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TUNISIA ICT COMPETITIVENESS PROJECT

Quarterly Report

January - March 2013

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USAID ICT Competitiveness Project

Quarterly Report January – March 2013

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ACRONYMS

ACP	Alternative Capital Partners
ADSS	All Dielectric Self-Supporting
AfDB	African Development Bank
ANETI	National Employment Agency
ANF	National Spectrum Agency
APII	Agency for the Promotion of Investment and Innovation
APTBEF	Tunisian Professional Association of Bankers and Financiers
BFMPE	SME Finance Bank
BIAT	Banque Internationale Arabe de Tunis
BPA	Blanket purchase agreement
BPO	Business Process Outsourcing
CAT	Business and Technology Convention
CB	Central Bank
COMESA	Common Market for East and South Africa
DCA	Development Credit Authority
DGI	Direction Générale des Impôts (Tax Authority)
EDP	Executive Development Program
EFE	Education for Employment
EU	European Union
FIPA	Foreign Investment Promotion Agency
GBTI	Global Business, Trade, and Investment
GDP	Gross domestic product
GOT	Government of Tunisia
IACE	Institute of Arab Business Leaders
ICT	Information Communications Technology
IFC	International Finance Corporation
INT	National Telecommunications Authority
IO	Integration Objects
IPO	Initial Public Offering
IPR	Intellectual property rights
IRPP	Impôt sur le Revenu des Personnes Physiques (Personal Income Tax)
IT	Information Technology
ITO	Information Technology Outsourcing
ITU	International Telecommunication Union
KOICA	Korean International Cooperation Agency
LOB	Line of Business

MCC	Millennium Challenge Corporation
MF	Ministry of Finance
MFPE	Ministry of Vocational Training and Employment
MHESR	Ministry of Higher Education and Science Research
MICT	Ministry of Information and Communications Technology
MOU	Memorandum of Understanding
MS	Microsoft
MSA	Ministry of Social Affairs
MSME	Micro, small and medium enterprise
NCA	National Constituent Assembly
NITF	National Information Technology Federation
NTB	Non-tariff barriers
OTJ	On the job training
PIT	personal income tax
PPP	Public-private partnership
SEGIR	Support for Economic Growth and Institutional Reform
SME	Small and medium enterprise
SSM	Strategic Selling Methodology
STEG	Société Tunisienne de l'Electricité et du Gaz
STTA	Short-term technical assistance
TACC	Tunisian American Chamber of Commerce
UGTT	Union Générale Tunisienne du Travail
UNCITRAL	United Nations Commission on International Trade Law
USAID	United States Agency for International Development
UTICA	Union Tunisienne de l'Industrie, du Commerce et de l'Artisanat
VAT	Value-added tax
VET	Vocational education and training
WAEMU	West Africa Economic and Monetary Union
WTO	World Trade Organization

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TRIP REPORTS

January:

Tim Canedo, ICT-enabled Value Chain Expert
Bo Cutter – Senior Advisor

February:

Bernadette Wakim – Workforce Development
James Wooster – Fiscal Policy
Stephen Strauss – Financial Sector
Tim Canedo - Value Chain
Deborah Porte – Business Registration, Licensing and Customs Advisor
Karim Morsli – BPO and OSS Advisor

March:

Jane Daly – Workforce Development
Kelly Cameron - Telecommunications
James Wooster – Fiscal Policy
Janusz Szyrmer – Senior Economist
Karim Morsli – BPO and OSS Advisor
Firas Ben Achour – Business Sales and Marketing Consultant
(Leigh Knight – SME Credit Risk Management – trip report included in Technical Report in next section)

TECHNICAL REPORTS

- “Supporting a Fiscal Policy Reform Agenda in Tunisia” and trip report Oct-Nov 2012 – Janusz Szyrmer
- “Taxation in Tunisia: Summary Comments and Recommendations” - James Wooster
- “Leasing in Tunisia” - Stephen Strauss
- “Executive Summary: Enabling Environment” (includes presentation)- Deborah Porte
- “Roadmap for APII Reforms” – Deborah Porte
- "Legal Analysis of Collateral" - Jaouida Guiga

- “Career Center Development” - Jane Daly
- “Decree on Universal Service” - Kelly Cameron
- “INT Rules of Procedure” – Kelly Cameron
- “Strategic Sales Workshop” - Firas Ben Achour
- “BIAT: SME Access to Credit” (includes trip report as an annex) - Leigh Knight

EXECUTIVE SUMMARY

Progress

Tunisia was in political limbo for a month this quarter – from the date of the assassination of Chokri Belaid February 6, which led to the resignation of the Prime Minister; to the date of a formation of a new government on March 8. It was nonetheless a very busy quarter for the Project. Project work with the private sector was not affected by the political uncertainty, and remarkably, work with the public sector universities on career centers proceeded without delay. All stakeholders agree on the urgency of actions to increase employment and, once the political impasse was resolved, all government counterparts are anxious to move forward quickly.

Component 1. Increasing and Developing ICT and ICT-enabled Entrepreneurship

ICT Sector

The Project made significant progress building relationships with ICT companies to provide technical assistance and training to increase employment. The Project reached an agreement with eight ICT companies to provide technical assistance and staff training to facilitate job creation. Four of these companies are leading ICT companies committed to new job creation and plan to hire 120 new employees by July 2013. The other four ICT companies received assistance from the Project in business strategy, technology sales, as well as training in business English, workplace and ICT technical skills. The Project also strategized with Microsoft on priorities in 2013: ICT students and young entrepreneurs; small and medium enterprises participating in the MS BizSpark Program; and larger MS systems integrators participating in the MS Partnership for Africa Program. Activities will include road shows, workshops, and marketing events regionally in Tunisia. Finally, the Project researched the embedded software and tool market at the request of Infotica, the IT Services business association affiliated with the National IT Federation. In February, a survey of the Project's ICT client companies verified that these companies generated 300+ new, high-value added, career enhancing ICT jobs between September and December 2012.

The Project delivered several Strategic Sales and Sales Process Development workshops and Business Strategy consulting to client companies in the telecom infrastructure, IT outsourcing, and mobile software and services industries.

ICT-Enabled Sector

The Project provided critical technical assistance and training to the olive oil and textile sectors. The Project helped representatives of several Tunisian olive growers and processors prepare for the Winter Fancy Food Show in San Francisco in January 2013. At the show, the Project facilitated several working meetings between Tunisian food processors and potential buyers during the show. Support included coaching participants on marketing techniques and strategic planning, and helped generate substantial interest for their products which companies will cultivate with continued Project assistance. The Project held olive oil and specialty food

summits on February 18, 2013. These sessions provided information about the difficulty of joint marketing for olive oil companies and the potential for job creation in food processing.

