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TUNISIA ICT-ENABLED BUSINESS REFORM AND COMPETITIVENESS PROJECT

Quarterly Report

Quarter III ending December 31, 2014

December 31, 2014

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Summary of Program

Tunisia is making the difficult transition to democracy and a competitive market economy fully integrated into the regional and global economic system. One of the severest and most dangerous problems that has emerged during this transition is the high level of unemployment, which is over 17%, ranking Tunisia 151st in the world in terms of rate of employment. Furthermore, the unemployment rate for young Tunisians is estimated to be at least twice that rate.

The USAID Business Reform & Competitiveness Project (BRCP), a three-year project implemented by the Pragma Corporation, addresses three of the major causes of low growth and high unemployment in Tunisia.

- *Private sector weaknesses.* Tunisia's private sector suffers from uncompetitive enterprises and underdeveloped value chains that lack efficient management, up-to-date technologies, innovation, access to capital, effective business, professional, and government supporting institutions, and integration into regional and global markets.
- *Workforce deficiencies.* The work force is often poorly prepared for employment, lacking in some instances required technical skills and more generally the soft skills necessary to get and retain employment, as well as adequate coaching and mentoring on how to choose and develop a career. In general, there is an insufficient cooperation between employers and the education system.
- *Legal/regulatory impediments.* Tunisia also suffers from a legal/regulatory enabling environment which creates distortions, hampers modernization, inhibits employment, encourages the informal sector and impedes the expansion of exports and attraction of Foreign Direct Investment (FDI).

BRCP seeks to increase employment through three "Tasks:"

- **Task 1:** Increasing growth and competitiveness of enterprises in key value chains, by:
 - Subsidizing technical assistance to businesses in strategic value chains
 - Improving business access to capital by working with lending and investment organizations
 - Increasing export market access through trade and investment initiatives
 - Collaboration with business and professional associations, government agencies, donor programs and other stakeholders to create enhanced, sustainable and scalable impact on economic growth and employment.
- **Task 2:** Improving employability and competitiveness of the workforce by:
 - Matching jobseekers to employers through Job Fairs and Career Development Centers (CDCs)
 - Improving the skills of the work force through training, curricula reform, and internships.
- **Task 3:** Improving the enabling business environment in key areas by:

- Providing technical assistance to government and other stakeholders in targeted areas such as tax and telecommunications.

BRCP works at the enterprise and value chain level to identify and effectively address critical competitiveness enhancement constraints which are preventing SME's in high potential sectors from leveraging additional investment and sales and driving increased employment. The program in turn channels this network of contacts and related knowledge base into programmatic initiatives designed to strengthen the dialogue between the private sector and vocational training and educational institutions; and to improve the market relevance and job placement impact of (1) targeted training and educational programs in key skill enhancement areas, and (2) targeted job counseling and job fair initiatives with progressive local partner institutions. In the process BRCP works with multiple stakeholders in the public, private and NGO sectors to leverage resources, increase impact and support sustainability and scalability. Appendix A includes a list of current partners.

Summary of Quarter and project to date

Highlights/Overview

An important backdrop to this Quarter were the successful Parliamentary and Presidential elections held in Tunisia. While the secular party won the most seats, a coalition has been formed between it and the Islamist party. By the end of the Quarter the Government was still being formed.

Summary of activities and accomplishments

From the onset of the project and by the end of the quarter on December 31, 2014, the project has:

- Visited over 320 Tunisian enterprises
- Completed 114 timelines,¹ for 100 enterprises, for an expected creation of 3360 jobs
- 941 of the 3360 jobs have already been officially confirmed by the partner enterprises. Most action plans are still ongoing.
- Worked with microfinance candidates for ENDA and with small businesses under the African Development Bank Souk At-Tanmia start-up competition program
- Organized a Job Fair in Tunis with CONECT independent business association.
- Organized a Mobile Job Fair in Sousse with *Teleperformance*, the largest Business Process Outsourcing (BPO) company in Tunisia.
- Undertook workshop with the 6 pilot Career Development Centers (CDCs)
- Established a new curriculum in maritime engineering at the ISET (Institute for Technical Studies) at Kelibia

¹ Timelines are the partnership agreements between enterprises, consultants, and BRCP. Timelines comprise a description of the program, Action Plan, milestones, completion dates, and job creation targets.

TASK I: Improving competitiveness in key Value Chains

Summary of activities and accomplishments

I. Assist Enterprises in target Value Chains (VCs) to increase employment, revenues & competitiveness

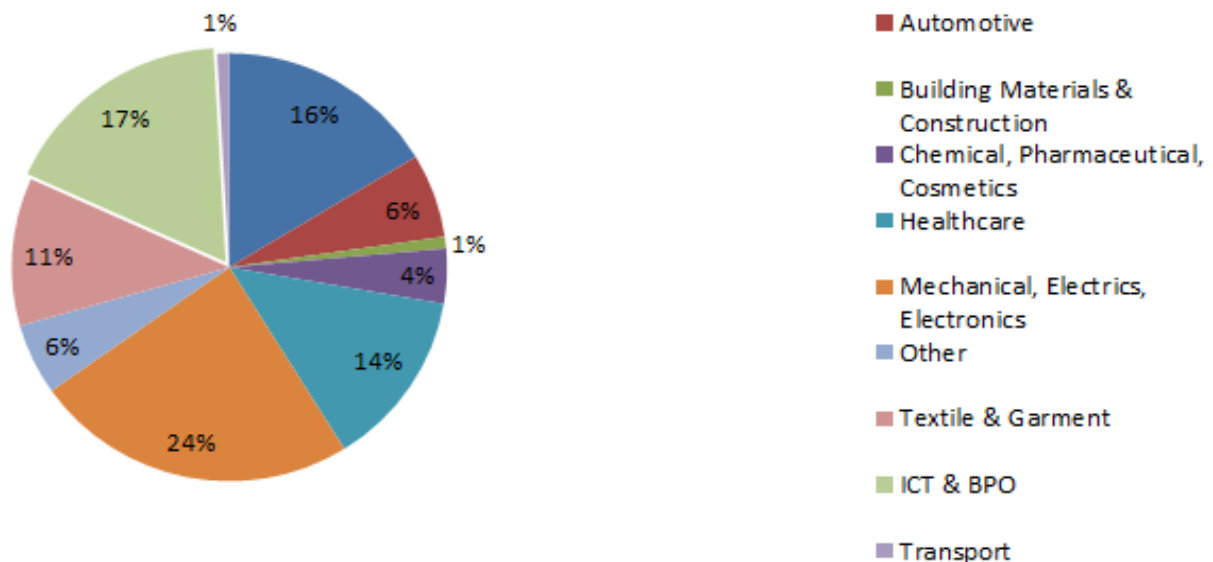
General activities during the Quarter included:

- Development of enterprise technical assistance programs to create jobs
- Mentoring of selected African Development Bank (AfDB) start-up grant recipients under the Souk I Tanmia program
- Training of women entrepreneurs to qualify for microcredits from the microfinance organization ENDA.

I.1 Enterprise technical assistance timelines. During the project period to date, BRCP's value chain experts visited over 320 enterprises (some multiple times) and completed 114 technical assistance partnerships agreements with over 100 enterprises expected to create over 3500 jobs by April 2015

The timelines cover the following value chains/sectors:

Expected Jobs By Value Chain Sectors



I.2 Souk at-Tamia mentoring

BRCP met with the African Development Bank (AfDB) regarding the Bank's Souk at-Tanmia business start-up competition program. AfDB has recognized that their program lacks follow up coaching and mentoring for the grant recipients to enable these businesses to survive and thrive. BRCP's value chain experts volunteered to provide professional, in depth coaching and mentoring to about 30

entrepreneurs from the Souk at-Tamnia winning grant recipients from the prior year. These coaching sessions were highly successful and helped a number of enterprises re-adjust their priorities.

1.3 Training for ENDA microfinance candidates

The BRCP team has been working closely with the microfinance NGO ENDA (<http://www.endarabe.org.tn/>) to provide training to women microfinance candidates in disadvantaged regions in legal registration, compliance with tax requirements, and basic business skills to qualify them for loans. During the period, 115 trainees have qualified for loans creating the same number of jobs.

2. Value Chain initiatives

While the main focus has been to assist individual enterprises in key value chains to improve competitiveness, increase revenues, and create jobs, BRCP is also providing some support to strategic value chains in Tunisia. The focus has been on preparing Tunisian producers to better compete in global markets, and to gain entrance to those markets.

Value chain level initiatives so far have included 3 value chains:

- High value-added garments: to increase export to new markets, including Germany
- Olive oil: to increase quality management, develop a distinct Tunisian brand, and to open new markets, particularly in North America.
- Tourism: to develop a strategy to revitalize the fading and failing tourism industry in Tunisia

2.1 Export Promotion & Market Expansion: promoting Tunisian garments for the German market

To reinvigorate the declining Tunisian textile industry, BRCP has identified with its counterparts at the Ministry of Trade (MOT) and CEPEX, the Government of Tunisia (GOT) export promotion agency under the MOT, the need to expand beyond the traditional low-value added products and limited export markets (primarily France) and both focus on higher value-added sectors of the textile industry and develop new markets for these more profitable designs and products.

One of the most promising and challenging potential markets for Tunisia is Germany. CEPEX and the association of Tunisian garment manufacturers have tried for years to enter the German market, without much success.

In consultation with counterparts at the Ministry of Trade and CEPEX, the Government of Tunisia (GOT) export promotion agency, BRCP hired a German garment expert to help a jointly selected cluster of 15 Tunisian garments manufacturers upgrade their products and marketing for the very demanding German market, in preparation for a trade mission in April or May, 2015.

The expert visited each manufacturer several times during the quarter to provide practical coaching on how to prepare to enter the German market. He will return in the next quarter to work further with these companies. He is expected to take these Tunisian manufacturers grouped by product lines to Germany for pre-arranged, and product-targeted B2B business introductions and negotiations.

2.2 Olive oil development higher value-added production, enhanced branding, and new markets

One industry/value chain in Tunisia that looks particularly promising in terms of adding value, generating export earnings, creating jobs, and building the brand image of Tunisia, is olive oil, both organic and conventional. Tunisia has 20% of all olive trees in the world, and while harvests can vary widely from year to year, Tunisia could be a reliable producer of high quality oil. Currently, however, Tunisia largely lacks the market connections and quality controls and standards to compete under its own brand. Instead, much of the annual harvest is sold in bulk to Italy and Spain, where it is mixed with their output and rebranded under brands from these countries.

BRCP has begun working closely with the major private- and public-sector stakeholders of the Tunisian olive oil industry.

The aim of the project is to help Tunisian producers and exporters develop the burgeoning North American market, where the current market share of Tunisian-branded olive oil is only about 4.7%.² Activities so far have consisted of round tables with private-public stakeholders and some coaching of private producers to develop a strategy for increasing quality and awareness of Tunisia's olive oil. As part of the support, BRCP has organized for February the trip to Tunisia of an American Olive Oil / FMCGs expert coming to deliver 2 specialized and targeted workshops.

2.3 Tourism value chain initiative.

An initiative is underway in the tourism sector. A tourism specialist from Mauritius recruited by BRCP made his second visit in November. The specialist is focusing on the comprehensive areas that need to be developed to strengthen the tourism value chain in Tunisia, including:

- Establishment of an e-platform to facilitate marketing and booking
- Implementation of credible quality certification of hotels and guest houses
- Improvement of hospitality workforce through curricula reform, training programs, and internships
- Development of new markets through increased participation in international tourism trade fairs

3. Support improvement of target VC ecosystem to increase competitiveness, growth & employment.

As described below, BRCP worked with the independent business association, CONECT, to hold a job fair in Tunis during the quarter.

BRCP also continued to meet with the network of Chambers of Commerce under the Ministry of Trade & Handicrafts (MOTH), including coordinating with prior USAID assistance through the five Small Business Development Center (SBDC) trainings and pilots and the technical assistance provided through MEPI.

BRCP has developed a standard MOU template for Chambers of Commerce providing for cooperation in the following areas:

- Referring enterprises to BRCP to consider for technical assistance, including access to finance
- Organizing Job Fairs

² The only producer in North America, California, currently produces less than 4% of current consumption in the US.

- Supporting Career Development Centers (CDCs)
- Identifying workforce training needs to increase employability
- Developing intern programs in collaboration with CDCs

Regarding Job Fairs, in particular, BRCP has decided to work with the Chambers of Commerce in Sousse and Sfax, along with other institutional stakeholders, to sponsor future job fairs in the next quarter.

BRCP has begun discussions with the Institute of Expert Accountants in Tunisia to work with education institutions to improve curricula to make graduates more employable for accounting & audit firms.

BRCP is also working with the professional association of human resource and training managers (ARFORGHE) to assist in both improving employer capacity to recruit and retain job seekers, as well as to counsel job seekers on how to be more effective in finding jobs.

4. Increase enterprise access to finance

During the Quarter, BRCP concluded three additional partnership Letters of Intent (LOIs) with Tunisian or Tunisian-based financial institutions:

- TAEF (Tunisian-American Enterprise Fund), a bilateral USG-funded institution to provide different forms of financing to Tunisian enterprises.
- BFPME (Bank for Financing SMEs), a State-created development bank that raises capital for SMEs through co-financing.
- CAPSA, a private Tunisian equity fund.

All three LOIs have similar provisions:

- The financial institutions are to refer enterprises to BRCP they are interested in that need technical assistance to become better qualified for funding
- BRCP is to refer partner enterprises that need financing to appropriate financial institutions
- BRCP will provide technical assistance to these financial institutions to facilitate lending and investing

This brings the numbers of LOIs to 5 (Tuninvest/Africinvest, an investment fund, and BIAT, a bank, are the partners for the two LOIs signed earlier).

During the Quarter, BRCP sent a US-based expert in equity investment in emerging markets, who met with a number of investment funds and assisted several enterprises to prepare documentation to apply for equity financing.

TASK 2. Develop workforce competitiveness & employability

1. Job Fairs

BRCP supported 3 Job Fairs during the Quarter to bring the total to 4. The Job Fair formats included a large multi-sector Job Fair in Tunis, a “Mobile” Job Fair in Sousse and an education institution-based Job Fair in Tunis.

1.1 CONECT Job Fair in Tunis.

BRCP implemented its second Job Fair on October 2, 2014, in partnership with CONECT (*Confédération des Entreprises Citoyennes de Tunisie*), the largest Tunisian independent business association and ANETI, the National Agency for Employment and Entrepreneurship under the Ministry of Employment & Vocational Training.

BRCP led both the development of the Job Fair and supported the partners with best practices to build institutional capacity so that the event would maximize on matching job seekers to job openings. BRCP introduced:

- An MOU template to identify the responsibilities of participating employers, including in particular to provide feedback and information on subsequent recruiting and employment of Job Fair jobseekers.
- A spread sheet-based task tracking tool to facilitate preparation and organization of Job Fairs
- A tracking report for following up ultimate recruitment

BRCP also worked with CONECT on upgrading its website to allow jobseekers to preregister for the Fair and employers to post position descriptions. BRCP held a strategy session to ensure both the collections and integrity of the data.

To make the matching more efficient, BRCP complemented the Fair with a website, Job CONECT, which enabled jobseekers to pre-register, post their CVs and apply for positions posted on the website . Employers were able to post positions and seek qualified registered jobseekers on the website for special invitation to visit their booths.

BRCP and CONECT each financed half of the cost of the Job Fair and collaborated on the Job Fair. BRCP supported CONECT with best practices to build its capacity for future Job Fairs.

The Job Fair was opened by the Minister of Employment & Vocational Training, the Ambassador of the United States, and the Ambassador of Qatar. (The Qatar National Bank was a major sponsor.)

The key indicators for the Job Fair are:

- 74 companies participated, from many sectors, including ICT, Business Process Outsourcing (BPO), manufacturing, consulting, food processing, real estate, banking, etc.
- 3,888 Jobseekers pre-registered online
- 3,386 Jobseekers attended
- 1,175 jobs were on offer
- Companies scheduled 1,043 interviews were scheduled
- Companies reported found qualified jobseekers for 386 jobs

1.2 Teleperformance Mobile Job Fair in Sousse

The Business Process Outsourcing (BPO) industry in Tunisia has particular potential for reducing unemployment, but faces challenges in attracting young Tunisians. Globally, the BPO sector is booming and represents a potential of \$15 billion in annual revenues by 2020. BPOs have brought many jobs and generated high revenues for a number of countries, including India, Philippines, and Morocco.

In Tunisia, the BPO sector has a high potential for employment, estimated to be 150 000 new jobs by 2020. However, it faces a severe problem in filling jobs to meet contract opportunities. A key requirement for BPO staff is excellent language skills, which is related to the level of education. Tunisia used to be renowned for its French language capacity, but standards have deteriorated in the years since the policy of Arabization (at the expense of French) of the early grade curricula began in the 1990s. Thus, the qualified labor pool of new job entrants is shrinking.

