**BASIC INFORMATION**

**A. Basic Project Data**

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
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</thead>
<tbody>
<tr>
<td>Tunisia</td>
<td>P168425</td>
<td>Digital Transformation for User-Centric Public Services</td>
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<table>
<thead>
<tr>
<th>Region</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
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<tr>
<td>MIDDLE EAST AND NORTH AFRICA</td>
<td>22-Apr-2019</td>
<td>14-Jun-2019</td>
<td>Governance</td>
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<table>
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<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
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<tbody>
<tr>
<td>Investment Project Financing</td>
<td>Ministry of Development Investment and International Cooperation</td>
<td>Ministry of Technology Information and Communication</td>
</tr>
</tbody>
</table>

**Proposed Development Objective(s)**

The project development objective (PDO) is to increase access to and improve the quality of selected digital services.  

- **Access** will be measured in terms of: (i) increased usage of the selected services; and (ii) number of new functioning access points. Access measurement will also be disaggregated for selected target groups: (a) low-income groups (including non-salaried agricultural workers); (b) women in rural areas; (c) illiterates; and (d) disabled groups.  
- **Quality** will be measured in terms of: (i) time/efficiency gains for users; and (ii) user satisfaction.  
- **“Digital services”** refers to services wholly or partially digitalized by the operation. Users will access the services digitally and/or physically. This includes multi-channel delivery of those services to enable service usage and address the digital divide, such as via digital integrated access points.

**Components**

- Last Mile Broadband Connectivity (50 million USD: 42 million USD IPF / 8 million USD DLI)  
- Foundations and Capabilities for Service Delivery Modernization (35 million USD: 27 million USD IPF / 8 Million DLI)  
- Re-Engineering of Back- and Front-End Delivery Chain (15 million USD: 11 million USD IPF, 4 million USD DLI)

**PROJECT FINANCING DATA (US$, Millions)**

<table>
<thead>
<tr>
<th>SUMMARY</th>
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<tbody>
<tr>
<td>Total Project Cost</td>
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<td>Total Financing</td>
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</tr>
<tr>
<td>of which IBRD/IDA</td>
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B. Introduction and Context

Country Context

1. Since 2011, the Tunisian political transition has made significant headway, yet further progress on economic and social opportunities is desirable to consolidate the transition. A new Constitution was adopted in early 2014, followed by orderly presidential and parliamentary elections in late 2014, and the establishment of a democratically elected government in 2015. Economic growth has been relatively sluggish; regional disparities have widened; access to services is unevenly distributed; and various indicators on accountability, corruption and citizen trust have declined. As a result, social unrest continues with periodic spikes, and a wide range of stakeholders are calling for deeper and faster change towards a new and inclusive social contract.

Sectoral and Institutional Context

2. One lever for furthering the transformation of public service delivery and the social contract is the modernization and digitalization of the public sector, and the Government of Tunisia has led the way in national and sectoral strategies to advance these issues. This includes: (a) the establishment of a dynamic ICT sector including the expansion of broadband connectivity; (b) the launch of initiatives to improve identification and digital authentication systems; (c) the improvement of public service delivery through changes in service delivery culture, administrative re-engineering, conversion to new paperless e-services, and expansion of local, integrated access points (known as Citizen Service Centers); (d) the drafting of a new legal framework, the new Digital Law and the new law on protection of personal data; (e) the
strengthening of accountability and user-orientation such as through the adoption of the Access to Information Law and the adherence to the Open Government Partnership; (f) the laying of the foundations for digitization and an improved delivery system in the social protection sector with a new social protection law (AMEN) approved by Parliament in January 2019 to reform and improve the social protection system, which can support the expansion of social assistance and social security programs; and (g) the advancements in the digitization of the education sector, such as through the launching of online enrollment, in line with the Digital Schools Strategy (2017) aiming to also improve school and student monitoring, and digital learning resources.

3. Yet, further progress needs to be made to resolve institutional and technological constraints to further the transformation of public service delivery. Overall, service access remains difficult especially among vulnerable segments of the population and service quality needs improvement as administrative procedures are slow, complex and inefficient and result in high transaction costs, especially for these groups. This is best exemplified by the manual procedures used in the delivery of social assistance, the back-office constraints leading to low social security coverage among low-income groups. In the education sector, high drop-outs in secondary education and poor quality of education throughout is in part due to limited learning monitoring and professional teacher training programs. Institutional constraints range from (a) the need to ensure stronger capacity, coordination and complementarity between national and sectoral digitization efforts; (b) the necessity of accelerating the conversion to e-services; (c) reducing the digital divide through expansion of service delivery channels including digitized access points; and (e) improving citizen engagement and performance evaluation. Additionally, technological constraints include the need to improve access to high-speed broadband connectivity, and the need for more effective identification and authentication systems and greater interoperability between information systems.