The Project provided technical expertise and training to two apparel companies, CRJ and Aramys. Activities focused on raising operational efficiency – including facilitation of data processing, information exchange, and ICT use. This advice was delivered as part of the recommended lean manufacturing approach, a production practice that helps companies increase capacity utilization without adding capital investment by eliminating bottlenecks.

In February the Project qualified the technical needs of eight textile companies and identified potential local providers. Eighteen expressions of interest for the Project's Supply Chain request for proposals (RFP) were received and the Project issued an award letter to Zenith Management Consulting to provide lean manufacturing and supply chain training to four firms: three in textiles and one automotive.

The Project will also develop a training course for Souk at-Tanmia laureates: the 300 entrepreneurs from all over Tunisia were given grants and accelerated funding by a broad donor coalition supported by the African Development Bank, to launch new SME efforts; the Project will deliver basic business and strategic planning skills to these budding entrepreneurs.

Access to Finance

The Project completed technical assistance to Hannibal Lease (Tunisia's largest independent leasing firm) and presented recommendations to its Board on amending approval procedures and increasing leasing opportunities for SMEs. The Project assessed the potential for leasing IT hardware and explored the possibility of buy back agreements between IT equipment suppliers and Hannibal Leasing, the Project's strategic partner. The Project met with leading IT equipment distributors including Smart Group, Prologic, and Tunisia Electronique, and potential leasing customer GeoTracking.

The Project's Leasing Advisor and its Legal Advisors analyzed Central Bank regulations affecting lending to SMEs and developed recommendations in regard to possible proposals for improving the collateral registration and collateral recovery processes in Tunisia.

The financial access team engaged in intensive consultations with SOTUGAR, BFPME, and BIAT Bank on improving sustainable SME lending strategy and developing market-friendly co-guarantee approaches. BFPME management has reconfirmed its enthusiasm regarding rationalizing its SME outreach strategy. Discussions with SOTUGAR on overarching guarantee strategy have recently been initiated, and will continue over the coming weeks, with a major focus on promoting more market-friendly guarantee structures which minimize moral hazard issues and encourage market-based SME lending activities.

Component 2. Growing and Developing Tunisia's ICT Workforce

Job Fairs

The Project's job fair committee finalized the results of the ICT job fair held in Tunis in November 2012: as of February 1 participating employers had signed forms stating that 327 people had been hired (jobs created) as a direct result of the job fair. While the assassination and attendant instability delayed the two March job fairs, as the quarter ended the project was working with counterparts on two job fairs in May. There is strong support for job fairs.

University Career Centers

The Project implemented two interactive two-day training sessions for the staff of six university career centers that will be opened with Project support. During the first two day interactive training in Sousse (February 25 and 26) the Project helped each career center create a mission statement, a student needs survey for immediate implementation, and an action plan for the launch week. During the second training (March 11-12), in March, the Project reviewed materials prepared by the centers. The Project also organized the procurement of computers via a direct grant from the US Embassy.

The March 28 event at the Ministry of Higher Education marked two milestones in the Project's ongoing work to launch career centers. High-ranking officials from the Ministry and the US Embassy attended the signing of the Memorandum of Understanding (MOU) that framed the creation of the career centers, the training of their staff, and the development of action plans for their future activities and expansion. The MOU was signed by the Chief of Party of the USAID Project and Mr. Sofiene Mansouri, the Chief of Cabinet of the Higher Education Ministry.

The signing was followed by the transfer of 12 computers and 6 printers that were provided as a direct grant from the US Embassy to the career centers, organized with Project support. The transfer took place in the presence of Mr. Moncef Ben Salem, the Minister of Higher Education, who formally received the equipment on behalf of the new centers from Mr. James Bullock, the US Embassy Cultural Attaché. After the signing, Mr. Ben Salem underscored the constructive relationship between Tunisia and the US in the field of higher education and scientific research, thanking the USAID Project for its work in preparing the centers' launch.

The career centers will strive to ensure that all students regardless of gender, disability, or economic background receive equal opportunity in ICT-focused career and technical programs. They will guide university students on their curricula and prepare them for the labor market. In the words of Ms. Samia Dellagi, who will manage the center at Gafsa University in the Tunisia's southwest region, "this program allows us to give the right tips and recommendations to our students to facilitate their future entry into professional life." The career centers will connect employers and prospective employees, as well as increase the workforce skills and employability of students.

Training

The Project also made important progress on procuring services from Tunisia training organizations. The Project sent Blanket Purchase Agreement (BPA) contracts to 11 USAID-approved training organizations for review and signature. Training provider AMIDEAST signed its BPA Subcontract, bringing the total number of contracted training organizations to 10 out of

11 participants in the Project's RFP. The courses offered have been presented to beneficiary companies to more clearly define their training needs for the initial round of training activities under the BPA, and shape their commitment to the Project's cost-shared training-for-hire program.

The Project's first Requests for Task Order Proposals were launched, providing training in Italian and English language skills. Meetings were held with Advancia Training, Business & Decisions, Linedata and Fidelity to arrange for potential training sessions for newly hired employees and their future job candidates.

The Project achieved the following under its training program:

- Strong support for job fairs, and rescheduling of job fairs once the political crisis was resolved.
- Strong support for university career center creation and initial establishment of six career centers.
- Agreement with training service providers and scheduling of significant training.

Component 3. Developing ICT Policy and Regulatory Reform

Telecommunications

The Ministry of Information and Communications Technology (MICT) created two groups to prepare amendments to the Telecommunications Code and documents for other interim urgent actions: a high level Steering Committee, chaired by the MICT Minister, Mr. Mongi Marzouk, and a staff level Working Group. Both groups include representatives of Tunisia's three telecom operators and two Internet service providers. Both The Steering Committee and the Working Group initiated their work on needed legal amendments and other interim urgent actions.

There have been two meetings of the Steering Committee and eight meetings of the working group in this quarter. January 21 marked the first meeting of the Steering Committee under the MICT tasked with articulating reform strategy and the first time ever that the CEOs of every private operator and the Heads of every relevant Government of Tunisia (GOT) agency sat together.

The Project has provided extensive support to the Working Group and the Steering Committee by preparing analyses of current legislation and needed amendments, drafting legislative amendments, and drafting other regulatory documents concerning three urgent areas identified for urgent action: 1) universal service; 2) dominant carrier regulation and 3) procedures to be used by the regulator. These regulatory documents can be adopted under current law.