Moreover, highly educated Tunisians with the requisite language skills tend to have a poor image of working for BPOs. Willing job seekers without the language skills are expensive to train and may find other jobs once more skilled. In sum, there is a shortage of qualified Tunisians willing to work for BPOs, despite the available jobs.

Teleperformance (TP) is the largest Business Process Outsourcing (BPO) company in Tunisia, with about 6,000 employees. TP has at least 1,000 jobs to fill. TP is facing serious difficulty recruiting young Tunisians in the capital because of the low image of working for a BPO. TP has decided to expand its recruiting efforts to the regions, and has established a branch in Sousse. The trade-off it faces is that while jobseekers in the regions are more eager to work for BPOs, they often lack the requisite language skills because the education system is weaker.

BRCP has supported TP to experiment with an innovative “Mobile Job Fair” model. TP purchased a van and provisioned it with recruiters and recruitment materials to visit higher education institutions to come to jobseekers and market BPO jobs with TP.

To pilot this model, TP asked for BRCP assistance. BRCP connected TP with the Career Development Center (CDC) at the University of ICT and Communication Technology in Sousse, which is the first of the pilot CDCs to be granted full-time staff and budget by the MHESR. This CDC covers 5 higher education locations (“establishments”) in the Sousse area.

With BRCP assistance, the CDC staff set up one-day recruiting sessions for TP at each of the 5 establishments. TP collected about 800 CVs from these visits. The students appreciated an employer *coming to them* through the CDC and the lack of an experience requirement. TP will train selected jobseekers for two months at TP's expense.

The key indicators for the TP Mobile Job Fair are:

- Number of jobs available: 2,000
- Higher Education CDC satellites visited in Sousse Area: 5
- Number of CVs collected: 800

Additional outcomes will be reported in the next Quarterly Report.

I.3 Mini Job Fair hosted by Mediterranean School of Business in Tunis

Mediterranean Business School (MSB) is an English-medium private higher education institution in Tunisia founded in 2002. BRCP assisted MBS to organize the first "MSB Career Fair" on 19th December, 2014. The Career Fair aimed to provide MSB students and alumni with internship and job opportunities as well as the possibility to meet professionals presenting their enterprises and providing them with advice and useful information to better succeed in their career.

BRCP is collaborating with educational institutions such as MSB (Mediterranean School of Business) in order to enable the organization of mini job fairs in universities. Those job fairs are bridges for the students to the professional life and help them to search in a more targeted manner for an internship or a first work experience.

The key indicators so far for the 8 MSB Career Fair:

- Enterprises attending: 10
- MSB students & alumni and students from other universities attending: 97

The Job Fair results will be reported in the next Quarterly Report.

2. Career Development Centers (CDCs).

Another initiative under this Task is to strengthen and expand a network of Career Development Centers (CDCs) in higher education institutions. CDCs provide students with career counseling and guidance from trained staff. They provide training to students, particularly in job seeking skills, such as CV preparation, interviewing skills, and proper attire, as well as soft skills, such as communication, collaboration, and creativity. CDCs also arrange employer outreach events, such as workshops, seminars, enterprise visits and internships.

BRCP worked to develop relationships between key counterparts within the Ministry of Higher Education & Scientific Research (MHESR) in order to further build the capacity of the 6 pilot CDCs, established by a former USAID project, in addition to establishing additional CDC's throughout Tunisia.

The MHESR is still planning to issue a decree to make CDCs separate entities within each university establishment, with full-time staff and separate funds. The MHESR has decided to link the CDCs with Certification Centers created in many university establishments under a World Bank program. The Certification Centers provide certification training and testing requested by the employers, including in language skills (primarily French and English) and ICT certifications, such as Microsoft and Linux. In the process of establishing the programs, faculty will be trained and expected to take the incorporate new certification materials into their curricula. A focus of this program is to improve the level of French and English language training/education.

BRCP prepared an assessment and report on each of the existing CDCs in terms of their effectiveness, best practices, and lessons learned, which was provided to the MHESR for their strategic input and support of further CDC resources and presence throughout Tunisia. BRCP then wrote and presented a results framework for CDC's at the request of the MHESR, which was then included in the one-day training for CDC staff.

Several CDCs (for instance Tunis El Manar, Sousse, and Jendouba) were visited by BRCP team in order to meet counsellors and better assess their needs, while visiting the institutions in-house.

2.1 Ministry of Higher Education & Scientific Research (MHESR)

The Career Counselors (CAs) emphasize their need for budget and full-time staffing in order to perform properly their activities. The decree to be issued by MHESR should satisfy these requests. As part of the strategy for sustainability, the CDCs are being formally joined with the Certification Centers established under World Bank financing at about 50 institutions.

The CAs and MHESR agreed to use Microsoft's regional "Tamheed" certification program for job counselors. BRCP and Microsoft will implement the training and training of trainers for this program. It was also decided to use a hub and spoke strategic approach in selecting the next locations for CDCs, so that CDCs can cover more than one of the 200 higher education "establishments" (campuses) at a time.

2.2 MHESR creates working group for Career Development Centers

BRCP is working closely with the MHESR to develop a standard tool-kit for Career Development Centers (CDCs). This will include incorporation of a rigorous certification program in career counseling developed at the MENA regional level by Microsoft and Silatech.

BRCP has worked with MHESR to incorporate their CDCs within a rigorous training and upgrading program that will dramatically upgrade the qualifications and professional performance of career counselors; as well as build-in organic information-sharing and dialogue linkages between employer groups at the local and sub-regional level and the CDCs.

As part of this CDC upgrading and expansion game-plan, Microsoft and Silatech and BRCP will co-sponsor a Moroccan Master Trainer to come to Tunisia over the coming weeks to train CDC Career Counselors as a first step toward eventually qualifying Tunisian Master Trainers. MHESR has selected its best Career Counselors from six pilot CDCs created under a prior USAID project and now supported by BRCP. MHESR has also requested that the local CDC expert on the BRCP staff participate in the Working Group.

3. Curricula Reform

3.1 Open Door Day at Kelibia Institute for Higher Education in Technology launches new curriculum in Marine Engineering

BRCP is worked in collaboration with ISET Kelibia to help introduce a new curriculum in Marine Engineering aimed to support the development of boat building, maintenance and marinas; in a manner which will help take maximum advantage of Tunisia's 1,200 kms of coastline and proximity to Europe.

BRCP and ISET Kelibia developed the concept of an Open Door Day at the Kelibia ISET that would bring together firms in the sector and students from local secondary schools to announce the new curriculum. About 300 students attended and about 12 enterprises addressed the students to explain career opportunities in maritime engineering.

BRCP also provided a template MOU for participating enterprises to create an innovative partnership structure with ISET. The first enterprise signed the MOU at the event. BRCP also formally signed an MOU with ISET at the event, through which BRCP will target a senior expert in the sector to lead the working group of teachers and business people in development of a curriculum that will meet the core employment needs of relevant enterprises.

This collaborative initiative will serve as a pilot and BRCP and ISET plan to use this same interactive approach to develop targeted curricula across a range of market-relevant skill areas.

4. Pre-employment Training

BRCP provided a number of specialized trainings to complete the qualification of jobseekers. These trainings were generally arranged for specific firms and provided by training providers pre-qualified under a competitive Blanket Purchase Agreement (BPA).

Following are descriptions of pre-employment training.

4.1 Providing pre-employment training for Business & Decision new recruits

Business & Decision (B&D), the Tunisian leader in Business Information (BI) and Customer Relationship Management (CRM) solutions, continues to drive its growth strategy fueled by recent strategic partnerships. It intends to further enhance its leadership in the North African region, and to increase its market share in the African market.

In order to meet customer new orders, B&D is hiring 30 new unexperienced IT engineers (newly graduates). The recruits will have to work closely with B&D sales & marketing team. BRCP and B&D executed a training delivered by a BRCP soft skill training expert, mainly focused on the basics of efficient communication techniques.

4.2 Providing pre-employment training for Clinique Ibn Rochd new recruits

In Tunisia, medical services (health services, health tourism, and medical education) represent a real potential for attracting more investments. In 2010, about 140,000 foreign patients were hosted in Tunisia for medical care (plastic surgery, orthopedics, ophthalmology, dental care, cardiovascular surgery, hydrotherapy and thalassotherapy).

The medical services sector in Tunisia has about 2,000 basic health centers, 109 district hospitals and 33 regional hospitals, while the private sector includes 75 mono- or multidisciplinary clinics and 5,450 medical practices.

Since April 2014, BRCP has been developing major actions regarding the Health Care Value Chain (HCVC) in Tunisia, strengthening both workforce development and business growth of the private sector.

The Clinic Ibn Rochd is a private medical and surgical center deprived in the heart of the city of Nabeul, situated in 65 km from Tunis.

BRCP training expert and the Clinic Ibn Rochd agreed to assist the institution teaching 20 new reception and billing staff, in order to increase the quality of patient's welcoming.

4.3 Providing Entrepreneurship training in partnership with ENDA

As mentioned above, under Task I, BRCP has been providing training to women entrepreneurs to launch their businesses in economically disadvantaged rural regions. In collaboration with ENDA, the largest microfinance organization in Tunisia, BRCP provides assistance to women entrepreneurs so that they can qualify for loans. It is required, however, that each loan recipient register the company in the formal sector.

BRCP training experts have taught 355 women entrepreneurs in different regions: Menzel Bouzelfa, Nabeul, Bargou and Beja, on how to register their business and comply with the tax system. As a result

of this training, 115 women entrepreneurs have already registered and qualified for loans to create their businesses.

TASK 3. Enabling Environment Reform

BRCP supports targeted technical services to Government of Tunisia counterparts and other stakeholders to improve the legal/regulatory enabling environment to promote enterprise growth and increase employment.

1. Enabling Environment & Telecom

BRCP supports targeted technical services to Government of Tunisia counterparts and other stakeholders to improve the legal/regulatory enabling environment to promote enterprise growth and increase employment.

Enabling Environment & Telecom

In both October and December, BRCP Senior short-term Legal Consultant and BRCP experts met with leading officials of the Government of Tunisia and of the telecom operators to continue work in progress on drafting a new law to replace the Telecommunications Code of 2001. Both public and private sector counterparts have agreed to the fundamental principles of the law and INT has been given the lead role in finalizing a draft based on the draft that BRCP submitted to the government in August 2014. We also discussed priority work areas, including development of policies and procedures for funding of Universal Service projects; licensing and regulation of ISPs; legal issues related to the promotion of data processing business in Tunisia; and the Governments “Smart Tunisia” initiative.

BRCP had meetings with the following people:

- Hichem Besbes, President, INT (October)
- Faycel Ajina, Vice President and Legal Director, INT (October and December)
- Moez Chakchouk, President, ATI (October and December)
- Moktar Mnakri, President, Tunisia Telecom (October and December)
- Ken Campell, CEO, Ooredoo (formerly Tunisiana) (October and December)

These meetings developed a consensus on the way forward to produce a draft of a new communications law that will replace the Telecom Code as well as proposals to work with the public and private sector on universal service, ISP regulation, and data processing issues.

2. Tax Policy & Tax Administration

This component of BRCP was transferred during the Quarter to the new USAID Tax & Customs Project, under AMEG.

BRCP Operational Problems Encountered, Proposed Solutions and Work Plan Modifications (if any)

Similar donor projects underway

At least 8 to 10 similar enterprise assistance projects are underway in Tunisia. Most of them are much larger and include provision of financing to enterprises. For example, France has a 40 million Euro project, Germany has a new, 90 million Euro project, in addition to the EU's PCAM program with the Ministry of Industry, and programs financed by Italy and Switzerland. BRCP continues to meet with these programs and their donor sponsors, beginning to leverage BRCP's resources by cooperating and coordinating in providing assistance to mutually targeted enterprises and value chains. At the same time, BRCP has found that it can develop Action Plans and provide technical assistance more quickly and with less cumbersome procedures than other programs which is contributing to its success in attracting enterprise clients.

Annex I - BRCP Partner Institutions

- The Government of Tunisia Ministries & Agencies
 - Ministry of Industry
 - Ministry of Trade & Handicrafts
 - CEPEX: Promotion of Exports
 - Ministry of Higher Education, Scientific Research, & ICT
 - Ministry of Employment & Vocational Education
 - ANETI
 - Ministry of Finance
 - INT (Telecommunications regulator)
 - FIPA: Promotion of FDI
 - Business Centers (*Centres d’Affaires*), including Small Business Development Center (SBDC) pilots (see below USAID/SME Project)
- Business and professional associations
 - UTICA and affiliated industry Federations and Associations
 - Women’s Business Chamber
 - INFOTICA
 - Chambers of Commerce
 - ARFORGHE: Association of HR and Training Managers
 - Association of Young Enterprise Directors
 - CONECT
 - Tunisian-American Chamber of Commerce (TACC)
 - German-Tunisian Chamber of Commerce & Industry
 - CORP project
 - Institute of Expert Accountants
- Educational institutions
 - State universities in higher education
 - State *Centres de Formation* (vocational education institutions)
 - *Ecoles Pratiques* (under Chambers of Commerce)
 - Tunisian School of Business
 - *Esprit*
 - Mediterranean School of Business
- Donor and development organizations and programs
 - African Development Bank
 - Souk i-Tanmia
 - European Union
 - PCAM
 - World Bank
 - Certification Centers
 - USAID:
 - SME project
 - Export promotion
 - Small Business Development Center (SBDC) pilots
 - Middle East Partnership Initiative (MEPI) initiatives
- Local training and consulting entities
 - EFE
 - AMIDEAST

Annex 2 – Planned Activities for the Next Quarter

Task 1 planned activities for the next quarter

Planned activities:

- Sign and begin implementation of up to 100 Action Plans/Timelines and other technical assistance mechanisms
- Establish process for verifying jobs created through Timelines
- Continue supporting key value chains, including garments, tourism, and olive oil
- Participate in AmCham Entrepreneurship & Investment Conference
- Sign at least 2 more Letters of Intent (LOIs) with financial institutions

Task 2 planned activities for the next quarter

Planned activities:

- Follow up on recruitment results from CONECT, *Teleperformance*, and Mediterranean School of Business (MSB) Job Fairs
- Arrange with local partners, the next Job Fairs in Sousse, Sfax, Tunis and at Career Development Centers (CDCS)
- Develop partnership with Microsoft and Silatech (NGO aiming to increase employment of Arab youth across the region) to certify Career Counselors and support CDCs
- Work with Ministry of Higher Education & Scientific Research (MHESR) to continue developing and expanding network of CDCs, including combining them with Certification Centers financed by the World Bank.
- Form partnership with MHESR ISET (Institute of Higher Technical Studies) to reform curricula through partnerships with private sector employers

Task 3.0: Enabling environment: Planned activities for the next quarter

Planned activities:

- Draft of a new communications law that will replace the Telecom Code
- Draft proposals to work with the public and private sector on universal service, ISP regulation, and data processing issues.

Tasks 3.1 & 3.2: Tax reform: Planned activities for the next quarter

This activity has been transferred to the new USAID program Tax & Customs Project, under AMEG during the Quarter.

Annex 3 – Value Chain Selection

USAID BUSINESS REFORM & COMPETITIVENESS PROJECT (BRCP) VALUE CHAIN/MARKET SYSTEM SELECTION PROCESS AND RESULTS

Objectives of the overview

This overview explains the methodology used to identify target Value Chains/Market Systems (VC/MSs) in the Tunisian economy. The selection process and criteria have been developed within the context of achieving the objective of the USAID Business Reform & Competitiveness Project (BRPC) to increase employment, support development of the SME sector, and promote sustainable, diversified and equitable economic growth in Tunisia.

Tunisian economic problems and the role of SMEs

The Tunisian economy faces challenges in the areas of competitiveness, diversification, and modernization; as well as the overall capacity to absorb a large existing pool of unemployed labor and the continuous addition of young graduates seeking to join the workforce.

Growth of the SME sector is essential to developing a diversified, dynamic, innovative, and competitive economy in Tunisia capable of providing the required quantity and quality of employment opportunities.

Profile of SME sector in Tunisia:

- According to the latest statistics (2011) 601,420 broadly-defined SMEs were operational in Tunisia.³
- 59% of jobs in Tunisia are created by SMEs.
- Most SMEs are micro enterprises (fewer than 10 employees) which together employ only 10% of the national workforce.
- While Tunisia does not have an official definition of SMEs in terms of employment or turnover, the approximate limit is an enterprise with annual sales of up to 50 million USD and up to 500 employees.
- Of all Tunisian companies officially registered, about 98% are SMEs
- The latest World Bank figures highlight the fact that almost 50% of all Tunisian SMEs go out of business within 5 years of their creation.
- Only 15% of all bank loans in Tunisia go to SMEs.
- About 50,000 new SMEs are started annually in Tunisia in all sectors.
- Over the past few years, most newly registered SMEs have been active in retail, transportation, ICT, garments / textile and agro-products.

