Bank with audited accounts.

7. BANK RESOURCES UTILIZATION

A. STAFF INPUTS

(by cycle and year)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
PREPARATION	45.7												
APPRAISAL	59.4	13.6											
NEGOTIATIONS		7.2											
SUPERVISION		5.3	14.7	9.0	10.8	6.9	7.1	10.3	10.0	8.0	5.6	9.0	
COMPLETION													8.0

B. MISSIONS

PROJECT CYCLE	MONTH/YEAR	NUMBER OF STAFF	DAYS IN THE FIELD	REPRESENTED SPECIALITY	PROBLEMS ENCOUNTERED
PREPARATION	Nov-81	3		Arch.	
PREPARATION	Oct-81	1		Arch.	
EVALUATION	Jul-82	2		Arch.	
SUPERVISION	Apr-83	1	20	Arch.	
SUPERVISION	Aug-83	3		Arch., FA	
SUPERVISION	Nov-83	2	30	Arch., Eng.	
SUPERVISION	Mar-85	1		Arch.	
SUPERVISION	Nov-85	2	20	Arch.	
SUPERVISION	Oct-86	1	11	Eng.	
SUPERVISION	May-87	2	14	Arch., Eng.	
SUPERVISION	Sep-87	3	10	Urban., Eng.	
SUPERVISION	Mar-88	2	15	Urban., Eng.	Project Management
SUPERVISION	Dec-88	2	20	Urban., Eng.	Project Management
SUPERVISION	Feb-89	1	18	Eng.	
SUPERVISION	Jun-89	1	10	Eng.	
SUPERVISION	Oct-89	1	13	Eng.	Procurement status
SUPERVISION	Dec-89	1	5	Eng.	
SUPERVISION	Feb-90	2	10	Eng., FA	
SUPERVISION	Jul-90	1	10	Eng.	
SUPERVISION	Jan-91	1	17	Eng.	Procurement status
SUPERVISION	Mar-91	1		Transp. Eng.	
SUPERVISION	Aug-92	1		Eng.	Technical Assistance status
SUPERVISION	Dec-92	2	15	Eng., FA	Project Management
SUPERVISION	Apr-93	2		Eng., FA	

Arch. : Architect Eng. : Engineer Transp. Eng. : Transport Engineer FA : Financial Analyst Urban. : Urban Planner



Pictures showing Hafsia site in the Medina after its rehabilitation/renovation under the Project. External front in the upper quarter of Hafsia, and inside commercial streets before and after Project intervention.



Pictures showing the results of the rehabilitation/renovation works undertaken on the Hafsia site under the Project.

Development of commercial spaces on the ground level of the renovated buildings.

Pictures taken on commercial streets completely renovated.



Some of these streets are specialized (below: "shoe street").

Economic revitalization and social animation regained.



Pictures showing the results of the rehabilitation/renovation works undertaken on the Hafsia site under the Project.

On the right, block of offices at the limit of Hafsia development.



Below, a residential street.

It is worth noting the level of detail achieved on the frontages, respecting the traditional existing building materials such as carved wood, and the tile design pattern and colors.