C. Proposed Development Objective(s)

4. The project development objective(PDO) is to to increase access to and improve the quality of selected digital services

• Access” will be measured in terms of: (i) increased usage of the selected services; and (ii) number of new functioning access points. Access measurement will also be disaggregated for selected target groups: (a) low-income groups (including non-salaried agricultural workers); (b) women in rural areas; (c) illiterates; and (d) disabled groups.
• Quality” will be measured in terms of: (i) time/efficiency gains for users; and (ii) user satisfaction.
• “Digital services” refers to services wholly or partially digitalized by the operation. Users will access the services digitally and/or physically. This includes multi-channel delivery of those services to enable service usage and address the digital divide, such as via digital integrated access points.

Key Results
D. Project Description

5. To address these problems, this operation will implement a GovTech approach in social protection and education with the PDO: “improve access to and quality of selected public services”. It will support the adoption of the new wave of public sector reform and technological innovations to: (i) increase service access; and, (ii) ensure selected services are of higher quality and more user-centric. If implemented well, international and Tunisian experiences suggest a high potential for GovTech to address the identified problems. The GOVTECH operation provides an integrated approach to address the PDO. It is structured around three components: (1) Last Mile Broadband Connectivity; (2) Foundations and Capabilities of Social Service Modernization; (3) Re-Engineering of Back- and Front-End Delivery Chain in the Social Protection and Education sectors. Its components and are further outlined below.

6. Component 1: Last Mile Broadband Connectivity (50 million USD: 42 million USD IPF / 8 million USD DLI). This component focuses on providing or upgrading high-speed broadband connectivity of selected front-line service providers. The front-line providers are schools, social protection offices and digitized access points. It will finance last-mile and sustainable connectivity where: (i) there is no or weak connectivity; (ii) where private sector incentives for investment are weak; and, (iii) quality, operation and maintenance factors need particular attention. It is organized around two subcomponents:

**Sub-Component 1.1. Direct Investment in Last-Mile Connectivity (IPF) (42 million USD).** This sub-component proposes to connect and/or upgrade the connection (WAN, LAN plus backbone) of schools, social protection offices, and digitized access points. Criteria for selecting which providers are targeted by operational investment will be refined through a diagnostic study that will be conducted during first year of the project to fill all data gap and identify opportunities to optimize the investment.

**Sub-component 1.2. Incentivizing Additional Investment in Last-Mile Connectivity (DLI) (8 million USD).** This sub-component complements sub-component 1.1 and aims to leverage and incentivize the mobilization of additional funds (public, private) to meet additional connectivity needs to the extent feasible.

7. Component 2: Foundations and Capabilities for Service Delivery Modernization (35 million USD: 27 million USD IPF / 8 Million DLI). This component contributes to the strengthening of institutional and digital reforms and capabilities, which are critical for digitization in the selected sectors, specifically, and the public administration, more generally. It is organized around three complementary sub-components.

**Sub-Component 2.1. Improving Digital Capabilities for GovTech and E-Services (14.7 million USD).** This sub-component aims to strengthen the digital capabilities to facilitate the digitization of services and to improve existing e-services, including through advancing regulatory reforms, and targeted investments to improve interoperability, identification and authentication systems.

**Sub-Component 2.2. Strengthening Institutional Capabilities for User-Centric Digitalized Services (12.3 million USD).** This sub-component supports activities to ensure user-centric and innovative approach to public service delivery and digitization to support access and quality,
including through addressing the digital divide, strengthening citizen engagement, and supporting change management.

**Sub-Component 2.3. Incentivizing Key Digital and Institutional Reforms (8 million USD).** This sub-component complements the above sub-components by incentivizing the adoption of key reforms, and ensuring national-sectoral linkages and inter-sectoral linkages are optimized to increase impact and mitigate risks of duplication.

8. **Component 3. Re-Engineering of Back- and Front-End Delivery Chain (15 million USD: 11 million USD IPF, 4 million USD DPF).** This component, building on components 1 and 2, aims to complete the necessary and interlinked back-end and front-end re-engineering of 4 flagship sectoral programs to transform the user experience related to multiple priority services. **Sub-component 3.1. Improved Social Protection Delivery Efficiency and User-Centricity (6.5 million USD).** This component focuses on applying GovTech innovations to improve social protection delivery systems, in general, and the specific delivery of targeted social assistance (cash and benefit transfers) and social security programs (pensions). **Sub-component 3.2. Improved Education Delivery Efficiency and User-Centricity (4.5 million USD).** This component focuses on applying GovTech innovations to improve selected aspects of the education delivery systems, in general, and the specific delivery of targeted services related to strengthening student and school monitoring and improving digital resources for improved teaching and learning. **Sub-component 3.3. Incentivizing Citizen-Centered Administrative Simplification and Digitalization (4 million USD, DLI).** This sub-component incentivizes the simplification of administrative procedures in the target services in order to improve the citizen access to, and quality of, the service.