Constraints to SME development

The SME sector faces a number of constraints and challenges that inhibit its growth, including:

³ GOT currently does not have an official definition for SME. The 601,420 figure includes a large percentage of micro enterprises (fewer than 10 employees).

- Lack of workforce with required skills, inadequate management, innovation, quality control and marketing
- Restricted access to capital
- Difficult legal/regulatory enabling environment that inhibits employment and creates a large informal sector
- Lack of branding, particularly for Tunisian exports
- Underdeveloped value chains/market systems that inhibit value addition and efficiency

BRCP strategy

The BRCP strategy is to approach SME development from a Value Chain/Market System perspective in order to place each potential SME client in the context of its relationship to other essential components of the VC/MS and also to identify gaps and bottlenecks in VC/MSs that can be addressed by targeting specific SMEs.

Selection Criteria

In order to select a balanced portfolio of approximately 6 VCs in a timely manner to begin assistance to strategic enterprises as quickly as possible, BRCP established a list of criteria.

The principal selection criterion is:

- Potential for job creation across the VC, particularly during the 3-year life of project (LOP)

The following are additional supporting criteria:

- Concentration and number of SMEs in the VC
- Potential for impact along the entire VC from assisting individual enterprises
- Opportunity for fast and substantive results along the VC from additional foreign and/or domestic technical assistance provided to individual enterprises
- Potential for increased competitiveness, domestic and/or international
- Potential for near-term revenue growth along the VC
- Potential for export and/or import substitution
- Potential for innovation in all aspects of value added and management along the VC
- Potential for application of technology (ICT) to increase efficiency and competitiveness
- Potential for entering new overseas and domestic markets
- Needs for additional capital, particularly from local banks, investment funds and other financial institutions
- Links to the Tunisian vocational and higher education systems that can be improved to further strengthen the workforce of the VC.
- Existence of world-class anchor and leader firms in the VC/MS to lead growth and development of the entire VC.
- Actual and potential participation of regions outside of Tunis
- Degree to which development of the VC/MS could promote transition of economic activity from the informal to the formal sector of the Tunisian economy.

Sources for selection criteria

To launch the program quickly and to begin direct assistance to SMEs, BRCP completed the selection process by capitalizing on the knowledge, assessments, recommendations and priorities from stakeholders, including:

- Local and expat experts who worked on the prior project
- SMEs from the prior project and/or candidates for BRCP (e.g. PEC, Denim, Avancia, Viamobile)
- Government of Tunisia (GOT) stakeholders (e.g., Ministries of Commerce (Trade)/Handicrafts, Employment/Vocational Education, Higher Education/Scientific Research/ICT, and Industry)
- Donor/Development Agencies and their programs (e.g. World Bank, EU/PCAM, EBRD, GIZ)
- Financial institutions (e.g. BIAT, AMEN, BFPME, TAEF, Tunisie Factoring/Leasing)
- Business associations (e.g. UTICA, FENELEX, JAMAITY, TACC, Chambers of Commerce)
- Business Service Providers (e.g. Ecovis, Zenith, BIT, Wiki Start-up)

BRCP benefited from reports and analyses prepared by these and other stakeholders. The process of gathering information and expertise will continue as BRCP implementation proceeds, with any appropriate adjustments to strategy and tactics.

All stakeholders (government departments, trade/business associations, business service providers etc.) agree that very little specific and accurate information, statistics or figures are available for the post-revolution period. Most figures available are for pre- Revolution (2010 – 2011) years.⁴

The project was however able to access the following statistics, based on recent WB information:

Tunisia has a relatively diversified economy. In 2011, agriculture accounted for 8.8% of GDP, manufacturing industries 17.6%, non-manufacturing industries 12.9%, tradable services 42.5% (tourism 6.3%) and non-tradable services 18.2% (public administrative services 17.8%). Though Tunisia was mainly an agricultural and mineral product exporting country in the 1970s, textiles, electronics and chemicals now occupy the largest share of its export basket. Since the dismantling of the Multifibre Agreement, the share of textiles in total exports has declined over the past five years, while that of mechanical and electronic products rose from 23.1% in 2005 to 36.6% in 2012. Tunisia has a number of sectors with huge potential (tourism, agriculture, manufacturing industries and services) to support growth and employment. In this regard, the current structure of the economy provides a solid base for initiating economic transformation.

However, Tunisia must find new markets to reduce its heavy trade dependence on a limited number of countries (France 26.6% and Italy - 16.1% of total exports). Greater integration with Africa and Asia could create new sources of growth.

The advantages to BRCP of relying on stakeholders' prior research and priorities include:

⁴ An additional problem with quantitative analysis of the Tunisian economy is that it is estimated that anywhere from 30% to 60% of most value chains are informal, and therefore lacking reliable figures. One of the project priorities is to work through VC/MSs to promote transition from the informal to formal sectors.

- Immediate work with enterprises and other institutions to generate employment within the first year
- No need to repeat work already done
- Maximum opportunity to leverage BCRP resources by working with partner stakeholders in the sectors they are active in
- Opportunity to direct stakeholder resources in rapidly changing and globally competitive sectors such as textiles to identify and focus on more promising sub-sectors within the sector, through innovations such as technology, process and production efficiency, and market development
- Greater chance for sustainable development beyond the life of the project by coordinating efforts with local private, public and NGO counterparts

Evaluating and applying the selection criteria

BRCP created a table of criteria and through team discussions assigned relative scores to each category. This group process had the advantage of tapping a variety of expertise and ensuring the BRCP team was fully familiar with the methodology and strategic approach.

Portfolio approach to VC selection

Based on the above criteria, inputs and process, BRCP has sought a balanced portfolio of about six target VC/MCs. The selected VC/MCs include a mix of manufacturing and services, traded and non-traded goods and services, various levels and mixtures of workforce skills required, and regional distribution within Tunisia. One aspect common to virtually all the selected VC/MCs is the opportunity to apply technology to increase efficiency and competitiveness.

Flexibility

As assistance begins, additional information becomes available and situations change or evolve, BRCP will maintain flexibility in defining VC/MCs and possibly changing the mix in the VC/MC portfolio in order to make sure that BRCP resources are used for maximum impact.

Speed

It must be mentioned that a full, comprehensive Value Chain study would have taken months of field work and research. The project timeline and its goals for the first 12 months of operation being very tight, priority was given to actual, practical “ground” work with Tunisian enterprises from week one, in order to maximize the creation of employment and sales growth as quickly as possible within the first few months of the project.

Selected Value Chains/Market Systems

BRCP has studied 16 value chains that were pre-selected for review. Initially, priority will be given to partner enterprises in the following sectors:

- Tourism/E-Tourism
- Automotive Spare Parts
- IT Services

- Textiles, Garments & Leather Products
- Aerospace
- Plastic & Light Manufacturing
- Business Process Outsourcing (BPO)
- Agro-Business
- Electric & Electronic Products
- Healthcare & E-Health

At the same time, specific enterprises with a particular potential for growth in sales and employment will potentially be looked at in the following sectors:

- Chemicals
- Logistics & Transport
- Furniture
- Education Services
- Construction & Building Materials/Components

Approach to technical assistance

The above-mentioned weaknesses are all areas where the project can bring direct help and assistance to partner Tunisian enterprises. The main areas of technical assistance and support are likely to be:

- Production and quality management, including
 - Product research development & design
 - Process and production management, including lean manufacturing, process engineering and total quality management (TQM)
- Financial management, including
 - budgeting,
 - cash flow projections,
 - cost accounting,
 - ratio analysis, and
 - tax compliance
- Marketing & sales development
- Strategic and business planning
- Logistics and supply chain management
- Compliance norms
 - Technical (including application of relevant international standards)
 - Legal/regulatory
 - Environmental
 - Social

Selected Value Chain/Market System profiles

A brief on the value chains studied is given below

TOURISM - ETOURISM

Summary Information on the Value Chain

Despite some improvement in political instability in Tunisia, according to the latest figures, the sector, once a key part of Tunisia's pre-Arab spring economy, is still struggling to attract tourists.

The latest official statistics published by the National Office of Tunisian Tourism show a decline of over 20% in "global nights" spent in Tunisia in 2014 compared to 2010. A source in the Information Office of the Tunisian Tourism Department under the Ministry of Tourism said that the number of tourists coming to the country had in turn decreased by 5 percent.

The number arrivals at the border recorded in the first quarter of 2014 was 1,437,300, but more than half of them came from Libya, according to statistics prepared by the tourism office. Income from tourism was estimated to be TND 491 million (roughly EUR 237 million) over the same period of the last available quarter (end of 2013)

Fears persist that the French tourism market, which declined dramatically after outbreaks of political and economic instability in Tunisia, will not recover to its previous levels.

The source added that the Russian market presented fresh opportunities, and that there was the possibility of recovering some potential from the English and German markets.

The Ministry of Tourism has launched several promotional campaigns in different foreign markets to boost tourism in Tunisia, which continued throughout April and May. The Ministry's main goal is to restore the image of Tunisia as a safe and hospitable destination, in contrast to media reports of anarchy and instability.

Hotels appear to present a significant opportunity for simple upgrades in web sites, reservation systems, security systems, and social media to name a few. Until now competition has not forced companies to compete in this dimension, but tour operators and industry observers have been saying the time will come soon, and decrease in tourists that the revolution has caused may motivate many more hotels to find ways to differentiate themselves.

At the same time there is a groundswell of opinion that Tunisia needs to re-examine its tourism strategy, and find ways to place greater emphasis on cultural, medical and business tourism in an effort to create a more distinctive national brand image leading to higher value added/earnings per tourist. The current mass beach tourism model has also been identified as a major consumer of scarce water resources, so movement toward a more eco-friendly profile may also help Tunisia to compete with the wide array of beach options facing European tourists.

Recent events should increase the sense of urgency for the industry to upgrade itself.

Medical tourism overlaps the Tourism and the Healthcare Value Chains. A separate report on this sector is presented in Annex II and will be seriously considered by the project.

- **From January 01st till December 31th**

Parameters	2010	2011	2012	2013	Gap in % 2013/2012	Gap in % 2013/2011	Gap in % 2013/2010
Tourist receipts in MDT	3,522.5	2,432.6	3,175.3	3,229.4	1.7	32.8	-8.3
Global nights	35,565,104	20,636,847	30,035,419	29,980,174	-0.2	45.3	-15.7
Arrivals at the borders	6,902,749	4,785,119	5,950,464	6,268,582	5.3	31	-9.2

Source: Office of Research (*Direction des Etudes*)

Quantitative indicators:

- Sales were roughly estimated at US\$ 2 Billion in 2013
- Estimated Employment: about 390,000

Comparative advantages/disadvantages

Strengths:

- Historical expertise built over the last 2 decades
- Large number of hotels and facilities available
- Generally attractive prices for European tourists

Weaknesses:

- Lack of innovation
- Low usage of new technologies
- The “Tunisia brand” seen as low price and low service level

BRCP areas of potential assistance

- Technology upgrades for the sector (websites, social media, apps, etc...)
- Certification of key skills
- Coaching, training and ultimately implementing high level of service
- Branding and marketing.

AUTOMOTIVE

Summary Information on the Value Chain

Automotive components manufactured in Tunisia are mainly exported to European factories of European and American brands of cars and trucks. The potential for growth of this industry in Tunisia is high, given its very small market share at the moment, existing production capacity, proven track record, skilled workforce, existing relationships with manufacturers and proximity to Europe. These components include mostly:

- Electronic components
- Mechanical components
- Plastic components
- Security components
- Cable
- Wire harnesses
- Tires
- Filers
- Software
- Other

The automotive industry in Tunisia represents around 5% of total GDP.

Quantitative indicators:

- Sales were roughly estimated at US\$1.5 Billion in 2013
- Estimated Employment: about 38,000 directly and an additional 20,000 indirectly

Comparative advantages/disadvantages

Strengths:

- Availability of skilled, local labor, with factories located in various parts of Tunisia
- Proximity to core markets in Europe and short shipping time
- A few companies are focusing on creating a “Brand Tunisia” for the sector

Weaknesses:

- Lack of innovation
- Low usage of new technologies
- Low efficiency and relatively high cost per minute of work

BRCP areas of potential assistance

- Technology upgrade
- Certifications
- Lean manufacturing and lean processes
- Branding and marketing

GARMENTS - TEXTILE

Summary of the Value Chain

Eighty percent of workforce in the textile and garments value chain is in garments – essentially cutting and sewing. The bulk of this is concentrated in extremely low-wage segments that compete primarily on price. Nevertheless, preliminary interviews suggest that there may be several segments where improvements in automation coupled with producers' efforts to develop market recognition of certain distinctive capabilities (which can be further enhanced with support from technical centers) can result in more sustainable competitive advantage. Accordingly the near-term growth scores for the textiles value chain are relatively high. This industry also has the highest female participation rate in the country and has extensive presence outside of Tunis and in rural areas.

Competition from Asian manufacturers and from new factories on the African continent is creating further challenges for this industry in Tunisia. At this point, most of the full size “seasonal” orders are placed in Asia and then Tunisia works on replenishment orders, due to its close proximity to the main customers in Europe. Another weakness of Tunisia in this sector is the total lack of “midstream” industries in weaving, components manufacturing (buttons, accessories, etc...)

Quantitative indicators:

- Sales were roughly estimated at US\$ 3.2 Billion in 2013
- Estimated Employment: about 270,000

Comparative advantages/disadvantages

Strengths:

- Geographical proximity to key markets
- Large pool of experienced workforce
- Price per minute of work (in some cases, lower than Asian manufacturers)

Weaknesses:

- Lack of innovation
- Low usage of new technologies
- The “Tunisia brand” seen as low price and low service level
- Low efficiency
- No local manufacturers / suppliers of components and “weaving” facilities.

BRCP areas of potential assistance

- Technology upgrades
- Lean manufacturing and processes
- Coaching, training and ultimately implementing high level of efficiencies
- Branding and marketing

AEROSPACE

Summary Information about the Value Chain

This sector employs a fairly small number of workers, totaling 4,500, but it represents a potentially strategic foothold in a prestigious, expanding, and high-value added, innovative and relatively 'high-tech' industry. From what we can tell, it represents in some ways a high-end segment of the auto component industry. For our purposes it may be treated as an extension of the auto components value chain, with about 20 players in this sector at the moment.

Morocco is a very strong competitor with already more than twice the number of players / manufacturers in this sector. Boeing, Airbus and Embraer are the three main customers of this sector at the moment, purchasing mostly high tech alloy components and:

- Electrical sets
- Electronic components
- Aerospace equipment and systems
- Wiring harnesses: wiring, assembly of subsets
- Precision mechanical parts
- Sheet metal parts
- Technical plastic parts
- Software

Quantitative indicators:

- Sales were roughly estimated at US\$ 120 million in 2013
- Estimated Employment: about 9,000

Comparative advantages/disadvantages

Strengths:

- Technical expertise of a few key players of the sector
- Local availability of IT services
- Low cost base

Weaknesses:

- Lack of local innovation
- Low usage of latest technologies (3D printing for example)
- Low efficiency

BRCP areas of potential assistance

- Technology upgrades
- Certifications
- Lean manufacturing and lean processes
- Branding and marketing

PLASTICS AND LIGHT MANUFACTURING

Structure of the Value Chain

There are about 250 companies of varying sizes in this sector. Most of the companies are SMEs, averaging 5 - 25 employees per firm. This is a very diverse sector, covering a large number of sub-sectors. Most of the players of this value chain are sub-manufacturers selling locally or producing for exporters.

The opportunity to improve this sector is tremendous however, given its very low technological and efficiency base. The number of companies who can be coached and mentored in order to have “export quality” products is large.

Quantitative indicators:

- Sales were roughly estimated at US\$ 80 million in 2013
- Estimated Employment: about 4,000

Comparative advantages/disadvantages

Strengths:

- Low cost base
- Facilities are located in most parts of Tunisia

Weaknesses:

- Lack of innovation
- Low usage of new technologies
- Poor efficiency
- Poor understanding of requirements for export markets
- No marketing / promotion

BRCP areas of potential assistance

- Technology upgrades
- Certifications
- Coaching, training and ultimately implementing high level of service
- Branding and marketing
- Introduction of innovative products

AGRIBUSINESS

Summary Information about the Value Chain

Agricultural food companies play a key role in Tunisia's industrial make-up. Over the past few years this sector has been highly dynamic, implementing major changes that will help it become a more diversified and better performing industry.

Agricultural food is one of the leading industrial activities in terms of investment, accounting for 23% of all investment in manufacturing activity, an increase of 25% since 2004.

The sector is second in terms of production and added value. Production has gone up by more than 40% since 2004. The rate of added value has remained constant over the past five years, corresponding to some 27% of production.