The Project revised the Telecommunications/Broadband Gap Analysis scheduled to begin next month due to GOT inability to produce nation-wide data required to complete a nation-wide study. Upon correspondence with the MICT, agreement reached to produce a pilot Gap Analysis study of 1-2 identified inland provinces, to include cost estimates and financing options for the areas studied.

Enabling Environment

The Project finalized the enabling environment assessment and discussed it with the Foreign Investment Promotion Agency (FIPA) and the Agency for the Promotion of Investment and Innovation (APII). The Project hosted a brainstorming session on its draft Business Enabling Road Map on February 13. The Project presented its recommendations for reforms to streamline the project declaration and business registration processes and to provide a procedures manual setting forth clear instructions and documentation required for investors. The Project completed review of analysis of the new draft foreign investor's guide produced by FIPA and presented this analysis to FIPA.

The Project visited the One-Stop-Shop at APII to identify issues with the business-formation procedures and to begin re-engineering business registration processes to improve the business-enabling environment. The Project met with APII's General Director to discuss obstacles confronted by the one-stop-shop during the business registration process, to organize one-on-one meetings with one-stop-shop workers from the various government departments, and to verify legal requirements and processes for business registration of the different company forms. The Project also identified major legal irregularities in the legal framework for Business Registration.

On March 13, the Project made an Enabling Environment Presentation for a Tunisian American Chamber of Commerce (TACC) Round Table discussion. Chief of Party (COP) Tania D'Allonnes presented on business enabling-environment issues, following which there was a discussion on the major issues surrounding the investment climate in Tunisia. The roundtable event brought together approximately 20 participants from both the public sector and the private sector. The Project also met with the Ministry of Finance and Planning on the Investment Code, and conducted an analysis of draft law on public-private partnerships (PPP).

Fiscal Policy

The Project presented a proposal to the Tax Authority (DGI) under the Ministry of Finance on developing a Statistics of Income (SOI) database for rapidly analyzing the current incidence of the personal income tax and the likely impact of tax policy changes. The Tax Authority responded by making a significant volume of personal income tax data available for analysis.

The Project finalized a presentation on the Tunisian system of taxation analyzing the major distortions in the tax policy and administration framework that limit investment and employment growth. On February 13, these findings were presented at a roundtable on Tax Reform for the TACC.

Labor Code

The Project initiated an analysis of the labor code to identify the provisions that most impede growth in formal sector employment.

The Project met with the Institut Arabe des Chefs d'Entreprises (IACE) to discuss feasibility of future joint events and the International Finance Corporation (IFC) to exchange information on

programming. The Project continued work on the analysis of unemployment data and other important macroeconomic indicators.

The Project's accomplishments under Component 3 include:

- Draft amendments to the Telecommunications Code.
- Draft regulatory documents concerning regulatory procedure and universal service
- Analysis of One Stop Shop
- Presentations to TACC on fiscal policy and the enabling environment

Administrative

The Project moved to a new office in the Les Berges du Lac 2 area in Tunis: 13 Rue de l'Ile de Zembra, 1053. The Project office is now in a safer neighborhood and in a more secure building.

Operational Challenges and Solutions

The Project faced political, economic and security problems during January – March 2013:

- **Political**

The February 6, 2013 assassination of Chokri Belaid had a major impact on Tunisian political life in both the short term and the medium term. In the short term, there were demonstrations on the day of the assassination, followed by a nationwide strike and closing of all modes of transport including the airport on the day of the funeral on February 8. These were protests against the alleged Islamisation of the country. Then there were protests in support of Ennahda.

In the medium term, as a result of this assassination, Tunisian Prime Minister Hamadi Jebali of the Ennahda Party announced his plan to dissolve the existing national government and to form a “technocratic” government. He was unable to do so, and resigned on February 19. A new government was announced on March 8. A number of Ministers were changed including the Ministers of Justice and Interior as well as the Minister of Employment.

There was significant impact on the project's work in the month between the assassination and the announcement of the new government. The offices were closed February 8. Meetings were cancelled. A number of agencies were unable to make decisions or to keep commitments. Of greatest significance was the inability of the National Employment Agency (ANETI) to proceed with job fairs that had been scheduled for early March.

However, the peaceful resolution of the crisis and the recognition of the urgency of economic reform by all Project counterparts are extremely encouraging. All initiatives that were rescheduled have resumed with renewed vigor. Job fairs have been scheduled for May. Enabling environment assessments are proceeding.

- **Economic**

Tunisia's credit rating was downgraded in the aftermath of the assassination, the change in government and the resulting uncertainty. The unemployment rate remains high, tourism is

down, and costs are up. The subsidy for gas is being discontinued. There are reports of negotiations for an IMF loan and political controversies surrounding its terms.

- **Security**

The Project's Security Officer provided constant updates during the events surrounding the assassination and attendant demonstrations. The new project offices are more secure. There is an alarm system. Since there has been an increase in crime and in particular crime against foreigners seeking taxi rides, expatriate project staff have been instructed not to take taxis but to arrange for project car transport.

Planned Activities for the Next Quarter

Component 1. Increasing and Developing ICT Entrepreneurship

ICT Sector

The ICT sector team will focus on assistance to employers with job growth potential.

ICT-Enabled Sector

The ICT enabled team will focus on key activities also related to employment and export growth:

- Assistance to food producers in preparing marketing campaigns to export and specifically to attend the Summer Fancy Food Show in New York.
- Implementation of technical assistance to textile and automotive firms.

Access to Finance

The Project will continue providing technical assistance to financial institutions to improve SME credit policy and administration.

Component 2. Growing and Developing Tunisia's ICT Workforce

Component 2 will undertake the following activities during the next quarter:

- Delivery of training to employees.
- Preparation of two job fairs.
- Support for six career centers.

Component 3. Developing ICT Policy and Regulatory Reform

Component 3 will achieve the following next quarter:

Enabling Environment:

- Redesign business registration process
- Complete One Stop Shop Assessment

Telecommunications:

- Continue support of Steering Committee and Working Group.
- Continue drafting of amendments to Telecommunications Code.

- Continue analysis of and preparation for three urgent actions on universal service, dominant carrier regulation, and procedural rules for the regulator.

Fiscal Policy:

Macroeconomic Analysis:

Five discrete reports consisting primarily of data analysis:

1. Tax expenditures in Tunisia: preliminary estimates, initial recommendations for reforms and their potential impact on the labor market
2. Budget subsidies and their impact on the economy and labor market in Tunisia

Labor Market/Labor Code:

- This report will be used to initiate the discussion with stakeholders on the deficiencies of the Labor Code.