9. **The operation is fully aligned with the Tunisia Country Partnership Framework (2016-2020).** It supports all three pillars by helping build a new social contract between citizens and the state in terms of selected services, which is also a target of the World Bank Regional Strategy for the Middle East and North Africa. More specifically: it will support pillar one through increased public-sector service delivery efficiency; pillar two by improving services in under-served regions; and, pillar three by promoting increased social inclusion through the targeting of under-served groups.

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<td>Projects on International Waterways OP 7.50</td>
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<tr>
<td>Projects in Disputed Areas OP 7.60</td>
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Summary of Assessment of Environmental and Social Risks and Impacts

The main environmental impacts/risks of the project are linked to component 1 and 3 and may include terrestrial and aquatic habitat alteration, visual impacts, hazardous materials and waste management, electric and magnetic field, emission to air, noise and Occupational Health and Safety hazards during construction and some Community Health and Safety issues during operational phase. Social risks and impacts related to the project may include, but not be limited to, those related to management of labor in project units and for contractors, to engagement of stakeholders, public consultations and participation during project design and operation including management of grievances and expectations, and land acquisition for physical infrastructure to be constructed under the project.

Note: To view the Environmental and Social Risks and Impacts, please refer to the Appraisal Stage ESRS Document.

E. Environmental and Social Effects

10. The Environmental and social risks of the project are deemed moderate. The anticipated environmental Risks/impacts are linked to some physical infrastructure constructions/rehabilitations (buried broadband internet cables, transmission towers, data centers, service centers) and other Risks/impacts are linked to Occupational and Community Health and Safety during operational phase (EMF emissions). The project is classified as Moderate Risk as the potential adverse risks and impacts on human populations and/or the environment are not likely to be significant and can be easily mitigated in a predictable manner.

11. Publication and Public Consultation. A draft Environmental and Social Review Survey (ESRS) addendum will be disclosed on the Bank’s website at the start of appraisal. It has been consulted during a meeting convened by the MTCEN and the Bank. The final ESRS Addendum will incorporate the findings of the public consultation.

F. Financing

12. The instrument is an IPF (80 million USD) with DLIs (20 million USD). The Project comprises 6 DLIs with Disbursement Linked Results (DLRs). The WB Financial Management Guidelines will apply to the eligible expenditure program. Upon achievement of the DLIs, as ascertained through an agreed protocol, disbursement for the DLIs will be made directly into a dedicated account opened at the Central Bank and will serve to finance MTCEN and line ministry activities.

F. Implementation

13. The agreed principles of organization arrangements, discussed extensively and agreed with the Tunisian authorities, are: to have a PMU centralized at the level of the MTCEN but that is inter-sectoral; to ensure clear, transparent and well-defined roles and responsibilities for each ministry; to ensure a balance of technical (ICT) civil servants and service delivery civil servants throughout the implementation; to ensure constant synergies between national and sectoral investments; and, to
bring, where feasible, external experts to support and reinforce implementation. The implementation arrangements will include: (a) Steering Committee; (b) a Project Management Unit (PMU) at the level of MTCEN; (c) Sectoral Technical/Project Management Team; and (d) an ad-hoc technical committee.

CONTACT POINT

World Bank

Simon Carl O'Meally  
Sr Public Sector Mgmt. Spec.

Axel Rifon Perez  
Young Professional

Yuko Okamura  
Economist

Borrower/Client/Recipient

Ministry of Development Investment and International Cooperation
Kalthoum Hamzaoui  
General Director  
k.hamzaoui@mdci.gov.tn

Implementing Agencies

Ministry of Technology Information and Communication
Anouar Maarouf  
Minister  
mhamed.dalla@tunisia.gov.tn
FOR MORE INFORMATION CONTACT

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  

APPROVAL

| Task Team Leader(s): | Simon Carl O'Meally  
|                      | Axel Rifon Perez  
|                      | Yuko Okamura  

**Approved By**

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<thead>
<tr>
<th>Environmental and Social Standards Advisor:</th>
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<tr>
<td>Practice Manager/Manager:</td>
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<td>Country Director:</td>
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<td></td>
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<tr>
<td>Tony Verheijen</td>
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<td>25-Apr-2019</td>
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**Note to Task Teams:** End of system generated content, document is editable from here. *Please delete this note when finalizing the document.*