This is a vast sector covering a number of sub-sectors as highlighted by the number of operational companies in each sector below:

Activity	TE*	OTE*	Total
Vegetable oils and animal fats	20	264	284
Fruits & Vegetables	30	46	76
Cold Storage	83	104	187
Seafood	38	38	76
Cereals and derivatives	11	225	236
Beverages	5	57	62
Milk and derivatives	1	37	38
Sugar and derivatives	4	29	33
Meat	0	30	30
Other Food Processing industries	23	60	83

TE: totally exporting

OTE: other than totally exporting

The project will emphasize collaboration with partner enterprises that will produce the best "return on investment" (i.e., increased sales and jobs created) over the first 2 years of technical assistance.

Quantitative indicators:

- Sales were roughly estimated at US\$ 1.5 Billion in 2013

- Estimated Employment: Manufacturers of food products employing 10 or more workers account for 71,438 jobs of which 16,808 are with wholly exporting enterprises and 54,630 positions are with other than totally exporting.

Comparative advantages/disadvantages

Strengths:

- Historical expertise built over the last decades
- Availability of local raw materials and supplies
- Low cost base
- High employment generation in all parts of Tunisia and high female employment rates in certain sub-sectors

Weaknesses:

- Lack of innovation
- Low usage of new technologies
- The “Tunisia brand” seen as low price and relatively low quality
- Low efficiencies

BRCP areas of potential assistance

- Technology upgrading
- Certifications
- Lean processes
- Branding and marketing
- Quality standards

PHARMACEUTICAL

Summary Information about the Value Chain

Over the years, the healthcare sector has occupied an important place in the country's socio-economic policies. As a result, Tunisia's health indicators compare favorably with those of other states in the southern part of the Mediterranean. Furthermore, Tunisia is one of the few African countries to have an efficient and modern pharmaceutical sector, both in terms of quality and safety of its products.

Following the liberalization of the sector, and in a 15 year time span since then, Tunisian laboratories have been able to strengthen partnerships with multinational companies who have entrusted them with production and marketing of their products, thus ensuring technology transfer. Development of the sector began to take shape in 1989 following privatization and establishment of a legal and regulatory framework. As a result, the number of production facilities increased from 3 in 1989 to 43 in late 2009.

There are 43 production units (27 for human medicine, 6 for veterinary drugs, and 10 specialized in vaccines and serums). Public sector dominates the industry with 75% of the output, but local manufacturers are gaining greater market share.

There are foreign companies in the market, e.g. Pierre Fabre, Bayer Schering, Leiras, Orion Farnos, Orion Pharma, Pfizer and Santen.

The Tunisian government would like the pharmaceutical industry to have a bigger weight in the economy, as well as in the country's exports.

Regarding the local market, there is enormous potential for the future, considering the still relatively low per-capita expenditure rates (according to the Ministry of Health figures, per-capita expenditure on healthcare is 500 TND), and the country's large middle-income class that is becoming more health-aware. Furthermore, increased government subsidizing of medicines related to chronic diseases means that more people are now able to keep up with regular treatment.

Quantitative indicators:

- Sales were roughly estimated at US\$ 30 million in 2013
- Estimated Employment: about 5,000 but fast growing
- Investments into the sector are growing fast, with many multi-million \$ projects coming on line in 2014 and 2015

Comparative advantages/disadvantages

Strengths:

- Fast growing foreign investment
- Small but solid base
- Low labor cost base
- Fast growing domestic market

Weaknesses:

- Lack of innovation
- Relatively low, existing usage of latest technologies
- Low efficiency of existing facilities
- Lack of international certifications and approvals

BCRP areas of potential assistance

- Technology upgrades
- International Certifications
- Lean manufacturing and processes
- Branding and marketing
- World class Web sites, social media for leading players

HEALTH CARE - E-HEALTH CARE

Summary Information about the Value Chain

90% of patients are served by public hospitals, which currently have very primitive IT systems, and are regarded as a prime target by Tunisian ICT companies. Private hospitals already take advantage of IT to a much greater degree (such as electronic patient records), and it is believed that most of those contracts are directly with overseas providers. Local ICT companies believe that public hospitals will undertake modernization initiatives only if the government prioritizes these investments. This is not likely to take place in the near term. There may be specific segments or technologies where pilot projects could be rapidly replicated and expand demand for services (telemedicine and electronic patient records have been mentioned) but so far significant spending plans have not been identified.

A large and fast growing segment of Health care is “**Medical tourism**”. Thousands of medical tourists visit Tunisia annually and that number is growing fast, with more and more sophisticated types of services and surgeries. Attachment II provides more information on this sector.

Demand for consumer health in Tunisia increased during 2012 - 2013 as the industry enjoyed the highest growth in its history. The 11% growth rate recorded in consumer health over the course of 2012 was due to a record rise in sales, which was the result of a sudden population increase due to an influx of people from the neighboring Libya and record-breaking cold temperatures during the winter that increased the incidence of common ailments such as influenza. Analgesics, cough, cold and allergy (hay fever) remedies and pediatric consumer health all recorded strong growth in 2012, driving overall growth in OTC.

(i) Influx of migrants from Libya boosts demand and growth in consumer health

The ongoing civil war in neighboring Libya was the key event influencing growth in consumer health in Tunisia during 2012. The influx of migrants into Tunisia from Libya led to the size of Libyan population increasing by 9% in 2012 as around one million Libyans fled to Tunisia out of fear for their safety or in search of medical care. In addition, 40% of these Libyan migrants were seeking healthcare treatments which required them to remain in Tunisia for over three months in order for their condition to be monitored or in order to recover from surgery. According to the Tunisian Ministry of Health, consumption of healthcare products by Libyan immigrants was three times the average consumption by Tunisian patients. Although the majority of demand for healthcare from these Libyan patients involved prescription-only medicines, significant amounts of OTC consumer health medicines were also consumed during recovery periods.

(ii) Competitive environment in consumer health remains highly fragmented

Consumer health remains a highly fragmented industry and although Unimed Pharma assumed leadership in 2012, overturning Sanofi-Aventis Pharma Tunisie’s marginal lead and with each player holding a market share of 7%, the industry remains highly fragmented. In addition to Unimed and Sanofi-Aventis, Teriak Laboratories Tunisie is also a leadership contender in the industry. Unimed’s ascent to the marginal leadership in the industry in 2012 was due to rising demand for its products in cough, cold and allergy (hay fever) remedies, the second largest category in the industry, while Sanofi-Aventis lost market share in the same category. At the same time, Teriak gained market share in both analgesics and digestive care, the first and third largest categories respectively in consumer health. This allowed the company to close the gap between itself and the two leading players in the industry during 2012 as well as improve its position in OTC.

Quantitative indications:

- All major stakeholders agree that the exact size of the Healthcare industry in Tunisia is difficult to quantify with a very high degree of accuracy. It is estimated to be in the 3 to 5 Billion US\$ range.
- Estimated Employment: about 140,000

Comparative advantages/disadvantages

Strengths:

- High level of foreign investment
- Growing presence of international companies bringing new technologies
- Growing customer base from MENA region
- Growing domestic demand

Weaknesses:

- Relatively low level of service (with the exception of a few, international players)
- Low penetration of new technologies
- Few international, recognized certifications delivered

BCRP areas of potential assistance

- Technology upgrades
- International Certifications
- Coaching, training and ultimately implementing higher level of service
- Branding and marketing

ICT VALUE CHAINS (IT SERVICES AND BPO)

These value chains and sectors are the core targets of the project. A slightly different approach has been taken therefore, in order to be proactive, more efficient and move faster towards the actual practical, technical and support activities to Tunisian partner enterprises. Several dozen site visits were organized to literally all of the major players of these sectors, within the first two weeks of the project.

The project team is therefore already starting to implement technical and training action plans, monthly timelines (with measurable and quantifiable goals and targets) and plan for growth (sales, export and employment) as highlighted on the chart below:

Company	Needs / Expectations	Technical Assistance / Training	
Telnet	Address the short term ICT sector needs Support a two-way collaboration with US: linkage with MSME and small-sized technology partner (the anti-Silicon Valley model) Promote e-Learning Telnet for 2014: double-digit growth pattern; ⇒ Hire new people (by end of 2015, 150/200 new hires) ⇒ Enhance senior managers skills, need for managerial & communication coaching ⇒ New technical skills in avionics ⇒ In-depth technical support required (4-6-8 weeks)	- Road show & Linkage w/ SBDC from US - TA on avionics standard - Training on DO178 - TA on e-payment/POS embedded development - TA on management	- US - Africa - US - US - US - Local
Vermeg	We would be very interested in Communication training: - Technical Presentation meeting / workshop - Preparation of strategy & communication and marketing plan * Communication: Coaching for communications personnel. We would like to establish an effective communication adapted to a group of 700 people. * Business Reform: This is a very specific need. We seek support to improve our financial services related business activities. * Competitiveness: Help supporting our Quality Coaching team achieve a high level of service. We would also like to coach this team to establish a system of continuous improvement in productivity.	- Training in Communications (internal & external) - TA on management - TA on Marketing / Sales force - TA on financial services - TA on Quality - Training on HR	- Local - Local - US - US - Local - Local
Netsystem	Road shows in the US others locations Help establishing linkage with decision-makers from US, UK, North Africa	- Road show - Trade fairs	- US - US

	<p>Networking Export promotion Trade fairs Benchmarking Tunisia & Morocco with US Coaching/mentoring on economic empowerment and leadership Support certification and quality upgrade HR related: Promote performance/objective-oriented management, sales, leadership training</p>	<ul style="list-style-type: none"> - TA on Entrepreneurship - Training on Quality - Training on HR 	<ul style="list-style-type: none"> - US - Local - Local
ProxymIT	<p>Mid-level management: Provide specific and management skills training, in addition to targeted coaching to set up an economic and business-oriented “mindset” capacity/culture. Provide support for programs for mid-level managers to enhance their capabilities.</p> <p>Retention of experienced human resources: Increase retention through improved compensation and skills upgrading/promotion policies/practices.</p> <p>Bringing back Tunisian diaspora: Help structure offers to encourage Tunisian diaspora to return.</p> <p>Switch from sub-contracting to partnership approach: Develop sales, marketing & web marketing action plan and capabilities to generate leads, deals, awareness and higher revenues.</p> <p>Export growth: Provide support for export assistance, sales representation abroad and market expert support. Assistance with overseas presence & establishing market linkages. Trade shows and fair/exhibition support. Road shows for Tunisian businessmen to targeted export markets for networking purposes.</p> <p>Training for employees: Training sessions in technical field, core skills Training for: performance-oriented project management</p> <p>Value Chain perspective: Support for innovation by setting up an innovation incentive-based system (e.g. French ozeo-like program) (ozeo is a French govt innovation support fund)</p>	<ul style="list-style-type: none"> - TA on management - Training on HR - TA on payroll & salary packaging - TA on Marketing / Sales force - Road show - Trade fairs - Overseas presence & setting up support - Labor code review - Training on IT - Training on soft skills - MBA courses 	<ul style="list-style-type: none"> - Local - Local - Local - US - US - EU - EU - ME - Local - Local - Local
Focus	<ul style="list-style-type: none"> • Support HR strategy: Communication workshops and coaching for all resources FOCUS (engineers and computer technicians) + Language Training: English and German. 	<ul style="list-style-type: none"> - TA on management - Training on Quality - Training on IT 	<ul style="list-style-type: none"> - Local - Local - Local

<ul style="list-style-type: none"> • Technical Training: - Language Development + Certification: C + +, C, ABAP, JAVA, J2EE - Design Pattern - UML - Embedded Linux - Consolidation • Security / System / IT: - Linux - Oracle Administration - MS SQL Server 2012 - Windows Administration - DATA GUARD IIG Oracle - FIM Training - Cisco Technology - Oracle - SQL server - Electronics - Best practice design - embedded development - Embedded Certification - Design pattern • Quality: ISO Risk Mgt / 31000: the ISO 9001 and 27001 support projects / ISO 9001 V 2015 / ISO 31000 • Auditing and consulting to review organization performance and project progress. • Related to marketing assistance and improving our communication. • Managerial training: - Corporate culture - Interpersonal Communication - Public speaking - Conduct of meeting - Etiquette in the workplace - Mastering body language - Career image of personal development - Relevant Oral and Written Communication - Build a team and manage conflicts - Motivate and lead a team 	<ul style="list-style-type: none"> - Training on language - Training on soft skills - Training on Communication - TA on Branding - TA on product design & packaging - TA on Marketing / Sales force - TA on Technologies watch 	<ul style="list-style-type: none"> - Local - Local - US - US - EU - Local - US
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	<ul style="list-style-type: none"> - Delegation - Lead and manage a project - Dashboards - Time management - Stress management - Performance evaluation: Tools and methods - PMP 		
Cynapsys	<p>Assistance in developing Third Party Applications. Assistance with training for managers or MBA programs. Assistance improving English skills.</p>	<ul style="list-style-type: none"> - TA on HR - Training on HR - Access to market - Access to finance for R&D - TA on Biz Dev (SaaS, Third party maintenance) - TA on product design & packaging - TA on Marketing / Sales force - Training on IT - Language Training - Management Training - MBA courses - Matching TUN & US/UK IT comp. 	<ul style="list-style-type: none"> - Local - Local - EU - Local - US - US - EU - Local - Local - Local - US/UK
Business & Decision	<p>Interested to work with the project with strengthening career centers in some Tunisian universities.</p>	<ul style="list-style-type: none"> - TA on Biz Dev - Access to market & Business linkages - TA on management - Training on management 	<ul style="list-style-type: none"> - US - Africa - ME/US - US - Local
Via Mobile	<p>Technical support on facilitating access to quasi-equity/equity capital; marketing and human resource management support.</p>	<ul style="list-style-type: none"> - TA on HR - Training on HR - Training on language - Access to financial services - Road show & Linkage in US - TA on Quality - TA on certification 	<ul style="list-style-type: none"> - Local - Local - Local - US - US - US - US - Local

			- Local
Hli Consulting	<p>Assistance with networking with decision makers, professional vis-à-vis and business rapporteurs on target markets.</p> <p>Assistance with relevant types of coaching/training in project management, functional expertise by business/market, internal and external communications, marketing, collaborative management, management and career development, retention of resources, quality management.</p>	<ul style="list-style-type: none"> - Access to markets & Business linkages - TA on core business expertise areas - TA on Marketing - Communications Training - Management Training - Training on HR - Training on Quality 	<ul style="list-style-type: none"> - Africa - ME/EU - Africa / ME - Local - Local - Local - Local
HR Access	<p>HR Access has planned training in the following areas:</p> <ul style="list-style-type: none"> • People Management • Project Management • Stress Management • Change Management <p>In addition, we provide technical training for:</p> <ul style="list-style-type: none"> • Java (Different levels) • Linux (Different levels) <p>Interested in support on management policies/practices and IT standards/policies.</p>	<ul style="list-style-type: none"> - Training on management - Training on IT 	<ul style="list-style-type: none"> - Local - Local
TIS Circuit	<p>TIS Circuit can provide assistance with physical or virtual job fairs.</p> <p>Assistance needs include:</p> <ol style="list-style-type: none"> 1 - operational management (theory and field monitoring with coaching) for the Population of team leaders, heads workshops and support personnel operators 2 - Lean manufacturing 3 - lean management 4 - 6 sigma and methods of problem solving 5 - Advanced Excel (VBA) 	<ul style="list-style-type: none"> - TA on lean management - TA on lean manufacturing - Training on management - Training on technical skills - Training on Quality - Training on soft skills 	<ul style="list-style-type: none"> - Local - Local - Local - Local - Local - Local
Oriflame	<p>Assistance with setting up a soft skills enhancement plan in communication, customer service, and entrepreneurship outlook.</p>	<ul style="list-style-type: none"> - Training on Sales technique - Training on communication - Training on entrepreneurship - Training on soft skills - Training on IT 	<ul style="list-style-type: none"> - Local - Local - Local - Local - Local
Linkao	<p>Assistance with Access to USA: networking, insights, market, etc.</p>	<ul style="list-style-type: none"> - Access to market & Business linkage 	<ul style="list-style-type: none"> - US

		<ul style="list-style-type: none"> - Road show & Linkage w/ mentor from US - TA on Entrepreneurship mindset 	<ul style="list-style-type: none"> - US - US
SmartHost	<ul style="list-style-type: none"> • Establishment of a sound export strategy (Europe and West Africa) • Technical assistance and coaching in relation to helpdesk operation (Customer Support) • Aligning the sales team and sales force 	<ul style="list-style-type: none"> - TA on Biz Dev - Access to market & Business linkage - TA on customer service - TA on Sales force 	<ul style="list-style-type: none"> - Local - EU - Africa - Local - Local
SEA Latelec	<ul style="list-style-type: none"> - With regard to Lean Management, develop the skills of team managers on leadership, employee engagement, optimizing human resources. Ideally the training will be 4-6 weeks via the hands-on coaching on the job; - More detailed Lean Manufacturing technical assistance including the optimization of the workspace, practical, ergonomic positions, and automation tools. - Diagnostic on training needs. 	<ul style="list-style-type: none"> - TA on lean management - TA on lean manufacturing - TA on management/ leadership - TA on training performance - TA on access to finance 	<ul style="list-style-type: none"> - Local - Local - Local - US
Oxia	<ul style="list-style-type: none"> - Assistance/support for access to export markets; including Germany and sub-Saharan Africa. - Assistance with roadshows to establish contacts in external markets - Assist with HR including executive recruiting (both locally and abroad) - Assistance with review of the regulatory framework for Public Private Partnership PPP. 	<ul style="list-style-type: none"> - Access to market & Business linkage - Road show & Linkage w/ mentor - TA on R&D - TA on product design & packaging - TA on Marketing / Sales force - TA on recruitment - TA on PPP - Training on IT - Training on soft skills 	<ul style="list-style-type: none"> - EU/ME - Africa - EU/ME - Africa - US - US - US - Local - US - Local - Local
Microsoft	<p>Areas of possible cooperation include:</p> <ul style="list-style-type: none"> - The “Tounes Ta3mal” (virtual global career center/e-learning website initiative.) Potentially the project could join the team of partners to add value on outreach channels, adding content/coaching and driving job opportunities. - Reinforce Microsoft cooperation with the Ministry of Higher Education on servicing students, providing them with tools & certification to succeed in their career selection and working with professors to help provide valuable input to “Ta3mal” platform. 		

