TUNISIA SUBNATIONAL GOVERNANCE ASSESSMENT:
FINDINGS AND RECOMMENDATIONS

March 21, 2022
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MONITORING AND EVALUATION FOR TUNISIA AND LIBYA (METAL) ACTIVITY

TUNISIA SUBNATIONAL GOVERNANCE ASSESSMENT

March 21, 2022
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1. EXECUTIVE SUMMARY

1.1. Purpose and Methodology

In June 2021, USAID/Tunisia requested the Monitoring and Evaluation for Tunisia and Libya Activity (METAL) to assess the status of subnational governance in Tunisia. The assessment collected and analyzed data on the commitment of the central government, along with the expectations of citizens and the capacity of subnational government institutions. The findings, figures, and explanations comprising this assessment report are intended to inform a new Country Development Cooperation Strategy (CDCS), support adjustments to existing programs or the design of new ones, and identify opportunities for further cooperation with the host country government.

Beginning in September 2021 and continuing into early 2022, the contracted Assessment Team (the Team) consulted 6 academic articles and 30 laws, conducted 19 key informant interviews (KIIs), and collected responses to written questionnaires completed by 63 civil society organizations (CSOs) and 67 municipalities, spread over all 4 geographic regions of the country, including 8 municipalities that had been recipients of assistance from the USAID Tunisia Accountability, Decentralization, and Effective Municipalities (TADAEEEM) project.¹

The challenges to data collection on this assignment were several. They included the dismissal of the government and dissolution of parliament in the months before the assessment began and uncertainty about the continuity of a Ministry of Local Affairs and Environment (MOLAE). Together, these political factors may have affected the willingness of government officials to speak with the Team. In addition, the ongoing COVID-19 pandemic limited the mobility of the Team and the availability of many key informants. To mitigate these challenges, the Team conferred virtually, adapted to the changing circumstances, simplified its questionnaires, and relied on the in-country staff of IBTCI and USAID’s Ma3an activity to leverage their networks and follow-up with recipients of the Team’s online questionnaires.

USAID/Tunisia also adapted to these changing circumstances, narrowing the scope of the assessment, and providing feedback and direction to two virtual presentations of the Team’s preliminary findings. A copy of the scope of work is attached as Annex 1. This final report is the result of all these efforts.

1.2. Core Questions

The core questions explored in this assessment were as follows:

1. What is the current state of progress with decentralization reform (on the part of the Government of Tunisia and that of the international community)?
2. What is the status of Fiscal and Administrative decentralization?
3. What are the channels of engagement between citizens and local officials and between local officials themselves?

1.3. Key Findings

The key findings of the assessment are that widespread support for decentralization remains, but that the international donor community may have to limit its assistance to organizational

¹ https://www.usaid.gov/tunisia/fact-sheets/tadaeem
development, improved service delivery at the municipal level, and outreach between municipalities and civil society until such time as a new parliament can be elected and seated.

The Progress of Reform

- There is continued support for decentralization despite the slowdown in the government’s ambitious 27-year transition plan.
- Only 14 of the 39 articles of the Code des Collectivities Locales have been adopted.
- Official support remains steadfast despite the current absence of a national legislature and incomplete legislation necessary to implement the Code des Collectivities Locales.
- The international donor community continues to build municipal government capacity while taking a “wait and see” attitude on supporting national processes until the political situation at the national level becomes clearer.2
- In the meantime, donors continue implementing ongoing projects while waiting for political visibility to fund new projects and/or design appropriate activities.

Fiscal Decentralization

In analyzing the state of decentralization in Tunisia, the Team reverted to the “dimensions” provided in the USAID Handbook for Democratic Decentralization Programming (2021),3 which defines fiscal decentralization as a shifting of responsibility to subnational governments for revenue and expenditures. The Team then employed a simple analytical framework to distinguish the authority of a subnational government, its ability to exercise that authority, and its accountability for its exercise.

Authority:

- Article 131 of the Code promises assistance to municipalities and equalization between newer and more established municipalities.
- Article 136 promises “additional resources,” and while the central government’s commitment has increased, Tunisia still commits only about three percent of its national budget to the localities.
- Article 145 gives municipalities taxing power but only about 20 percent of the potential is being collected.
- Generally, taxes collected locally must be remitted to the central government, disincentivizing collection.
- A shared tax system has also been promised but so far not designed.

Ability:

- With regard to material ability, municipal respondents surveyed identified a need for more professional staff (especially accountants), more office space and computer equipment, and access to digital data (geographic, financial, and demographic).
- With respect to intellectual ability, municipal respondents identified a need for the establishment of a national computing network promised by Article 127 of the Code, continued professional development training for their staff in areas such as tax

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2 See Table 2, infra.
regulations, the procedure for recording and collecting taxes, and the use of databases and revenue and municipal property management software.

- With regard to financial ability, municipal respondents admitted their dependency on central government allocations and external assistance, but they also adduced opportunities for local revenue generation through municipal taxes, fines and fees, and income from the exploitation and management of municipal property.