INTRODUCTION

This document presents the Quarterly Report for January to March 2013 for the USAID Tunisia Information Communications Technology (ICT) Competitiveness Project Task Order No. AID-OAA-TO-12-00017 under the Support for Economic Growth and Institutional Reform (SEGIR) Global Business, Trade, and Investment (GBTI) II Contract No. AID-EEM-I-00-07-00003. The Project commenced on May 22, 2012 with contract signature and is expected to continue through June 12, 2013.

The following sections present:

- Program Objectives
- Progress by Component
- Operational Challenges and Proposed Solutions
- Planned Activities for the Next Quarter.

PROGRAM OBJECTIVES

Tunisia's ICT workforce deserves significant credit for the launch of the Arab Spring, having deployed cutting-edge ICT tools in the service of public information, revolution, and democracy. A compelling combination of strong engineering education, cultural and geographic proximity to Europe, language skills, and a positive business environment uniquely position the Tunisian workforce to serve as an ICT support hub for Europe and for North Africa, as well as providing to the domestic market. However, Tunisia still has an ICT industry with local companies not yet fully experienced in the international arena, an ICT workforce whose skills do not fully meet employers' expectations, and an ICT legal and regulatory environment that is not as competitive as those in comparable countries. The expectations of the population of Tunisia are for gains in economic opportunity on par with what has been achieved over the last year with advances in democracy. The lack of employment has the potential for creating serious political discord.

The Tunisia ICT Competitiveness Project is playing a critical role in driving dynamic growth in the ICT sector as well as the ICT enabled sector. The program builds upon the positive foundational elements for sustainable economic growth already in place in Tunisia, while working to remedy key deficiencies in the competitiveness and training-related institutional framework that inhibit the translation of macro-level economic growth into broad-based job growth. In addition, Tunisia experienced economic setbacks due to an assassination and resulting political impasse. The program has continued its work in the midst of a political crisis that lasted from February 6 to March 8. It is noteworthy that in that time period work with the private sector continued and even work with state universities progressed rapidly.

The main objective of the Tunisia ICT Competitiveness Project is to provide assistance focused on ICT sector development to enhance its role as a catalyst for accelerated private sector growth and job creation. Program activities are organized into three components:

- Component 1: Increasing and Developing ICT and ICT-Enabled Entrepreneurship
- Component 2: Growing and Developing Tunisia's Workforce
- Component 3: Developing ICT Policy and Regulatory Reform.

The Quarterly Report includes the following sections:

- **Progress by Component** presents the progress made by each component against work plan activities.
- **Operational Challenges and Solutions** discusses the challenges that the Project faced during the quarter and the steps the Project took to overcome them.
- **Planned Activities for the Next Quarter** presents the key activities the Project will undertake in April - June 2013.
- **Trip Reports** includes summaries of technical assistance trips taken during the quarter.
- **Technical Reports** includes deliverables produced during the quarter.

Progress by Component

Component 1. Increasing and Developing ICT and ICT-Enabled Entrepreneurship

1.1 Assess comparative and competitive advantage in ICT sector, select ICT market segments and support SMEs with employment and export potential

- The Project surveyed its ICT value chain client companies to determine the number of new employees these firms hired from 9/1/12 to 12/31/12. The survey verified these companies generated 300+ new, high- value added, career enhancing ICT jobs.
- The Project reached agreements with four leading ICT companies (a systems integrator, an IT service provider, and two BPO firms) to provide technical assistance and staff training to facilitate job creation. These companies plan to hire 120 new employees. The Project is assisting these clients with business strategy, technology sales, as well as business English, workplace and ICT technical skills training. Five additional companies signed partnership agreements and thus joined the Project. Line Data Tunisia, a subsidiary of the Multinational Line Data, has officially partnered with the Project and plans to hire at least 50 new employees, most of whom will be IT engineers. However, one of the BPO firms subsequently did not participate.
- The Project and Microsoft (MS) Tunisia met to strategize for 2013, as strategic partners in stimulating entrepreneurship and enterprise development in Tunisia. During 2013 the partners will again focus joint activities on three MS communities: ICT students and young entrepreneurs; small and medium enterprises participating in the MS BizSpark Program; and

larger MS systems integrators participating in the MS Partnership for Africa Program. Activities will include road shows, workshops, and marketing events regionally in Tunisia.

- The Project researched the embedded software and tool market at the request of Infotica, the IT Services business association affiliated with the National IT Federation.
- The Project met with Mr. Thomas Edington, CEO Archangel Global Investors to review Archangel assistance to Via Mobile, Tunisia's leader in e-banking. The Project introduced Archangel to Via Mobile and is providing the company business strategy, equity investment, and HR management consulting services. Archangel is assisting Via Mobile with US market linkages that will extend Via Mobile market reach and operations into the Maghreb region.
- The Project delivered eight workshops in strategic sales to staff of eight ICT companies, whose areas of operation span IT and media solutions, geolocation solutions, wireless network provision, and enterprise resource planning systems.
- The Project provided Business Strategy Consulting to five ICT companies.
- Partners expressed interest in online and e-marketing workshops, so the Project is preparing it materials in collaboration with an experienced local expert.

1.2 Assess comparative and competitive advantage in ICT-enabled sectors, select high-potential ICT-enabled market segments, design and implement support programs for ICT-enabled SMEs with employment potential

- The Project has been providing technical assistance to Tunisian olive processors. This support recently culminated in helping representatives of several large firms prepare for presenting their products to customers during the recent Winter Fancy Food Show in San Francisco in January 2013. The Project facilitated several working meetings between Tunisian food processors and potential buyers during the show. Support included coaching participants on marketing techniques and strategic planning, and helped generate substantial interest for their products which companies will cultivate with continued Project assistance.
- Because of disturbances following the assassination of Chokri Belaid on the originally scheduled date of February 6, the Project had to reschedule the olive oil and specialty food summits for February 18, 2013. These summits provided information related to the olive oil companies' concerns about pursuing marketing activities together. The summits also provided information about the best use of Project's Specialty foods consultant's remaining time and the potential job creation for the Project's food processing clients. The Project also presented leasing as a business tool. Olive oil producers prefer to pursue their partnership with the Project on an individual basis, making use of the Specialty foods consultant to improve on their business and export plans. There is little interest in developing a common approach to the US market either from the producers or the state agency tasked with boosting Tunisian food exports. The Project is trying to develop its food processors portfolio beyond olive oil, discussing with producers in pastry and pasta making, herbs and spices.