GetIT	Training for staff involved in electronics, the development of the Ivorian market via GetIT's new antenna Ivory Coast	<ul style="list-style-type: none"> - Access to market & Business linkages - Road show & Linkage w/ mentorship networks - Training in Electronics 	
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The support areas referenced most frequently included:

- How to access new export markets
- How to gain access to competitive finance
- How to establish effective linkages with decision makers, businessmen, road shows in target markets
- Coaching/mentoring/training for top & middle management
- Support for strengthening of marketing & sales capacity
- Support improved human resource management policies/practices which improve retention, build employee loyalty, and encourage business behavior

Annex 4 – Enterprise Application Form

Business Reform & Competitiveness Project Rue du lac Lemman, Immeuble Harthoma, apt C5.C6 LES BERGES DU LAC, 1050 TUNIS, Tunisia Tel. Email: Website: Facebook:	
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BASIC DATA ABOUT ENTERPRISE (short-form)

Name of Enterprise:	
Contact Person:	
Position title:	
Business Registration Number:	
Business Address:	
Tel:	Email:
Mobile:	Website (if any):
Status of Enterprise:	Operational <input type="checkbox"/> Not yet operational (startup) <input type="checkbox"/>
Legal category of business	
Year of Establishment:	
Sector of Activity	
Products / services	
Total Annual Sales 2013: Exports (if any): Sales 2013: Markets:	
Employment (current full-time)	Local: Male <input type="checkbox"/> Female <input type="checkbox"/> Expatriates <input type="checkbox"/>
Competitors : Domestic: International:	
Sales growth potential: What are constraints on doubling annual sales within 2 to 3 years?	
Technical assistance needs to increase sales:	
Employment potential: How many new jobs would you fill during next 12 months with technical assistance indicated above?	
Training needs for current employees	
Training needs for job candidates:	

Education/training of job candidates: what are biggest deficiencies in education of job candidates?	
Education/Training Quality: How would you rate the general quality of education/training for job seekers in your industry?	1 (very bad) to 5 (excellent)
Education/training institutions: Does your firm work with them to prepare job candidates?	
Hiring: What methods in order of importance do you use for hiring new employees?	
Hiring: what are the biggest obstacles to finding qualified candidates?	
Job fairs: How useful? Why?	1 (not useful) to 5 (very useful)
Virtual job fairs: How useful? Why?	1 (not useful) to 5 (very useful)
Career Development Centers: Do you work with Career Development Centers to find job candidates?	
Banks / financial institutions working with:	
Financial products/services used:	
Financial products: How would you rate the cost of the products/services you use?	
Financial products needed but not available/too expensive	

BASIC ENTERPRISE INFORMATION

General Information	
Name of Enterprise:	
Business Address:	
Tel:	Fax:
Contact Person:	
Website (if any):	
Position title:	
Mobile:	Email:

Activity Information	
Year of Establishment	
Value Chain/Market System of Activity	<ul style="list-style-type: none"> – Aeronautics – Agribusiness – Automotive – Building materials/Construction – Business Processing Outsourcing – Electronics/Electrical Supplies – Fast-Moving Consumer Goods – Handicrafts – Healthcare – Hospitality/Tourism – ICT – Plastics – Textiles and garments – Other
Type of Business	<ul style="list-style-type: none"> – Manufacturing/Production – Wholesale/Retail – Services

	– Other																														
Product/ services																															
Facility location(s)	<table border="1"> <tr> <td rowspan="7">NORD EST</td> <td>Tunis</td> </tr> <tr> <td>Ariana</td> </tr> <tr> <td>Ben Arous</td> </tr> <tr> <td>Mannouba</td> </tr> <tr> <td>Nabeul</td> </tr> <tr> <td>Zaghouan</td> </tr> <tr> <td>Bizerte</td> </tr> <tr> <td rowspan="4">NORD OUEST</td> <td>Beja</td> </tr> <tr> <td>Jendouba</td> </tr> <tr> <td>Le Kef</td> </tr> <tr> <td>Siliana</td> </tr> <tr> <td rowspan="4">CENTRE EST</td> <td>Sousse</td> </tr> <tr> <td>Monastir</td> </tr> <tr> <td>Mahdia</td> </tr> <tr> <td>Sfax</td> </tr> <tr> <td rowspan="3">CENTRE OUEST</td> <td>Kairouan</td> </tr> <tr> <td>Kasserine</td> </tr> <tr> <td>Sidi Bouzid</td> </tr> <tr> <td rowspan="3">SUD EST</td> <td>Gabes</td> </tr> <tr> <td>Medenine</td> </tr> <tr> <td>Tataouine</td> </tr> <tr> <td rowspan="2">SUD OUEST</td> <td>Gafsa</td> </tr> <tr> <td>Tozeur</td> </tr> </table>	NORD EST	Tunis	Ariana	Ben Arous	Mannouba	Nabeul	Zaghouan	Bizerte	NORD OUEST	Beja	Jendouba	Le Kef	Siliana	CENTRE EST	Sousse	Monastir	Mahdia	Sfax	CENTRE OUEST	Kairouan	Kasserine	Sidi Bouzid	SUD EST	Gabes	Medenine	Tataouine	SUD OUEST	Gafsa	Tozeur	
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SUD OUEST	Gafsa																														
	Tozeur																														

		Kebeli	
Employment Information			
Total number of current employees	<ul style="list-style-type: none"> – Highly-skilled: Managers, professional occupations – Skilled: Technicians, associate professionals, trade workers – Semi-skilled: Clerks, service & sales workers, agriculture workers – Elementary: Machinery operators & assemblers, laborers Total:		
Expected jobs to be added in next 12 months	<ul style="list-style-type: none"> – Highly-skilled: Managers, professional occupations – Skilled: Technicians, associate professionals, trade workers – Semi-skilled: Clerks, service & sales workers, agriculture workers – Elementary: Machinery operators & assemblers, laborers Total:		
Training needs for new hires	<ul style="list-style-type: none"> – Technical skills (specify) – “Soft skills” (specify) 		
How available are job candidates in these categories? 1 = Not available 5 = Very available	<ul style="list-style-type: none"> – Highly-skilled: Managers, professional occupations – Skilled: Technicians, associate professionals, trade workers – Semi-skilled: Clerks, service & sales workers, agriculture workers – Elementary: Machinery operators & assemblers, laborers 		
How would you rate the skills of job seekers in these job categories? 1 = Not very skilled 5 = Very well skilled	<ul style="list-style-type: none"> – Highly-skilled: – Skilled: – Semi-skilled: – Elementary: 	Technical skills	Soft skills
How do you fill skills gaps?	<ul style="list-style-type: none"> – On the job training – Outside training providers – Other (specify) 		
Job fairs: How useful are job fairs? Explain:	1 (not useful) to 5 (very useful)		
Virtual job fairs (web job platforms):	1 (not useful) to 5 (very useful)		

How useful? Explain:	
Career Development Centers: Do you work with Career Development Centers to find job candidates? How effective are CDCs in your experience?	1 (almost never) to 5 (routinely) 1 (not useful) to 5 (very useful) 0=don't know
Market Information	
Total Revenues	<ul style="list-style-type: none"> - 2012 - 2013 - 2014 (expected) - 2015 (expected)
Revenue growth potential: What are constraints on doubling annual sales within 2 to 3 years?	<ul style="list-style-type: none"> - Competition - Lack of skilled workforce - Legal/regulatory obstacles - Lack of finance - Other
Main target markets	<ul style="list-style-type: none"> - Domestic - Overseas (specify)
Main competitors	<ul style="list-style-type: none"> - Domestic - International
Degree of competition	1 (not competitive) to 5 (very competitive)
Technical assistance categories to increase revenues	<ul style="list-style-type: none"> - Strategic/business planning - Marketing & sales - Production & quality management - Accounting & financial management - Tax & legal/regulatory - Other (specify)

Access to Finance Information

		Have Used	Interested/Would like to use
What types of Financial Products has your business used in the past to support your business and import/export trade financing needs:	<ul style="list-style-type: none"> - Letters of Credit (L/C) - Bank Guarantees / Bond Financing for payments - Export Credit Insurance - Buyer Financing - Working Capital credit line (secured) - Working Capital credit line (unsecured) - Factoring - Leasing - Long-term loans (equipment/facilities) - Loans (for production inputs) - Government loan programs - Self-financed (family savings) - Islamic Banking products - Other (specify) 		
Are your working capital levels adequately meeting your firm's current needs?	<ul style="list-style-type: none"> - Yes - No 		
How are your cross-border payments transactions conducted:	<ul style="list-style-type: none"> - Cash - Wire transfer - Inter-bank transfer - Internet-based payment - Other (specify) 		
If you do not currently borrow from banks, what are the reasons?	<ul style="list-style-type: none"> - Applied for loan but was rejected - Did not apply because interest rates too high - Complicated or time consuming loan application procedures - Business too small or lacks track record to qualify for loans from bank - Business not properly registered or licensed to qualify for loans from bank - Business has sufficient capital and doesn't need loans - Burdensome collateral requirements - Not enough collateral for bank - Bank undervalues our collateral - Too many documents required 		

	<ul style="list-style-type: none"> - Afraid of losing our assets - High interest rates and other costs - Banks have too many requirements - Don't trust banks - Interest rates on bank loans too high - Don't want additional liability/debt for business - Friends and family have enough lending capital - Personal/religious conviction - Other (specify)
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<p>If you answered "applied to loan but was rejected," what was the reason for the rejection?</p>	<ul style="list-style-type: none"> - Weak business plan - Weak collateral - Other <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><i>Explain other:</i></p> </div>
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<p>What types of Financial Products and Services does your business need to conduct business operations and import/export trade across borders?: (check all that apply)</p>	<ul style="list-style-type: none"> - Import/export financing to cover cash transactions between buyer and seller - Loan for business equipment/facilities/transport needs - Loan for business production/input needs - Working Capital for business operations - Purchase/delivery order financing - Credit or debit card service - Access to ATM - E-Banking Services - Foreign exchange services - Financial advice - Insurance - Factoring - Leasing - Information about what kinds of financial products and services are available - Other (specify)
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Value Chain and Enabling Environment Information	
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<p>Industry Federation: Are you an active member? (give name)</p>	
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<p>Industry Federation: How effective is the Federation in these areas?</p> <p>1 (not very effective) to 5 (very effective)</p>	<ul style="list-style-type: none"> - Advocacy - Developing markets - Member services - Improving workforce qualifications - Other (specify)
--	--

Chamber of Commerce: Are you an active member? (give name)	
Chamber of Commerce: How effective is the Federation in these areas? 1 (not very effective) to 5 (very effective)	<ul style="list-style-type: none"> - Advocacy - Member services - Other (specify)

Score extent to which each item is an obstacle	<i>Not an obstacle</i>	<i>Minor obstacle</i>	<i>Medium obstacle</i>	<i>Major obstacle</i>	<i>Severe obstacle</i>	Not applicable
Lack of efficient supply chain	1	2	3	4	5	0
Lack of customers/links to markets	1	2	3	4	5	0
Tax system	1	2	3	4	5	0
Policy instability	1	2	3	4	5	0
Capital/currency controls	1	2	3	4	5	0
Export rules/regulations	1	2	3	4	5	0
Competition from informal sector	1	2	3	4	5	0
Customs regime	1	2	3	4	5	0
Permits & licences	1	2	3	4	5	0
Lack of access to finance	1	2	3	4	5	0
Restrictive labor regulations	1	2	3	4	5	0
Quality of workforce	1	2	3	4	5	0
Inflation/economic instability	1	2	3	4	5	0
Innovation & Research	1	2	3	4	5	0
Other (specify)	1	2	3	4	5	0

<p>List the 5 most severe obstacles in order of importance</p> <ol style="list-style-type: none">1.2.3.4.5.

Other Notes/Comments:

Annex 5 – Draft Digital Communications Code

Digital Communications Code of Tunisia [Initial Draft]

I. Purpose

- Concise statement of objectives of the law, for example
 - Promote availability of high quality and technically innovative communications services at affordable prices to all citizens;
 - Promote economic development and social cohesion;
 - Stimulate economic growth and job creation;
 - Others?

II. Definitions

[Partial List of Terms To Define]

“Allocation” shall mean the official designation of radio frequency bands, as reflected in the Frequency Allocation Table.

“Assignment” shall mean the official grant of right to use specific radio frequencies, made by the Authority to Telecommunications Service Providers or Broadcasters.

“Authority” shall mean the National Communications Authority of Tunisia as established and further described in this Act.

“Board” shall mean the Governing Board of the Authority.

“Board Member” shall mean a member of the Board of the National Communications Authority.

“Broadcasting” shall mean the emission and dissemination of radio or television programming intended for reception by the public. Broadcasting is a one-directional service that does not include a return path from the user to the Broadcaster.

“Cabinet” shall mean the Cabinet of the Tunisian Republic.

“Chairman” shall mean the Member of the Authority so designated by [the President].

“Class License” shall mean a telecommunications License (as distinct from the Individual License) subject to standard conditions for all Licensees concerning every type of License granted in accordance with the provisions of Title VI of this Code.

“Code” shall mean The Digital Communications Code of 2013.

“Decision” shall mean any written decision, order, ruling, determination or other similar pronouncement issued by the Authority, that disposes in whole or in part and on a temporary or permanent basis, of any matter before the Authority.

“Financial Year” shall mean the annual period used by the Authority for budgeting purposes.

“Frequency Allocation Table” shall mean the document by which the Authority adopts and publishes allocation of radio frequency spectrum among various communications services.

“Individual License” shall mean a Telecommunications License granted to a particular entity on terms specific to that entity in accordance with the provisions of Title VI of this Act.

“Information Services” shall mean the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service.

“Interconnection” shall mean the physical, technical and logical linking of the Telecommunications Networks used by the same or a different service provider in order to allow the users of one service provider to communicate with users of the same or another service provider, or to access services provided by another service provider. Services may be provided by the persons involved or by other persons who have access to the telecommunications network.

“License” shall mean the authorization issued by the Authority that allows Broadcasters and Telecommunications Service Providers to use radio frequency spectrum resources and to provide the specified service to the public.

“Licensee” shall mean a holder of a License issued by the Authority.

“Minister” shall mean the Minister of Information Technology and Communications.

“Ministry” shall mean the Ministry of Information Technology and Communications.

“National Numbering Plan” shall mean the document by which the Authority specifies allocation of telephone numbering resources.

“Parliament” shall mean the Constituent Assembly or its successor institution.

“President” shall mean the President of the Republic of Tunisia.

“Public Consultation” shall mean the transparent process by which the Authority formulates policies and Decisions in matters under its jurisdiction.

“Public Notice” shall mean the document by which the Authority initiates a Public Consultation.

“Public Telecommunications Network” shall mean the facilities by which a Telecommunications Service Provider makes Telecommunications Services available to all or a substantial portion of the public.

“Radio Frequency Spectrum” shall mean the range of electromagnetic frequencies below 3000 GHz used for Broadcasting or Telecommunications.

“Right of Way” shall mean legal permission to use the property of a public or private entity for the construction, maintenance, or operation of a Telecommunications Network.

“Secretary” shall mean the Secretary of the National Communications Authority.

“Service Provider” shall mean an entity authorized by the Authority pursuant to Title VI of this Act to provide Telecommunications Services or Information Services.

“Significant Market Power” shall mean the ability to raise the price of a service above a competitive level, or to restrict the supply of a service, in the relevant market for Telecommunications Services.

“Telecommunications” shall mean the transmission, between or among points specified by the user, of information of the user’s choosing, without change in the form or content of the information as sent and received.

“Telecommunications Frequency” shall mean any portion of the Radio Frequency Spectrum that the Authority allocates for the provision of Telecommunications.

“Telecommunications Network” shall mean the facilities by which a Telecommunications Service Provider makes Telecommunications Services available to the public or to a private network.

“Telecommunications Service” shall mean the provision by a Licensee of the conveyance of Telecommunications for a fee directly to the public.

“Telecommunications Service Provider” shall mean an entity authorized by the Authority pursuant to Title VI of this Act to provide Telecommunications Services.

“Universal Service” shall mean the availability to all users, regardless of their geographic location, of Telecommunications Services of a quality specified by the Authority and at suitable prices.

“Universal Service Fund” shall mean the mechanism that the Authority may prescribe to support the provision of Universal Access of a quality and price that the Authority determines to be acceptable. [Note: there is already an ICT Development Fund that is controlled by the Ministry of Finance, but this

has apparently not always been used for the provision of Universal Service. Perhaps this fund can be administered by the NCA instead with clear guidelines for its use.]

III. THE AUTHORITY

Sec. 301

(a) In order to achieve the purposes set out in Title I of this Act, the National Communications Authority is hereby established. The Board and staff of the Instance Nationale des Telecommunications shall be transferred to the Authority upon entry into force of this Code.

(b) Except to the extent otherwise provided in this Code, the Authority shall have plenary authority to license and regulate Telecommunications, Broadcasting, and Information services throughout the territory of the Republic of Tunisia, in accordance with the terms of this Code.

(c) The Authority shall be a body corporate with perpetual succession and a common seal, capable of suing and being sued in its corporate name, and shall have the power to do the following:

(i) enter into contracts and incur obligations;

(ii) acquire, hold, mortgage, purchase and deal howsoever with property, whether movable or immovable, real or personal; and

(iii) do all such things as are necessary for or incidental to the carrying out of its functions and duties under this Code.

(d) The Authority shall be structured into departments as the Board may from time to time deem appropriate for the effective discharge of its functions.

(e) The headquarters of the Authority shall be in Tunis.

(f) The Authority shall enjoy all advantages enjoyed by ministries, governmental entities, and official public sector organizations in Tunisia, provided, however, that the Authority shall not be a member of the Cabinet.

Sec. 302

(a) The affairs of the Authority shall be administered by a Governing Board ("the Board"). The Board shall consist of five (5)⁵ Members who shall be nominated by the President and approved by a majority vote of the Parliament. The Board shall have the authority to make orders for the transparent regulation of its proceedings and meetings, provided that such orders shall be in accordance with the procedural requirements of Sections 331-334 of this Code. The President shall specifically identify one of his nominees to serve as Chairman of the Board.

(b) Members shall be persons of recognized standing, qualifications, and experience in one or more technical, economic, or legal fields that are relevant to the work of the Authority.

(c) A person shall not be appointed or remain in office as a Member who:

(i) is not a citizen of Tunisia;

(ii) is not ordinarily resident in Tunisia;

(iii) is a serving member of Parliament, any Governorate governmental body, or local governmental body;

⁵ [The Board of the INT currently consists of 7 members, not all of whom work for the INT full time. A seven member Board is rather large and may be inefficient. In addition, members of the Board should be expected to devote their full time to the activities of the Authority.]

- (iv) is incapacitated by any physical illness;
- (v) has been certified by competent authorities to be of unsound mind;
- (vi) has been convicted in Tunisia or elsewhere of a felony criminal offense; or
- (vii) has at any time been removed from an office of trust in Tunisia or elsewhere on account of misconduct.

(d) Members shall serve staggered terms of five years so that no more than one Member's terms shall expire in the same year. A Member's term shall end on June 30 of the year in which his term of office expires but he may continue to serve for up to one year pending the appointment of his successor. A Member may be reappointed upon the completion of his term of office.

(e) In the event that a vacancy arises on the Board due to the death, resignation, or removal of a Member or upon the expiration of a Member's term, the President shall fill such vacancy in accordance with the appointment process contained in subsection (a) of this section.

(f) Members shall be entitled to compensation for their service at a rate to be set by law by the Parliament, but in no event less than the amount paid to a Minister[?]. A Member's compensation shall not be reduced during his term in office, but may be increased.

Sec. 303

(a) The Board shall meet at least once per month in order to consider the business of the Authority and to hear such reports as the staff of the Authority may present.

(b) The Chairman shall have the power to schedule meetings, upon not less than fourteen days' advance notice to the Board and to the public; provided, however, that in the event of exigent circumstances that require that the Board meet upon less than fourteen days' advance notice the Chairman may call such a meeting of the Board with the concurrence of at least three other Members. A quorum to conduct the business of the Board shall consist of a majority of the number of members of the Board then serving. In the absence of the Chairman, the Chairman may designate another Member to act as Chairman. In the event of the death, resignation, or removal of the Chairman, the remaining Members may, by majority vote, designate one of their number to act as Chairman pending an appointment of a new Chairman by the President.

(c) The Board shall act by majority vote of the Members present. In the event that the Members are evenly divided on a matter that is put to a vote of the Board, the Chairman shall cast the deciding vote.

Sec. 304

(a) The Chairman shall be primarily responsible for the execution of the policies and decisions of the Board and for the day-to-day management and supervision of the activities of the Authority. In particular, the Chairman shall supervise the work of the staff and shall propose to the Board such organization of the staff of the Authority as shall seem to him best suited to the proper execution of the Authority's functions. The Chairman shall have primary responsibility for hiring qualified staff and for ensuring the staff's proper training and capable performance in office.

(b) Unless otherwise specified in this Code, the Board may delegate in writing any of its functions to such members of the Authority staff as it may deem appropriate; provided, however, that the Board shall not delegate review of actions taken by the Board to any member of the staff.

Sec. 305

(a) The Board shall appoint a Secretary who shall not be a Member but shall possess relevant and adequate professional qualifications.

(b) The Secretary shall keep the corporate records of the Authority, shall keep minutes of meetings of the Board, and shall maintain other records of the Authority as directed by the Board or by

the Chairman. The Secretary shall perform such other duties as the Board or the Chairman may from time to time appoint.

Sec. 306

(a) The Authority shall have powers to appoint such number of persons as it deems necessary as staff of the Authority. The employment of the Authority's staff shall be subject to such terms and conditions as the Board may from time to time stipulate and shall be contained in the respective staff member's employment contracts.

(b) The Board shall develop and implement appropriate conditions of service for the Authority's staff with particular regard to the issues of remuneration, pension scheme, and other employee benefits, sufficient for the Authority to attract and retain employees of the highest quality.

(c) The Board shall consider and review from time to time the remunerations and allowances payable to the Authority's staff.

(d) The conflict of interest provisions contained in [Section 336] of this Code shall apply to all employees of the Authority.

Sec. 311

(a) The Authority shall establish and maintain a Fund from which all expenditures incurred by the Authority shall be paid. The Fund shall comprise funds derived from but not limited to the following sources:

(i) such monies as may be appropriated to the Authority from time to time by the Parliament;

(ii) fees assessed by the Authority pursuant to the terms of this Code, the Authority's regulations, or the terms of any license that the Authority may grant pursuant to this Code;

(iii) gifts, loans, grants, or other contributions from outside sources; and

(iv) all other assets that may from time to time accrue to the Authority.

(b) The Authority shall pay all monies accruing from the auction of licenses to use the radio frequency spectrum pursuant to [Section xxx] of this Code into the General Fund of the Ministry of Finance.

(c) The Authority may, with the consent of, or in accordance with the general authority given by the Minister of Finance, borrow such sums of money as the Authority may require in the exercise of its functions under this Code.

(d) The Authority may accept gifts or grants of money or aids or other property from national, bilateral and multi-lateral organizations and upon such terms and conditions, if any, as may be agreed upon between the donor and the Authority provided that such gifts are not inconsistent with the objectives and functions of the Authority under this Code.

Sec. 312

(a) The Authority shall, not later than 30th September in each year or such other date as the Parliament may by statute determine, prepare and present to Parliament for its approval, a statement of estimated income and expenditure for the following financial year.

(b) Notwithstanding the provisions of subsection (a), the Authority may also, in any financial year, submit supplementary or adjusted statements of estimated income and expenditure to Parliament for approval.

(c) Subject to subsections (a) and (b) of this section, the Authority shall apply the proceeds of the Authority's Fund:

(i) to meet the administrative and operating costs of the Authority;

- (ii) for the payment of salaries, wages, fees and other allowances, retirement benefits such as pensions and gratuities and, any other remunerations payable to the Board Members and staff of the Authority;
 - (iii) for the purchase or acquisition of property or other equipment and other capital expenditure and for maintenance of any property acquired or vested in the Authority; and
 - (iv) for any of the functions of the Authority under this Code.
- (d) The financial year of the Authority shall start on 1st January of each year and end on 31st December of the same year unless Parliament shall by statute establish a different financial year.
- (e) The Authority shall keep proper records of its accounts in respect of each year and shall cause its accounts to be audited within 6 months from the end of each financial year by internationally recognized independent auditors whose appointment shall be approved by the Board and shall be subject to reappointment annually.

Sec. 313

- (a) The Authority shall prepare and submit to the Parliament annually and not later than 6 months after the end of its financial year, a report (“Annual Report”) on the activities of the Authority for the preceding financial year. The Annual Report shall include the Authority’s audited accounts for the year under review together with the auditor’s report thereon.
- (b) The provisions of any enactment relating to the taxation of companies or trust funds shall not apply to the Authority.

Sec. 321

- (a) The Authority shall perform the following functions in accordance with this Code:
- (i) Supervise and regulate Licensees, including both Telecommunications Service Providers and Broadcasters;
 - (ii) Ensure compliance by Service Providers with international obligations entered into by Tunisia in the telecommunications sector;
 - (iii) Hold Public Consultations on the matters committed to its discretion by this Code;
 - (iv) Issue Licenses in accordance with the terms of this Code;
 - (v) Prescribe and publish all forms relating to the licensing processes established under this Code;
 - (vi) Monitor and investigate compliance with this Code and with conditions of Licenses, and any regulations that the Authority may prescribe pursuant to this Code and make such decisions as are necessary to enforce compliance with the same;
 - (vii) Assign radio frequencies to Licensees in accordance with the national frequency allocation table;
 - (viii) Modify, renew, suspend or revoke licenses;
 - (ix) Respond to and dispose of complaints and disputes involving Telecommunications Service Providers, users and other persons including, but not limited to, matters of interconnection, access to property, eminent domain, access to and quality of service, numbering, unacceptable interference with the networks or services of grantees and privacy;
 - (x) Respond to and dispose of complaints and disputes against Broadcasters;
 - (xi) Establish and maintain the numbering plan and assign numbers;
 - (xii) Establish and supervise contributions to fund such universal service programs as the Authority may establish and administer such programs;
 - (xiii) Publish and maintain registries of Licensees, Licenses, interconnection agreements, Authority notices and decisions and, subject to accepted claims of confidentiality or

permissible disclosures, make them available to the public for inspection and publish them on the Authority's official website; and

(xiv) Such other functions as are consistent with the role of the Authority under this Code.

- (b) The Authority may perform any of the functions set out in this section upon its own initiative or, consistent with the provisions of this Code and any other applicable law, may contract with outside parties to perform certain functions.

Sec. 322

(a) The Authority has the power to require any Licensee, Telecommunications Service Provider, or Broadcaster to provide information that the Authority reasonably finds to be necessary for the proper performance of its functions and the exercise of its powers under this Code, provided that the Authority has provided the Service Provider with at least two (2) weeks prior written notification ("Written Notice") of such specific information requirements and such Written Notice is accompanied by explanations as to the need for such information.

(b) The Authority shall safeguard commercial secrets and other confidential information collected by it pursuant to this Code.

Sec. 323

(a) The Authority shall establish and maintain an official website and shall require all Telecommunications Service Providers to cite the website address in all of their user invoices in order to facilitate consumer protection.

(b) The Authority shall publish on a timely basis, all registries established and maintained by it and all public notices, Decisions, Licenses, signed interconnection agreements, documents prescribed by it, including Codes of Conduct and related documents, and other non-confidential documents made by or for it under this Code on its official website and shall make copies of such documents available to any interested party upon payment of a nominal copying fee, that the Authority shall prescribe.

Sec. 331

(a) The Authority may initiate a public hearing on any substantive matter within its jurisdiction under this Code, either on its own initiative or upon the written request of any interested person.

(b) Public hearings conducted by the Authority shall be open to all members of the public, except to the extent that the Authority decides otherwise, due to the confidential nature of any specific matter to be addressed during the hearing.

(c) The Authority shall record the entire proceeding of its public hearings and shall make copies of its recordings available to any member of the public, on a cost recovery basis that the Authority shall prescribe.

Sec. 332

(a) The Authority may hold a Public Consultation, to be conducted in whole or in part by written submissions only.

(b) The Authority shall initiate a Public Consultation by issuing a public notice:

- (i) Announcing the commencement of the process;
- (ii) Setting out the nature of the matter to which such Public Consultation relates;
- (iii) The period within which comments may be submitted, together with all filing requirements;

(iv) Providing any background discussion paper or other information that may assist interested parties in the preparation of their comments; and

(v) Including any other information that the Authority deems appropriate in the circumstances.

(c) The Authority shall ensure that the Public Notice initiating a Public Consultation shall give interested parties adequate notice of the matters that the Authority is considering and the actions that the Authority is likely to take as a result of the Public Consultation.

(d) As a result of a Public Consultation, the Authority may adopt, amend, or repeal any regulation that it is within the Authority's power to make in accordance with the provisions of this Code. The Authority may also conclude that the purposes of this Code will be best served by not taking formal action or by issuing a report concerning the findings it reaches as a result of the Public Consultation. When the Authority considers it appropriate, it may also present recommendations to Parliament for legislation to address matters that the Authority considers it cannot address pursuant to the terms of this Code, or may take such other action as it considers appropriate in the circumstances.

Sec. 333

(a) The Authority shall ensure that it shall conduct all of its proceedings in a transparent manner. The Authority shall provide adequate notice to the public, through a Public Notice or other similar instrument, of its proposed action with respect to adoption, amendment, repeal, or enforcement of any regulation or its proposed action to implement any provision of this Code.

(b) The Authority shall allow members of the public, including natural and juridical persons subject to the Authority's jurisdiction, consumers, and other organizations, a reasonable opportunity to submit written or oral presentations addressing any action the Authority proposes to take. The Authority shall also allow members of the public to respond to written or oral presentations submitted by other members of the public.

Sec. 334

(a) In any proceeding before the Authority, the Authority shall render a decision in writing explaining the reasons for its action. The Authority shall base its findings of fact and conclusions of law only upon the information contained in the record of the proceeding before it and on publicly available facts of which the Authority may take official notice. The Authority's decision shall explain in reasonable detail the reasons supporting its action and shall address the positions presented in presentations made by members of the public. The Authority's Decision may take any action that is consistent with the Authority's powers pursuant to this Code.

(b) The Authority's Decision may grant, in whole or in part, any action or relief requested by any party; may deny any action or relief requested by any party; or may fashion such other remedy within the scope of the Authority's powers that may, in the Authority's judgment, best serve the purposes of this Code.

Sec. 335

(a) Any person aggrieved by an action of the Authority or the Authority staff may request that the Authority review the original Decision of the Authority or of the Authority's staff. In all cases in which such review is requested, the Authority shall issue a Public Notice informing the public that the Decision is under review and shall allow interested members of the public an opportunity to make written or oral presentations concerning the request for review of the Decision.

(b) The Authority may grant the request for review in part or in whole or may deny the request for review. The Authority shall issue a written Decision in response to the request for review of the original Decision and shall state with particularity the reasons underlying its action.

(c) Any person aggrieved by a Decision of the Authority may appeal said Decision to the Court of Appeals of Tunis. The Court shall only be authorized to determine whether the Authority's Decision is consistent with applicable law, and shall base its decision on the factual record established by the Authority. The Court shall issue its decisions in writing, explaining its reasons for either affirming or overruling the Authority's action. In the event that the Court overrules a Decision of the Authority, it must refer the matter to the Authority for further proceedings.

(d) Any request for review or appeal of a Decision of the Authority must be filed with the Authority or the Court of Appeals of Tunis within thirty (30) days of the effective date of the Authority's Decision. For purposes of this subsection, a Decision of the Authority shall be effective upon its public release unless the Authority shall specify a different effective date in writing. The Authority or the Court of Appeals may grant a stay of the effectiveness of a Decision of the Authority pending appeal if it is demonstrated that a Party will suffer irreparable harm due to the effectiveness of the Decision during the appeal process.

Sec. 336

No member of the Board nor any member of the Authority's staff, may work on any Authority matter that will affect

- (a) his personal financial interests;
- (b) the financial interests of his spouse or minor child;
- (c) the financial interests of his business partner;
- (d) the financial interests of any organization in which he serves as an officer, director, general partner, employee or trustee; or
- (e) the financial interests of any entity with whom he has an arrangement for employment or with whom he is negotiating for employment.