- The Project provided technical expertise and training to CRJ and Aramys – both belonging to the apparel sector for which ICT holds a particular promise of raising product quality and creating jobs. Raising operational efficiency – including facilitation of data processing, information exchange, and ICT utilization – was at the core of improvements recommended by the Project. This advice was delivered as part of the recommended lean manufacturing approach, a production practice that helps companies increase capacity utilization without adding capital investment by eliminating bottlenecks.
- The Project qualified the technical needs of eight textiles companies and identified potential local providers. 18 requests for RFP were received after publishing an advertisement in La Presse for supply chain assistance to textile firms. The Project issued an award letter to Zenith Management Consulting to provide lean manufacturing and supply chain training to four firms: three in textiles – CRJ, Aramys and TFCE; and one automotive – PEC.
- The Project met with the leadership of the Souk At-tanmia (Investment Souk) Program, an economic development program sponsored by the African Development Bank (AfDB) that encourages young entrepreneurs to develop innovative new businesses and promote job creation. The ICT Project agreed to conduct half-day "basic business" workshops for Souk At-tanmia entrepreneurs, who also receive 10,000-30,000 TDN in seed funding and access to accelerated loans provided by BTS and Banque de Financement des Petites et Moyennes Entreprises (BFPME), the government SME Bank.

1.3 Stimulate the provision of sustainable financing for high-potential ICT and ICT-enabled companies and SMEs, enhance equity and quasi-equity financing, develop DCA partial guarantee

- IT equipment leasing and buy-back is an underutilized financial tool in Tunisia. The Project's Leasing Advisor assessed potential for leasing IT hardware and buy-back agreements between IT equipment suppliers and Hannibal Leasing, one of the Project's strategic partner, met with leading IT hardware distributors Smart Group, Prologic, Tunisie Electronique, and GeoTracking, and confirmed these companies are interested in IT equipment leasing and buy-back. Further discussions aimed at trying for specific deals were halted by disturbances on February 6th. The Project completed technical assistance to Hannibal Lease (Tunisia's largest independent leasing firm) by presenting recommendations to its Board on amending approval procedures and increasing leasing opportunities for SMEs.
- The Project's Leasing Advisor and its Legal Advisors analyzed Central Bank regulations affecting lending to SMEs and developed recommendations in regard to possible proposals for improving the collateral registration and collateral recovery processes in Tunisia. (The current processes are not being adequate for lenders to be fully comfortable with the strength of a pledge of collateral for loans to SMEs). The Project completed a brief analysis of the legal process available for the registration of collateral for immoveable properties, which includes proposals for improvement.
- The financial access team engaged in intensive consultations with SOTUGAR, BFPME, and BIAT Bank on improving sustainable SME lending strategy and developing market-friendly co-guarantee approaches. Current work at BIAT Bank is principally focused on design and

implementation of improved risk management approaches and SME client relationship strategy. BFPME management has reconfirmed its enthusiasm regarding rationalizing its SME outreach strategy, and agreed to focus in-depth on implementation of core client selection and loan process streamlining recommendations recently made by the project. Discussions with SOTUGAR on overarching guarantee strategy have recently been initiated, and will continue over the coming weeks, with a major focus on promoting more market-friendly guarantee structures which minimize moral hazard issues and encourage market-based SME lending activities.

Component 2. Growing and Developing Tunisia's ICT Workforce

2.1 Identify companies to partner with on training, internships, hiring and capacity building; and build public-sector partnerships

- Partners identified in previous quarters.

2.2 Identify private or public training institutions

- The Project sent Blanket Purchase Agreement (BPA) contracts to 11 USAID-approved training organizations for review and signature. The courses offered have been presented to beneficiary companies to more clearly define their training needs for the initial round of training activities under the BPA, and shape their commitment to the Project's cost-shared training-for-hire program.

2.3 Design and implement training programs

- Training provider AMIDEAST signed its Blanket Purchase Agreement (BPA) Subcontract, bringing the total number of contracted training organizations to 10 out of 11 participants USAID-approved providers in the Project's RFP. The remaining provider opted not to sign with the Project.
- The Project's first Request For Task Order Proposal (RFTOP-001) was released. It will provide Transcom's new recruits training in Italian language and computer skills. Training will be provided by ESPRIT. The pilot class of 11 trainees is scheduled for February 25-March 15. An eventual total of 200 job applicants are proposed for training.
- The Project also developed and issued an RFTOP for French language training for a pilot class of 15 trainees for Phone World, scheduled for March 11-April 8, 2013.
- The Project launched skills training in business Italian for a class of new hires at Transcom, a provider of client-support services and technical and financial assistance for European clients.

2.4 Map labor demand and supply in ICT sector

- Economic analysis completed in previous quarter; see report of Landis MacKellar: "Policies to Promote Employment of Graduates." The report concluded that ICT graduates are more likely than other university graduates to obtain employment. It also identified the

“massification” of the student population in universities without adequate career building strategies as a major factor in the high unemployment among university graduates.

2.5 Assess and recommend improvements to ICT curriculum

- Activity discontinued.

2.6 Develop job-matching programs, including job fairs

- The Project’s job fair committee finalized its results: as of February 1 participating employers had signed forms stating that 327 people have been hired or jobs created as a direct result of the job fair. The Project is planning to organize additional job fairs that will replicate the successful ICT Job Fair held in Tunis in November 2012. MS and the Project will sponsor and promote Job Fairs at public events and online.
- The MS Employment Portal is an online portal that job seekers access by computer or mobile phone to find jobs, entrepreneurial opportunities, career advice, coaching, and e-training courses. MS, together with its partner Tunisiana Telecom, will launch the Tunisia Employment Portal in March 2013. The Project provided comments and suggestions for the Tunisian employability mobile application, the Project’s job fairs will be showcased on the Portal, and a database of “live jobs” offered by companies participating in the Project’s job fairs will be accessible to job seekers through the Portal.
- The Project met ANETI’s communications director, IT director and other IT experts to discuss ANETI’s information system and its website in order to enhance the job matching process. The Project advised ANETI to pilot test selected sites and professions in order to assess the collection and use of their standard job description and referential procedures: the current lack of occupational coding inhibits ANETI from being able to use job matching on line. ANETI agreed to implement two job fairs in late May with project support.
- The Project met with staff from the Ministries of Higher Education and Scientific Research and International Relations and with eight university presidents (Gabes, Gafsa, Jendoboua, Karioun, Sousse, Rades, Tunis El Manar, and Zaghouan and Rades) to discuss the launching of career centers within their organizations. The Project implemented the first two-day intensive interactive training session for the new career center staff on February 25-26 in Sousse and its second two-day training on March 11-12. The Ministry of Higher Education committed to selecting four academic institutions as bases for creating career centers with Project support, adding to four universities already chosen. The universities will launch six career centers within the next three-four weeks. The career center manual and materials have been translated into French and are ready for distribution.
- The Project followed-up with AMIDEAST to procure equipment for the career centers through the US Embassy and AMIDEAST. The Project met with AMIDEAST and EFE to formalize their roles in the Career Center partnership. On behalf of six new university Career Centers, the Minister of Higher Education Moncef Ben Salem received computers and printers from US Embassy Cultural Attache James L Bullock. The equipment grant took place on the occasion of the signing of an MOU between the Project (Chief of Party Tania

Revault d'Allonnes) and the Ministry (Chief of Cabinet Soufiene Mansouri) to frame the creation of the career centers, training and equipping of their staff, and drafting of action plans for their future activities, linkages and expansion. The career centers will connect employers and prospective employees, as well as increase the workforce skills and employability of students.