In such case, he may either divest himself of the interest causing the conflict of interest or recuse himself from any involvement in the matter.

IV. ROLE OF THE MINISTER

Sec. 401

The Minister shall have the following responsibilities and functions pursuant to this Code —

- (a) the formulation, determination and monitoring, of the general policy for the communications sector in Tunisia with a view to ensuring, amongst others, the utilization of the sector as a platform for the economic and social development of Tunisia;
- (b) the negotiation and execution, in collaboration with the Authority, of international communications treaties and agreements, on behalf of Tunisia, between sovereign countries and international organizations and bodies;
- (c) the representation of Tunisia, in conjunction with the Authority, at proceedings of international organizations on matters relating to communications;
- (d) the establishment of programs for the development of the communications, broadcasting, and information technology sectors;
- (e) the monitoring of developments in the fields of communications, broadcasting and information technology;

- (f) the promotion of new technologies in the fields of communications, broadcasting and information technology in order to promote innovative services to the public and economic development;
- (g) the promotion of an environment that will encourage investment and the development of modern infrastructure in the fields of communications, broadcasting and information technology;
- (h) the promotion of the adoption and use of digital technologies and electronic commerce; and
- (i) the development of programs to ensure the security of systems, networks, data and cyberspace.

Sec. 402

(a) Prior to the formulation or review of the general policy for the Tunisian communications sector, the Minister may petition the Authority on his behalf to first carry out a public consultative process pursuant to Sections 331-334 of this Code on the proposed policy formulation or modification.

(b) In formulating and determining the policy or amendments thereto, the Minister and the Council shall take into consideration the findings of the consultative process under subsection (a) of this section.

Sec. 403

(a) Subject to subsection (b) of this section, the Minister may, in writing, from time to time notify the Authority or express his views on the general policy direction of the Government in respect of the communications sector.

(b) In the execution of his functions and relationship with the Authority, the Minister shall at all times ensure that the independence of the Authority, in regard to the discharge of its functions and operations under this Code, is protected and not compromised in any manner whatsoever.

Sec. 404

(a) The Minister shall oversee all of the Government's ownership interests in telecommunications and broadcasting properties, including Tunisia Telecom, S.A.; the *Agence Tunisienne d'Internet*; [and state-owned broadcasting].

(b) The Minister shall, not later than one year after the entry into force of this Code, conduct a study of the feasibility and advisability of privatizing, in whole or in part, the Government's interest in Tunisia Telecom, S.A. and the *Agence Tunisienne d'Internet*. Until such time as the Government's interests in the aforementioned enterprises is fully privatized, the Minister shall repeat the required study of the feasibility and advisability of privatizing the Government's interest in these enterprises every two years.

Sec. 405

(a) The Minister shall ensure that [state-owned broadcasters] shall be free to operate free from censorship and government control over broadcast content. For purposes of ensuring that [state-owned broadcasters] remain free of government control over broadcast content, the Minister shall, within ninety (90) days of the entry into force of this Code, appoint a Board of Directors of not fewer than five (5) nor more than nine (9) Members to oversee the operations of [state-owned broadcasters]. The Members of the Board of Directors shall not be officials of or employees of the Government or of any state-owned enterprise and shall be persons with recognized expertise in the fields of broadcasting, journalism, law, business administration, or other relevant fields.

(b) The Members of the Board of Directors shall serve for a term of 5 years and may be reappointed once for a second five-year term. Whenever a vacancy shall occur in the Board of Directors, the Minister shall appoint a successor to serve the remainder of the director's then current term. The Minister shall appoint the initial Board of Directors for staggered terms so that the terms of no more than two Members of the Board of Directors shall expire in any one year.

(c) The Board of Directors shall meet no less frequently than four times per year and shall have authority to establish the Board's procedural rules. Members of the Board of Directors shall receive a stipend for their service on the Board of not less than [_____] Dinars [per year?] to be paid by the Authority out of funds it shall collect pursuant to Section 311 of this Code. The Authority shall, not less frequently than every five years, conduct a public consultation pursuant to Sections 331-334 of this Code, to fix the amount of the stipend to be paid to Members of the Board of Directors. Members of the Board of Directors shall not be expected to devote their full time to the work of the Board, but shall not pursue employment or business opportunities that might create a conflict of interest with their duties as Members of the Board of Directors.

V. Spectrum Management

Sec. 501

(a) As of the effective date of this Act, the National Frequency Agency shall become a department of the Authority to be known as the Directorate of Spectrum Planning. The Directorate of Spectrum Planning shall carry out the Authority's responsibilities for allocation and assignment of the radio frequency spectrum within Tunisia as enumerated in this Act, subject to the direction of the Board of the Authority.

(b) Upon its merger into the Authority, the Director of the National Frequency Agency shall be entitled to become the Director of the Directorate of Spectrum Planning. Neither the salary of the Director of the National Frequency Agency nor the salary of any other employee of the National Frequency Agency shall be reduced as a result of the merger of the National Frequency Agency into the Authority.

Sec. 502

As used in this Act, the allocation of radio frequency spectrum shall refer to the policy of harmonizing certain frequency bands pursuant to international standards and according to broad categories of user groups. Assignment shall refer to the process of granting permits to use specific radio frequencies in accordance with this Law. As provided in Section 401(b) of this Act, the Authority shall, in coordination with the Minister, represent Tunisia and negotiate on its behalf with international and regional radio communication bodies on all matters relating to radio frequency spectrum. The Authority shall be the sole authority in Tunisia to plan, manage, and allocate the use of radio frequency spectrum, provided that the authority granted in this section shall be exercised in conformity with established and applicable international and regional radio communication plans and in co-ordination with other affected branches of the Government of Tunisia.

Sec. 503

The Authority shall, in performing its functions relating to the management of radio frequency spectrum, be responsible for the following:

- (a) The promotion of the orderly development and efficient use of the radio frequency spectrum;
- (b) The development of innovative services using radio frequency spectrum;
- (c) Competition in the provision of services using radio frequency spectrum;

- (d) Current and anticipated demand; and
- (e) Such other factors as it may consider relevant.

Sec. 504

The Authority shall maintain all relevant information related to the allocation of radio frequency spectrum and such other information that it concludes is required to manage the radio frequency spectrum. Except for information that is related to the requirements of national security or defense, the Authority shall make the information specified in this Article available to the public for inspection and shall publish it on the Authority's official website.

Sec. 505

- (a) The Authority shall develop and manage a national frequency allocation table (referred to in this Chapter as the "Table"), which shall conform to international and regional standards. Without limiting the foregoing power, the Authority shall allocate frequency bands to the following user groups:
 - (i) National security, military and emergency preparedness;
 - (ii) Civil administration and public safety;
 - (iii) Broadcasting;
 - (iv) Telecommunications;
 - (v) Such other user groups as the Authority may determine from time to time.

The Minister may at any time request the Authority to prepare a more detailed Table, in accordance with any instructions that he may provide. The Table, and any amendments thereto, shall become effective upon approval by the Authority, and shall be made available by the Authority to the public for inspection and published on the Authority's official website.

(b) In adopting or revising the Table the Authority shall follow the procedures set forth in Sections 331-334 of this Act. In addition to providing an opportunity for any interested party to comment on proposed revisions to the Table, the Authority shall specifically solicit the views of the Minister on such proposed revisions.

Sec. 506

The Authority may assign individual frequencies to telecommunications service providers, broadcasters, and other users of the radio frequency spectrum by issuing a license to use specific frequencies. In licensing the use of frequencies the Authority shall follow the procedures set forth in Sections 331-334 of this Act.

Sec. 507

The Authority shall make spectrum available for devices that shall not require licenses but shall be required to operate on a non-interference basis and consistent with any technical rules that the Authority may establish. Such devices may include wireless routers, cordless telephones, computer peripherals, and other consumer products, among others. In allocating spectrum for unlicensed use, the Authority shall follow the procedures set forth in Sections 331-334 of this Act.

VI. Licensing

A. Requirement For And Class Of Licenses

Sec. 601

(a) No Person shall operate a Public Telecommunications Network, any Telecommunications Network using a Telecommunications Frequency, any Broadcast station, or provide a Telecommunications Service in Tunisia unless authorized to do so under a License issued by the Authority, or unless exempted from licensing under regulations made by the Authority pursuant to this Code.

(b) The Authority shall issue Licenses for the operation and provision of Telecommunications Services and Broadcasting Services on such terms and conditions as the Authority may from time to time determine taking into consideration the objectives of this Code.

(c) The Authority shall from time to time determine and publish the list of any services that are exempted from licensing.

Sec. 602

(a) The Authority may grant a License for the operation of a Telecommunications Network, a Broadcasting Station or for the provision of Telecommunications Services for a finite period of time in accordance with the provisions of this Code.

(b) An application for a License shall be in writing addressed to the Authority in the form prepared by the Authority for this purpose and accompanied by such information and evidence of payment of the application fees as may be required by the Authority in accordance with the provisions of this Code. The Authority shall notify the applicant in writing within 14 days of its receipt of the application.

(c) The Authority shall, if it decides not to grant the License, notify the applicant of its decision in writing and shall explain the reasons for its decision in reasonable detail.

Sec. 603

(a) The Authority shall issue Licenses for Telecommunications Services, for Broadcasting and for other services requiring a License pursuant to this Code in writing. Such License, unless revoked, shall continue in full force and effect for such period as may be specified in the License. No License that the Authority issues pursuant to this Code may be transferred or assigned to a third party without the prior written consent of the Authority. The sale or other transfer of a sufficient interest in a Licensee as to amount to a change of management or control of the Licensee shall require the advance approval of the Authority.

(b) A License may include:

(i) such terms as the Authority determines are necessary and reasonable; and

(ii) terms requiring the Licensee to provide to the Authority, in such manner and at such times as may be reasonably required, such documents, data, accounts, estimates, returns or other information as the Authority may require for the purpose of exercising its powers and fulfilling its duties under this Code.

Sec. 604

(a) Whenever the Authority has received more applications for Licenses than it can grant the Authority shall hold an auction for Licenses in accordance with rules and procedures that the Authority shall establish pursuant to the procedure set forth in Sections 331-334 of this Code. Such auction shall be announced in such manner as the Authority deems appropriate at least thirty days prior to the date of holding such auction.

(b) The Authority shall, before giving a final decision with respect to any applications for an Individual License, ensure that the applicant satisfies any and all conditions provided for in this Code and in any regulations that the Authority may adopt pursuant to this Code.

(c) The Authority shall, within no more than ninety days of such application, decide as to the application for a License and if the Authority considers it necessary to obtain any further information, the Authority shall notify the applicant of such matter within a period not exceeding thirty days after date of the submission of the application.

(d) The Authority shall standardize Licenses as far as practicable, and any differences shall be for objectively justifiable reasons. Notwithstanding the foregoing, the Authority may grant to an applicant that does not possess Significant Market Power a License for Telecommunications Service on terms that are more favorable than the Licensed Operator that possesses Significant Market Power.

(e) Within seven days of the grant of a License, the Authority shall notify the applicant that the License is available for collection. Such notice shall be sent to the address specified by the applicant. The Authority shall publish the License in the Official Journal and on its website as soon as is practicable after granting it.

(f) Any Person that directly or indirectly acquires five percent or more of the equity of an Individual Licensee shall notify the Authority of this fact within seven days of the date of the acquisition of such share.

Sec. 605

(a) The Authority shall renew a License upon request of the Licensee provided that the Licensee has, at all times during the term of the License, complied with all material terms of the License, of this Code, and of any regulation that the Authority may prescribe pursuant to this Code. The Licensee must apply for renewal not later than 90 days prior to the expiration of the then current License term. In the event that the Authority has not acted upon the renewal application prior to the expiration date of the then current License term, the Licensee may continue to operate in accordance with the terms of the License until such time as the Authority acts upon the renewal application.

(b) In the event that the Authority concludes that the Licensee has committed a material breach of the terms of the License, of this Code, or of any regulation that the Authority may prescribe pursuant to this Code, the Authority may, in its discretion, deny the renewal application or impose such lesser penalty as it may deem appropriate. The Authority shall at all times follow a transparent process in accordance with Sections 331-334 of this Code in determining whether to grant or deny the renewal application. In any case in which the Authority denies a renewal application or imposes another penalty as a consequence of a material breach of the terms of the License, of this Code, or of any regulation that

the Authority may prescribe pursuant to this Code, the Authority shall issue its decision on the matter, in writing, explaining in detail the reasons for its action.

Sec. 606

(a) A Licensee may, by written notice, surrender its License to the Authority at any time or in accordance with the requirements set out in the License. The surrender shall take effect on the date the Authority receives the written notice expressing the Licensee's intention to surrender its License.

Sec. 607

The Authority may only suspend or revoke a License pursuant to a public hearing conducted in accordance with the procedures that the Authority may prescribe pursuant to Sections 331-334 of this Code. The Authority may, by written order, suspend or revoke a License granted under this Code in any of the following circumstances:

(a) the Licensee has failed to pay any amount or fine required by or imposed pursuant to this Code or the License;

(b) the Licensee has failed to comply with the provisions of this Code or any regulation that the Authority may prescribe pursuant to this Code or the terms and conditions of the License;

(c) the Licensee has contravened the provisions of any other written law relevant to the communications industry;

(d) the Licensee has failed to comply with any instrument issued, made or given by the Authority.

VII. TELECOMMUNICATIONS REGULATION

A. Interconnection

Sec. 701

If a Telecommunications Service Provider receives a request for interconnection from another Telecommunications Service Provider, then the first Telecommunications Service Provider shall have an obligation to interconnect its communications system with the other licensee's network at technically feasible locations, in accordance with the principles specified in section 702 of this Code and pursuant to terms and conditions negotiated between the parties in good faith.

Sec. 702

(a) All interconnection agreements between licensees shall be in writing and shall comply with this Code, the regulations and guidelines published from time to time by the Authority pursuant to this Code.

(b) The terms and conditions of interconnection agreements shall primarily be agreed upon between the parties thereto; however, the Authority may intervene and make binding rulings on its own initiative or at the request of either or both parties to the agreement:

(i) if the Authority determines that the agreement or any provision thereof is inconsistent with the provisions of this Code or any regulation that the Authority has adopted; or

(ii) in the event of a failure of consensus between the parties on specific issues or a delay in reaching such consensus.

Sec. 703

(a) All Telecommunications Service Providers shall file each of their interconnection agreements with the Authority within 30 (thirty) days from the date of execution thereof.

(b) The parties shall furnish the Authority with any additional information that the Authority may require concerning such interconnection agreement.

(c) The Authority may, upon evaluating the terms and conditions and the charges set out in the interconnection agreement, require the parties thereto to revise the agreement if, in the Authority's opinion, the agreement is inconsistent with this Code or the Authority's regulations.

Sec. 704

(a) The Authority shall make interconnection regulations as it may deem necessary, but shall not be limited to model terms and conditions for interconnection agreements between service providers.

(b) Matters that the interconnection regulations may address include but are not limited to:

(i) the time frame and procedures for negotiations and the concluding of interconnection agreements;

(ii) quality and levels of service;

(iii) rate methodologies;

(iv) protection of intellectual property;

(v) protection of commercial information;

(vi) provisioning of facilities; and

(vii) sharing of technical information.

Sec. 705

Notwithstanding the terms and conditions of any interconnection, a party thereto shall not at any time and in any circumstance disconnect or discontinue interconnection to any interconnecting party without the prior written approval of the Authority.

Sec. 706

The Authority shall have power, pursuant to the procedures established by Sections 331-334 of this Code, to adopt and enforce rules to require Telecommunications Service Providers to grant competing Telecommunications Service Providers access to their facilities in order to provide a licensed telecommunications service. The facilities to which the Authority may require that a Telecommunications Service Provider grant competing service providers access may include switching facilities, ducts, conduits, and other facilities that may be necessary for the provision of a licensed service. Such rules as the Authority may prescribe pursuant to this Section shall also provide for the recovery of the reasonable costs of providing such access.

B. Tariff Regulation

Sec. 711

(a) All licensed telecommunications service providers shall charge lawful tariffs for their services. Lawful rates shall be just, reasonable, and not unduly discriminatory among users or classes of users.

(b) All tariffs of licensed telecommunications service providers that have not been found by the Authority to possess Significant Market Power, as defined in this Code or by Authority regulation, shall be presumed lawful. Licensed telecommunications service providers that have not been found by the Authority to possess Significant Market Power shall not be required to file their tariffs with the Authority.

(c) Any licensed telecommunications service provider that the Authority determines possesses Significant Market Power in one or more relevant product markets shall publish its tariffs. The Authority may direct that a licensed telecommunications service provider that the Authority has determined possesses Significant Market Power delay the effectiveness of any tariff until the Authority has approved said tariff. The Authority may, by rule adopted pursuant to the procedure established in Sections 331-334 of this Code, establish the standards and procedures by which it shall determine the lawfulness of any tariff filed by a licensed telecommunications service provider that the Authority has determined possesses Significant Market Power. Such standards shall, inter alia, include the cost basis on which the tariff was established. In assessing cost, the Authority shall use a forward-looking incremental cost methodology.