- A March 28 event at the Tunisian Ministry of Higher Education marked two milestones in the Project's ongoing work to launch career centers at six local universities set to open this month. High-ranking officials from the Ministry and the US Embassy attended the signing of the Memorandum of Understanding (MOU) that framed the creation of the career centers, the training of their staff, and the development of action plans for their future activities and expansion. The MOU was signed by the Chief of Party of the USAID Project and Mr. Sofiene Mansouri, the Chief of Cabinet of the Higher Education Ministry.
- The signing was followed by an official transfer of 12 computers and 6 printers that were provided as a direct grant from the US Embassy organized with Project support. The transfer took place in the presence of Mr. Moncef Ben Salem, the Minister of Higher Education who formally received the equipment on behalf of the new centers from Mr. James Bullock, the US Embassy Cultural Attaché.
- After the signing, Mr. Ben Salem underscored the constructive relationship between Tunisia and the US in the field of higher education and scientific research, thanking the USAID Project for its work in preparing the centers' launch.
- The career centers will strive to ensure that all students regardless of gender, disability, or economic background receive equal opportunity in ICT-focused career and technical programs. They will guide university students on their curricula and prepare them for the labor market. In the words of Ms. Samia Dellagi, who will manage the center at Gafsa University in the country's southwest, "this program allows us to give the right tips and recommendations to our students to facilitate their future entry into professional life."

Component 3. Developing ICT Policy and Regulatory Reform

3.1 Develop ICT technical support/outreach and consensus-building framework

- The outreach frameworks were defined in previous quarters.
- Meeting with the National ICT Federation to provide updates. ICT Task Force is still under discussion with GOT for formation of a Strategic Committee; and there is no progress during this period of instability. Provided updates on activities related to the Telecommunications Code, the Labor Market Study, and ongoing review of the PPP legal framework.

3.2 Define enabling environment reform agenda

- Completed in previous quarters. No activities this quarter.

3.3 Propose enabling environment reforms

- The Project finalized the enabling environment assessment to discuss with FIPA. The Project also prepared an Enabling Environment Presentation for meetings set up with FIPA and other stakeholders for discussion and validation.
- The Project hosted a brainstorming session on its draft Business Enabling Road Map, on February 13. Participants included the Foreign Investment Promotion Agency (FIPA), the Ministry of Regional Development and Planning and the Ministry of Investment and International Cooperation. The Project presented its recommendations for reforms to streamline the project declaration and business registration processes and to provide a procedures manual setting forth clear instructions and documentation required for investors. The entire road map was reviewed and discussed. There was overall agreement to review/amend the Starting a Business Process so as to streamline it and to develop a best practices Investor's Guide on how to undertake this process in English, French and perhaps Arabic. The project completed review of analysis of the new draft foreign investor's guide produced by FIPA. Results of this analysis were presented to FIPA.
- The Project held its second round table event co-sponsored with TACC. COP Tania D'Allonnes presented on business enabling-environment issues, following which there was a discussion on the major issues surrounding the investment climate in Tunisia. The roundtable event brought together approximately 20 participants from both the public sector and the private sector.
- The Project visited the one-stop-shop at the APII to begin identifying issues with the business-formation procedures and to begin re-engineering business registration processes to improve the business-enabling environment. The Project met with the General Director of APII to discuss obstacles confronted by the one-stop-shop during the business registration process, to organize one-on-one meetings with one-stop-shop workers from the various government departments, and to verify legal requirements and processes for business registration of the different company forms. The Project also identified major legal irregularities in the legal framework for Business Registration.
- A meeting with Axelaris, a successful ICT start-up, identified impediments to new business formation, such as length of approval process and capital requirements.

3.4 Comment on draft revisions to the Investment Code

- The Project met with other donors addressing the Investment Code and has expressed its concerns about it. However, there is no draft yet to review.
- The Project met with the Ministry of Finance and Planning on the Investment Code, the new draft of which remains unavailable but whose principles have been reviewed by the Project.
- The Project conducted an analysis of the draft new law on PPP for comments to the NICTF.

3.5 Further develop e-governance and e-commerce

- No activities this quarter.

3.6 Establish ICT Task Force

- No activities this quarter.

3.7 Amend Telecommunications Code in accordance with international best practice

The Project undertook ongoing legislative drafting of amendments to Telecommunications Code. The Ministry of Information and Communications Technology (MICT) created two groups to prepare amendments to the Telecommunications Code and documents for other interim urgent actions: a high level Steering Committee, chaired by the MICT Minister, Mr. Mongi Marzouk, and a staff level Working Group. Both groups include representatives of Tunisia's three telecom operators and two Internet service providers. Both The Steering Committee and the Working Group initiated their work on needed legal amendments and other interim urgent actions.

The Project's technical assistance to the MICT includes policy analysis and legislative drafting aimed at more closely aligning Tunisia's digital communications regulation with international best practices. This includes four elements: an independent regulator, a transparent regulatory process, increased regulator accountability, and improved clarity of roles. Steering Committee members agreed that the regulatory regime can be significantly improved by creating a single converged regulator for telecommunications and broadcasting – an important step in fostering competition in Tunisia, which has a history of a dominant government monopoly. At present, regulatory functions are divided among at least four agencies tasked with licensing, spectrum allocation, telecommunications regulation, and broadcasting regulation.

There have been three meetings of the Steering Committee and eight meetings of the working group in this quarter. January 21 marked the first meeting of the Steering Committee under the MICT tasked with articulating reform strategy and the first time ever that the CEOs of every private operators and the Heads of every relevant GOT agencies sat together. March 15 was the third meeting, when Working Group members reported on the progress made through eight lengthy meetings where different legislative options were considered.

The Project has provided extensive support to the Working Group and the Steering Committee by preparing analyses of current legislation and needed amendments, drafting legislative amendments, and drafting other regulatory documents concerning three urgent areas identified for urgent action: 1) universal service; 2) dominant carrier regulation and 3) procedures to be used by the regulator. These regulatory documents can be adopted under current law.

Meeting participants were uniform in calling for urgent action on a range of key regulatory reform issues, including universal service and improved availability of broadband access, as private operators emphasized that development of the sector is critical for overall economic progress. In addition, interim procedural improvements will be considered as needed, such as

Ministerial decrees or decisions of the regulator, undertaken with continued technical support from the Project.

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The Project also held numerous and repeated individual meetings with the President of the INT and with representatives of each of the telecom operators and the two independent ISPs to discuss their main objectives for amendments to the law and “urgent action” items.

Broadband and Universal Service:

The Project provided a detailed list of data required to complete the broadband gap analysis study to the national telecommunications regulator (INT). The Project revised the Telecommunications/Broadband Gap Analysis scheduled to begin next month due to GOT inability to produce nation-wide data required to complete a nation-wide study. Upon correspondence with the MICT, agreement reached to produce a pilot Gap Analysis study of 1-2 identified inland provinces, to include cost estimates and financing options for the areas studied.

Alternative infrastructures:

- No activities this quarter.

3.8 Fiscal policy and administration

- The Project presented a proposal to the Tax Authority under the Ministry of Finance on developing a SOI database for rapidly analyzing the current incidence of the personal income tax and the likely impact of tax policy changes. The Tax Authority responded by making a significant volume of personal income tax data available for analysis. This PIT withholding data, received in electronic format, constitutes three years of information on private sector withholding. For each year there is detailed annual withholding information for between one and two million individuals. This significant transfer of detailed taxpayer data is an invaluable input into performing rudimentary SOI reports and then micro-simulation modeling.
- The Project's Senior Fiscal Policy Specialist held daily meetings with the Tax Authority (DGI) dealing on the details of the Impôt sur le Revenue des Personnes Physiques (IRPP) holding up SOI preparation. The meetings have evolved into an ongoing workshop/capacity-building exercise. The DGI requested (and received) advice and recommendations on such

practical issues as what software to use, staffing requirements etc. The Specialist provided DGI another version of the database and a stratified random sample of that database for use in micro-simulation, the preparation of analytical reports etc. Work can now proceed with analogous efforts on the declarations database for the personal income tax (IRPP). In addition DGI provided the Specialist the raw data for value added tax (VAT) and the corporate income tax (CIT).

- The Project met with the MoF/DGI team to discuss the Project's contribution to the work of the MoF/DGI Tax Policy/Analysis team. The MOF/DGI team is satisfied with the rudimentary SOI analysis on PIT wage withholding and the corresponding micro simulation work. The Project team discussed the benefits of doing similar work to establish a CNSS SOI database to enhance the quality and accuracy of the PIT database and to develop options on labor tax reduction. The two databases could be merged. The following priorities and timetables were agreed to:
 - PIT: Continue training on the micro simulation model and on the development of the requisite SOI database. The later would involve actual development of the PIT SOI database for the 2012 Trustee annual withholding declarations. Ongoing it would also involve corresponding database development for the CNSS declarations.
 - VAT: Shift to SOI development for the VAT and the development of a micro simulation model to produce estimates of revenue impact of VAT base broadening and rate harmonization. This is to be supplemented by the development of an analytical tool demonstrating the impact on households of proposed changes to the VAT by the end of June 2013.
 - CIT: Following the VAT work, emphasis will shift to the CIT. A rudimentary SOI database will be developed from annual CIT declarations and a micro simulation model developed. As with the VAT, this is to be accomplished by the end of June 2013.
 - IS Data Analysis: Work was initiated on detailed SOI analysis for the IS (Tunisia's Corporate Income Tax).
- The Project finalized a presentation on the Tunisian system of taxation, analyzing the major distortions in the tax policy and administration framework that limit investment and employment growth in Tunisia. These findings were presented at a roundtable on Tax Reform through a high compliance system and a business turnaround approach with the TACC. In addition to TACC members, the audience included high level participants from the Ministry of Finance (MOF), businesses and non-governmental organizations (NGOs). The Project's Senior Fiscal Policy Specialist provided an overview of the major tax policy and administration distortions. This presentation triggered a dynamic discussion centered on ways to eliminate these distortions in a manner that would stimulate investment and employment growth.

3.9 Develop ICT-relevant financial sector reforms

- The Project's Leasing Advisor and its Legal Advisors analyzed Central Bank regulations affecting lending to SMEs and developed recommendations in regard to possible proposals for improving the collateral registration and collateral recovery processes in Tunisia.

3.10 Review labor market issues to stimulate employment in ICT and ICT enabled sectors

- The Project initiated an analysis of the labor code to identify the provisions that most impede growth in formal sector employment. The appropriate counterpart for any analysis of the Labor Code or of unemployment is the UGTT, the national syndicate. It, rather than the Ministry of Labor, is the WB interlocutor on the Labor Code.
- The Project met two representatives of the Solidarity Center, which is engaged primarily in democracy and civil society building programs and would welcome the provision of analytic materials to the UGTT.

3.11 Develop Policy Action Plan to reduce trade barriers

- No activities this quarter.

3.12 Initiate dialogue and coordination with relevant stakeholders and conduct public/private workshops

Coordination meetings with MICT:

- Numerous meetings with MICT within the framework of the Telecommunications Code Steering Committee and the Working Group, as well as to plan the Gap analysis for broadband.

Outreach to Stakeholders:

- Numerous meetings with telecommunications operators, ISPs and ICT firms to discuss private sector concerns about the enabling environment, the Telecommunications Code and other issues.
- The Project met with IACE to discuss feasibility of future joint events and the IFC to exchange information on programming. The Project continued work on the analysis of unemployment data and other important macroeconomic indicators

Coordination meetings with other donors:

- Meeting with the World Bank's Chief Economist in Tunisia, Antonio Nucifora to discuss/update on programs related to the Investment Code, taxes, finance, Labor Code, and pensions. Mr. Nucifora agreed to share World Bank deliverables related to tax and labor issues when they are ready for publication and to involve the project in potential future discussions related to labor issues.
- Several meetings with the IFC to discuss the Investment Code.

PROPOSED SOLUTIONS

There are many operational challenges facing the Project. We can subdivide them into political, economic and security problems. The team has developed approaches to these challenges.

With respect to the political conditions in Tunisia, the February 6, 2013 assassination of Chokri Belaid, a Tunisian lawyer and politician who was an opposition leader with the left-secular Democratic Patriots' Movement, had a major impact on Tunisian political life in both the short term and in the medium term. Belaid was an eloquent and vocal critic of both the Ben Ali regime and of the current government. He had received numerous threats, and his supporters blamed the government for his death. In the short term, there were demonstrations on the day of the assassination, followed by a nationwide strike and closing of all modes of transport including the airport on the day of the funeral on February 8. These were protests against the alleged Islamisation of the country. Then there were protests in support of Ennahda.