Sec. 712

[(a) Notwithstanding the provisions of Section 711(b) of this Code, the Authority shall have the authority to review and control tariffs of any licensed telecommunication service provider and to develop rules for setting tariffs in order to ensure that such tariffs are lawful.

(b) The Authority may, on its own motion, or in response to a petition filed by any interested party, initiate a proceeding to determine whether the tariffs of any licensed

telecommunications service provider are lawful. In making such a determination, the Authority may rely on standards that it may develop pursuant to Section 711(c) of this Code. This section is intended to preserve the Authority's residual jurisdiction over rates of non-SMP providers, but almost invites them to re-regulate rates. It would be better to delete this provision or at least modify it to make clear that this should only be used in exceptional circumstances.]

C. Competition

Sec. 721

Notwithstanding the provisions of any other written law, the Authority shall have exclusive competence to determine, pronounce upon, administer, monitor and enforce compliance of all persons with competition laws and regulations, whether of a general or specific nature, as it relates to the Tunisian communications market.

Sec. 722

(a) It shall be unlawful for any licensed telecommunications service provider that the Authority determines has Significant Market Power to engage in any conduct that has the purpose or effect of substantially lessening competition in any Tunisian telecommunications market.

(b) It shall be unlawful for any licensed telecommunications service provider to enter into an agreement or arrangement with any other person that has the purpose or effect of substantially lessening competition in any Tunisian telecommunications market.

(c) The Authority may, on its own motion, or in response to a petition filed by any interested party, initiate a proceeding to determine whether one or more licensed telecommunications service providers has engaged in any conduct that has the purpose or effect of substantially lessening competition in any Tunisian telecommunications market.

(d) In the event that the Authority finds, pursuant to a hearing conducted in accordance with the procedures established in Sections 331-334 of this Code, that any licensed telecommunications service provider has engaged in any conduct that has the purpose or effect of substantially lessening competition in any Tunisian telecommunications market the Authority shall

(i) Order such licensed telecommunications service provider or providers to refrain from such conduct in the future; and

(ii) Impose such fine or other sanction, as prescribed in Section 901 of this Code as it deems appropriate in the circumstances.

D. Access to and Use of Scarce Resources

Sec. 731

(a) The Authority shall have plenary authority to manage the Nation's radio frequency spectrum resources pursuant to Title V of this Code for purposes of the provision of Telecommunications Services.

(b) The Authority may conduct one or more Public Consultations pursuant to Sections 331-334 of this Code to establish regulations governing the licensing and use of the radio frequency spectrum for the provision of Telecommunications Services.

Sec. 732

(a) The Authority shall prescribe such regulations as will best further the purposes of this Code to establish fees for the use of radio frequency spectrum resources for the provision of Telecommunications Services.

(b) Such regulations as the Authority may prescribe pursuant to subsection (a) of this Section shall, at a minimum, ensure that fees:

(i) recover from commercial providers of Telecommunications Services a measure of the value of the radio frequency spectrum resources for the benefit of the People of Tunisia;

(ii) shall be reasonable, non-discriminatory, and administered in a transparent manner;

(iii) shall encourage the development and expansion of Telecommunications Services to all areas of the Nation.

Sec. 733

(a) The Authority shall manage and regulate the use of numbering and addressing resources for the provision of Telecommunications Service and Information Services in the Republic of Tunisia. This shall include the National Numbering Plan, Internet domain registration, and all other numbering and addressing resources of the Nation.

(b) The Authority may conduct one or more Public Consultations pursuant to Sections 331-334 of this Code to establish regulations governing the administration and use of numbering and addressing resources.

(c) The Authority shall have authority to contract with one or more outside organizations for the management, subject to the Authority's supervision, of the Nation's numbering and addressing resources.

Sec. 734

(a) The Authority may prescribe such regulations as will best further the purposes of this Code to establish fees for the use of numbering and addressing resources for the provision of Telecommunications Services and Information Services.

(b) Such regulations as the Authority may prescribe pursuant to subsection (a) of this Section shall, at a minimum, ensure that fees:

(i) recover from commercial providers of Telecommunications Services a measure of the value of the numbering and addressing resources for the benefit of the People of Tunisia;

(ii) shall be reasonable, non-discriminatory, and administered in a transparent manner;

(iii) shall encourage the development and expansion of Telecommunications Services and Information Services to all areas of the Nation.

Sec. 735

(a) Licensed Telecommunications Service Providers shall have the right to reasonable access to and use of all Public Rights of Way throughout the Nation for the construction, maintenance, and operation of facilities necessary for the provision of Licensed Telecommunications Services.

(b) Licensed Telecommunications Service Providers shall be have the right to reasonable access to and use of Private Rights of Way with the consent of the owner or, failing such consent, pursuant to such regulations as the Authority may from time to time prescribe.

(c) Licensed Telecommunications Service Providers shall be obligated to repair any damage to Public or Private Rights of Way that their construction, maintenance, or operation of facilities necessary for the provision of Licensed Telecommunications Services may cause. The Authority may prescribe regulations for the establishment of appropriate compensation for any damage caused by such use of Public or Private Rights of Way. The Authority shall have authority to hear and resolve any disputes arising out of such use of Public or Private Rights of Way.

E. Universal Access

Sec. 741

(a) The Authority shall, pursuant to Public Consultation, develop annual objectives for Universal Access to Telecommunications Services in Tunisia. In developing its Universal Access objectives, the Authority shall seek to ensure that Telecommunications Services are accessible to the largest number of users possible, particularly in rural and remote areas of the Nation.

(b) The Authority shall, pursuant to Public Consultation, establish a Universal Access Fund that shall be used to support the Authority's Universal Access objectives. The Authority shall prescribe regulations that shall specify the amounts and sources of funding for the Universal Access Fund and the manner in which monies collected by the Universal Access Fund shall be disbursed to support the Authority's Universal Access objectives. [Or, this section could provide that all or some portion of the ICT Development Fund that has already been established shall be used to finance Universal Access programs.]

(c) The Authority shall also prescribe regulations, pursuant to Public Consultation that shall specify the types of Telecommunications and Information Services that are to be supported by the Universal Access Fund.

F. Consumer Protection

Sec. 751

(a) The Authority shall have authority to adopt such rules as it shall deem necessary in order to ensure that the interests of consumers of Telecommunications Services are protected. The Authority shall adopt such rules through Public Consultation pursuant to Sections 331-334 of this Code.

(b) Without limiting the authority contained in subsection (a) of this Section, the Authority shall in particular require each Licensed Telecommunications Service Provider to establish a Code of Conduct that shall specify the rights of consumers. The Authority shall approve each Licensed Telecommunications Service Provider's Code of Conduct by a written Decision that the Authority shall adopt through Public Consultation pursuant to Sections 331-334 of this Code. The Authority may require a Licensed Telecommunications Service Provider to make such changes to its Code of Conduct as the Authority, pursuant to Public Consultation, concludes are necessary in order to protect the interests of consumers.

(c) A Licensed Telecommunications Service Provider shall include in its Code of Conduct the following items:

- (i) A concise statement of rates and charges for services;
- (ii) A concise statement of billing practices for both pre-paid and post-paid customers;
- (iii) A statement of the Licensed Telecommunications Service Provider's complaint process that it shall make available to all customers;
- (iv) The Licensed Telecommunications Service Provider's policies for protection of customer information;
- (v) Any other matters that the Licensed Telecommunications Service Provider deems necessary to provide full information to customers or that the Authority may direct the Licensed Telecommunications Service Provider to include.

Sec. 752

(a) The Authority may, through a Public Consultation pursuant to Sections 331-334 of this Code, determine a list of services that Licensed Telecommunications Service Providers shall be required to provide to their customers. Such services may include, among others:

- (i) Emergency services;
- (ii) Directory assistance services;
- (iii) Operator assistance services;
- (iv) Services for disabled customers; and
- (v) Any other services that the Authority shall deem necessary.

(b) In the event that the Authority shall determine that Licensed Telecommunications Service Providers shall be required to provide access to emergency services to their customers, the Authority shall promote public safety through the use of a specific number that shall be designated as the national emergency assistance number for telephone services throughout Tunisia. The Authority shall also take action to encourage the prompt deployment throughout Tunisia of the necessary infrastructure for the provision of access to emergency services.

Sec. 753

(a) Licensed Telecommunications Service Providers shall take all reasonable steps to ensure the confidentiality of their customers' Telecommunications.

(b) Notwithstanding the requirement of subsection (a) of this Section, Licensed Telecommunications Service Providers shall comply with all lawful orders of the Government of Tunisia or of any court of competent jurisdiction to provide such information relating to a customer's Telecommunications as the Government of Tunisia or a court of competent jurisdiction shall, pursuant to the laws of Tunisia, require. Further, Licensed Telecommunications Service Providers shall provide access to their network to permit duly authorized agents of the Government of Tunisia to carry out lawful surveillance of Telecommunications in the conduct of a criminal investigation or national security investigation in accordance with the terms stipulated by a court of competent jurisdiction.

G. Dominant Carrier Regulation

Sec. 761

(a) Within six months of enactment of this Code, the Authority shall conduct a proceeding to determine whether any licensed Telecommunications Service Provider possesses Significant Market Power. For purposes of this Code, Significant Market Power shall mean the ability to raise the price of a service above a competitive level, or to restrict the supply of a service, in the relevant market for Telecommunications Services. In determining the existence of Significant Market Power, the Authority shall first define both the relevant geographic market and the relevant product market for Telecommunications Services. The Authority shall make such determinations through Public Consultation pursuant to Sections 331-334 of this Code.

(b) Whenever the Authority shall determine that one or more licensed Telecommunications Service Provider does not possess Significant Market Power, the Authority shall exempt such operators from the application of any provisions of this Code or regulations of the Authority that are no longer necessary in order to protect competition, including, but not limited to, provisions of this Code and regulations requiring such Telecommunications Service Providers to file tariffs with the Authority.

(c) Any licensed Telecommunications Service Provider that the Authority determines possesses Significant Market Power may request that the Authority review its determination. The Authority shall make its decision on such a request through a Public Consultation pursuant to Sections 331-334 of this Code. The Authority shall not be obligated to review its determination that a licensed Telecommunications Service Provider possesses Significant Market Power more frequently than every two years.

VIII. Information Service (Internet)

- A. Promotion of Broadband Deployment
- B. NCA To Prepare National Broadband Plan
- C. Licensing of Internet Service Providers
- D. Licensing of Internet Exchange Points

IX. Broadcasting

Sec. 901

(a) The Authority shall have plenary and exclusive authority to license and regulate Broadcasting and to manage Tunisia's radio frequency spectrum resources pursuant to the terms of this Act for purposes of the provision of Broadcasting.

(b) Notwithstanding the provisions of subsection (a) of this section, the Authority shall not have the authority to censor the content of any broadcast program.

Sec. 902

The Authority may issue regulations, codes and rules applicable to Broadcasters concerning the following, after conducting Public Consultations in accordance with the provisions of Sections 331-334 of this Act as appropriate:

- (a) Licensing and use of the radio frequency spectrum for the provision of Broadcasting Services;
- (b) Broadcasting content;
- (c) Advertising and sponsorship;
- (d) Special rules for election periods;
- (e) Protection of copyrights;
- (f) Any other issue necessary for ensuring efficient and effective use of radio frequency spectrum by Broadcasters.

In doing so, the Authority shall at all times adhere to international principles of freedom of speech and of the press as articulated in the International Covenant of Civil and Political Rights and international law. All of the Authority's regulations, codes and rules shall respect the right to freedom of expression, while also recognizing the social, cultural, moral, and religious values that apply generally within Tunisia.

Sec. 903

The Authority shall have no jurisdiction to license or regulate other media than Broadcasting, including, without limitation, newspapers, magazines, or any other print medium, or websites and other online media.

Sec. 904

The Authority shall have jurisdiction to resolve complaints against Broadcasters from members of the public. The Authority shall develop procedures, consistent with the provisions of Sections 331-334 of this Act that ensure that both the complainant and the Broadcaster have a fair opportunity to present evidence concerning the matter in dispute.

X. Technical Regulation

Sec. 1001

(a) The Authority shall have plenary authority over the approval of equipment to be deployed in the networks of any Licensed Telecommunications Service Provider or Broadcaster, including equipment to be provided to consumers. In particular, the Authority may adopt technical standards that shall apply to telecommunications and broadcasting equipment to be used in Tunisia through one or more Public Consultations pursuant to Sections 331-334 of this Act.

(b) In exercising the authority granted it in subsection (a) of this Section, the Authority shall designate one or more recognized testing bodies whose authorization of equipment shall be presumptively lawful in Tunisia. Such bodies may include, among others, the European Telecommunications Standards Institute and the Telecommunications Industry Association. The Authority may conduct one or more Public Consultations pursuant to Sections 331-334 of this Act to identify recognized testing bodies whose authorizations of equipment shall be presumptively lawful in Tunisia.

(c) The Authority shall maintain a register of recognized testing bodies, whose authorization of equipment shall be presumptively lawful in Tunisia. Any person may petition the Authority to add or delete one or more organizations from the Authority's register of recognized testing bodies. In reviewing any such petition, the Authority shall conduct a Public Consultation pursuant to Sections 331-334 of this Act.

(d) Any person may freely import equipment, to be deployed in the network of a Licensed Telecommunications Service Provider or Broadcaster subject to any regulations that the Authority may prescribe pursuant to Sections 331-334 of this Act, including the requirement to pay any fee prescribed by the Authority for this purpose, as well as any lawful Customs duty required by Tunisian law.

Sec. 1002

The Authority may adopt and enforce regulations requiring Licensed Telecommunications Service Providers to meet specified standards for quality of service. Such regulations shall also specify how service quality shall be measured and monitored. In adopting any such regulations, the Authority shall conduct one or more Public Consultations pursuant to Sections 331-334 of this Act.

Sec. 1003

The Authority may adopt and enforce technical standards that shall apply to the operations of Licensed Telecommunications Service Providers and Broadcasters when the Authority determines this is necessary to ensure efficient and reliable service to consumers. In adopting any such standards, the Authority shall conduct one or more Public Consultations pursuant to Sections 331-334 of this Act.

Sec. 1004

(a) Licensed Telecommunications Service Providers shall take all reasonable steps to ensure the confidentiality of their customers' Telecommunications.

(b) Notwithstanding the requirement of subsection (a) of this Article, Licensed Telecommunications Service Providers shall comply with all lawful orders of the Government of Tunisia or of any court of competent jurisdiction to provide such information relating to a customer's Telecommunications as the Government of Tunisia or a court of competent jurisdiction shall, pursuant to the laws of Tunisia, require. Further, Licensed Telecommunications Service Providers shall provide access to their network to permit duly authorized agents of the Government of Tunisia to carry out lawful surveillance of Telecommunications in the conduct of a criminal investigation or national security investigation in accordance with the terms stipulated by a court of competent jurisdiction. In the event of noncompliance, the Authority may impose penalties, revoke or suspend the license to provide services.

(c) The Authority shall have the authority to require Licensed Telecommunications Service Providers to register all SIM cards and to establish a National Subscriber Registry that shall contain such information concerning subscribers as the Authority may require for the purpose of consolidating and harmonizing the database of subscribers of the operators in order to promote national security.

XI. Enforcement

Sec. 1101

(a) The Authority shall have authority to enforce the provisions of this Act and of any regulation that the Authority may prescribe pursuant to the provisions of this Act. In conducting enforcement actions the Authority shall follow transparent procedures that are consistent with the terms of Sections 331-334 of this Act.

(b) The Authority shall have authority to monitor compliance with the terms of this Act and of any regulation that the Authority may prescribe pursuant to the provisions of this Act. Such monitoring may consist of regular activities of the Authority's staff or may arise as a result of information or complaints submitted to Authority by any interested party.

Sec. 1102

The Authority shall have authority, pursuant to a transparent procedure consistent with the terms of Sections 331-334 of this Act, to adjudicate all complaints against any Licensee and shall have authority to assess appropriate remedies for any violation of the terms of this Act, of any License issued pursuant to this Act, or of any regulation, Order, or Decision that the Authority may issue pursuant to the terms of this Act. Such remedies as the Authority may prescribe may include fines or restitution to be paid by any Person who violates the terms of this Act, of any License issued pursuant to this Act, or of any regulation, Order, or Decision that the Authority may issue pursuant to the terms of this Act, or may include other appropriate sanctions as well, provided, however, that such remedies shall be proportionate, non-discriminatory, and transparent.

XII. Transitional Provisions

- A. Transfer of INT Staff and Functions to NCA
- B. Merger of ANF into NCA
- C. Merger of other bodies into NCA?
- D. Repeal of Telecommunications Code of 2001, as amended;
other laws?
- E. Entry into Force of Digital Communications Code