In the medium term, as a result of this assassination, Tunisian Prime Minister Hamadi Jebali of the Ennahda Party announced his plan to dissolve the existing national government and to form a temporary "national unity" or "technocratic" government. He was unable to do so, and resigned on February 19. Ennahda leaders then negotiated with other parties to propose a new government, which was announced on March 8. A number of Ministers were changed including the Ministers of Foreign Affairs, Justice and Interior as well as the Minister of Employment.

There was significant impact on the project's work in the month between the assassination and the announcement of the new government. The offices were closed February 8 on account of the national strike. Meetings were cancelled for political reasons as well as for traffic and security concerns raised by the demonstrations. A number of government agencies were unable to make decisions or to keep commitments. Of greatest significance was the inability of ANETI to proceed with job fairs that had been scheduled for early March.

However, work with the private sector and the state universities continued without impediment. The peaceful resolution of the crisis and the recognition of the urgency of economic reform by all Project counterparts are extremely encouraging. All initiatives that were rescheduled have resumed with renewed vigor. Job fairs have been scheduled for May. Enabling environment assessments are proceeding.

With respect to the economic challenges, Tunisia's credit rating was downgraded in the aftermath of the assassination, the change in government and the resulting uncertainty. The banking sector is weak. The unemployment rate remains high, tourism is down, and costs are up. The subsidy for gas is being discontinued. There are reports of negotiations for an IMF loan and political controversies surrounding its terms.

Finally, the security challenges have been met by moving the offices and providing additional security to the Project.

Office Move

The Project moved to a new office in the Les Berges du Lac 2 area in Tunis: 13 Rue de l'Ile de Zembra, 1053. The Project office is now in a safer neighborhood and in a more secure building. Installation into the new offices and of security equipment disrupted business only slightly. Additional safety precautions have been adopted in light of increased criminal activity in Tunisia. A rehearsal of emergency evacuations is upcoming.

PLANNED ACTIVITIES FOR THE NEXT QUARTER

Component 1. Increasing and Developing ICT and ICT-enabled Entrepreneurship

ICT Sector:

The ICT sector team will focus on the following key activities during the next quarter:

- Completion of training and technical assistance initiated in previous quarter to firms with job growth potential.
- Identification of additional ICT firms as Project partners.

ICT Enabled:

The ICT enabled team will focus on key activities also related to employment and export growth:

- Assistance to food producers in preparing marketing campaigns to export and specifically to attend the Summer Fancy Food Show in New York.
- Implementation of technical assistance to textile and automotive firms, as well as to other employers with the greatest job growth potential.

Access to Finance

- The Project will continue providing technical assistance to financial institutions to improve SME credit policy and administration

Component 2. Growing and Developing Tunisia's ICT Workforce

- Delivery of training to employees.
- Preparation of two job fairs.
- Support for six career centers.

Component 3. Developing ICT Policy and Regulatory Reform

Enabling Environment:

- Redesign business registration process
- Complete One Stop Shop Assessment

Telecommunications:

- Continue support of Steering Committee and Working Group.
- Continue drafting of amendments to Telecommunications Code.
- Continue analysis of and preparation for three urgent actions on universal service, dominant carrier regulation, and procedural rules for the regulator

Fiscal Policy:

Macroeconomic Policy Analysis:

The sequencing of macroeconomic policy analysis should optimally proceed as follows:

1. Collection of information and data needed; organization of data into a well-structured database
2. Data analysis and presentation of evidence - results of a fact finding effort, showing what the facts and main issues are; this should justify and motivate the next steps of this sequence
3. Diagnosis formulated based on the collected evidence (Steps #1 and #2), leading to prioritization of tasks for an analysis of policies: what we should focus on in our policy work
4. Policy analysis – review of legislative acts, such as Investment Code, Labor Code, fiscal legislation, regulatory framework, etc. based on/connected to data work; policy analysis should distill the problems with policies and support conclusions
5. Modeling efforts to apply some quantitative methods, including econometrics, SAM, Input-Output, etc., which will be guided by Steps #1 through #4, in order to simulate the past/current workings of the economy and alternative reform proposals; in our case, these efforts should predominantly be focused on the labor market and try to quantify the impacts of policy reforms we consider in Step #4
6. After having accomplished policy reform simulations and verifications, the team can formulate final conclusions, supported by an attempt to deliver our advice on what to do and how; here some political economy considerations would be needed as well as, in some cases, detailed technical advice provided by experts in particular areas of interest (drafting laws, providing concrete technical guidance for vocational training and the activities of employment agencies, tax administration procedures, banking sector procedures, etc.)

Given that the macroeconomic work of this project has been abridged after it was started it was not possible to go through the analytic process described above. The team has therefore

developed such data as was feasible given time and data constraints, and will be reading five discrete reports that will primarily consist of data analysis (Step # 2 above):

1. Tax expenditures in Tunisia: preliminary estimates, initial recommendations for reforms and their potential impact on the labor market
2. Budget subsidies and their impact on the economy and labor market in Tunisia

Labor Market:

- This report will be used to initiate the discussion with stakeholders on the Labor Code.

STTA Schedule

Position	Proposed Candidate	Projected Units (days)			Total
		Apr	May	Jun	
Component 1. Increasing and Developing ICT and ICT-enabled Entrepreneurship					
BPO Advisor	Karim Morsli	23	0	10	33
ICT Technical Support with Companies	Firas Ben Achour	12	12	10	34
ICT Sector Advisor	Mohammed Kilidar	7	20	10	37
US Specialty Food Market	Janis Grover	11	6		17
Competitiveness Expert	Henri Stetter	8	20	9	37
Financial Sector Expert	Bernard Koissy	22	21		43
Credit Specialist	John Wasielewski		16	10	26
Component 2. Growing and Developing Tunisia's ICT Workforce					
Senior ICT Workforce Advisor	Jane Daly		18	4	22
Senior ICT Workforce Advisor	Bernadette Wakim		6	8	14
Component 3. Developing ICT Policy and Regulatory Reform					
Telecommunications Code Reform Advisor	Kelly Cameron	10	15	8	33
ICT Policy Advisor	David Townsend	11.5	2		13.5
Business Enabling Environ. Advisor	Deborah Porte	6	18	8	26
Senior Economist	Janusz Szyrmer	9			9
Sr. Fiscal Policy Specialist	Jim Wooster	15	20	5	40
Total					390.5