**Accountability:**

- Internal communication between government officials concerning fiscal decentralization largely has to do with accounting and control, and is a matter of public financial management rules.
- An accrual, rather than cost basis of accounting, would also improve financial communication.
- The CSOs surveyed indicated that they are engaged in, monitor, and comment on municipal affairs, but external communication between the government and citizens is limited in the fiscal area due to the absence of a promised decree on municipal procurements and other formalities.

**Administrative Decentralization**

In analyzing its second dimension of decentralization, the Team again relied on the *USAID Handbook*, which broadly defines administrative decentralization as the ordinary functions of local government, exclusive of policymaking. In other words, it presumes the exercise of circumscribed power, for instance delivering basic services in conformity with national standards established by central government ministries. In analyzing the responses of civil society and the municipalities surveyed, the Team looked at the authority, ability, and accountability of local elected officials to perform both their ordinary functions as currently defined and those extraordinary ones that might occur due to unexpected climate, political, economic, or public health crises.

**Authority:**

- Municipal respondents identified their authority over basic services, including street lighting, roads and bridges, solid waste, sanitation, and water.
- Civil society respondents expressed their expectation that municipalities would be engaged in economic development and jobs creation.
- The lack of delegated authority over economic activity within its territory, however, limits the amount of local revenue a municipality can generate and economic activity it can encourage.

**Ability:**

- Municipal respondents again identified their material shortcomings to include staff, office space, and equipment (vehicles, computers, etc.).
- While respondents expressed their general satisfaction with the education and experience of current staff, any increase in the number of staff would increase the demand for computers and relevant software and it would likewise increase the demands of intellectual ability as new staff would have to be accommodated, equipped, and trained in information technology.
● With regard to financial ability, the dependency of municipalities on the central government means that they are barely able to meet their operational and maintenance needs, leaving few, if any, discretionary resources available for capital investments.
● Municipal governments still lack proper capacity to benefit from fiscal decentralization, in particular they lack trained accountants and their systems are not computerized (which decreases transparency, increases cost of administration, and increases potential for fraud or corruption).
● There are observed problems of control and transparency with expenditures at the municipal level.

Accountability:

● Municipal respondents indicated a very high commitment to informing the public.
● CSO respondents indicated very high levels of engagement in their communities, but key informants questioned whether municipalities took seriously the information they received from the public.
● This contradiction was explored more fully in channels of engagement.

Channels of Engagement

In analyzing the responses to its questions about communication, the Team looked at both channels of communication among government officials and between the government and citizens.

Relations among government officials:

● In KIs and in their questionnaires, the Team found tension between elected council members and the civil service.
● Since their election in 2018, 76 elected mayors and 27 entire councils have resigned and approximately 10 percent of elected members overall have resigned due to conflict with appointed government employees.⁴
● Part of the reason for the tension seems to be the fact that elections occurred before the delegation of authority from ministries to municipalities was completed. That incompleteness has led to conflicts over control, with bureaucrats still accountable to their ministry and elected council members loyal to their constituency.
● So, the secretary general of a council, for instance, can be hired and fired by the mayor but is nevertheless accountable to the Ministry (Local Affairs until lately but now, evidently, Interior).
● Until such time as delegation is complete, government officials will have to collaborate with one another to improve the quality of life of citizens living in their territory.

Relations between government and citizens:

The situation between municipalities and citizens was even more complex.

● Law No. 88 of 2011 enshrined the right of freedom of association and the number of nongovernmental organizations (NGOs) exploded to over 23,000 in 2021.
● Municipal respondents professed a high commitment to communicate with citizens and CSO respondents noted their own high level of engagement with municipalities.

⁴ Key informant interview with Mokhtar al Hamemi, former Minister for Local Affairs.
Contrary to these survey findings, KIIs revealed a more nuanced perspective, citing formal opportunities to participate but expressing frustration that their inputs were considered seriously in decision-making.

Also, the Canadian PLMI program for inclusive municipal leadership found that municipalities were often reluctant to collaborate with civil society.5

A greater effort at civic education could help manage expectations between citizens and their government and create more opportunities for meaningful participation in decision-making.

Municipalities are capable of providing basic services, but there is demand from the community to do more, especially in the area of economic development and job creation.

Cooperation between the private sector and civil society could improve the quality of plans and budgets and the transparency and responsiveness of local government.

1.3. Recommendations

The following recommendations are given in the same order as the assessment’s core questions and emphasize what USAID/Tunisia might do in the interim while the Government of Tunisia (GOT) considers a new structure of government and organizes for parliamentary elections.

The Progress of Reform

- Contribute to policy analysis, white papers, and thought pieces on how the promise of strong local government in the Constitution and Code des Collectivities Locales can be realized through completion of phase 2 activities: support the High Authority of Local Finances in conducting studies on the financial costs of power transfers and support key ministries that are mentioned in Code as to which part of their authority could be transferred to municipalities.
- Encourage collaboration between elected and appointed officials and civil society to address community problems until such time as further authority is delegated from the ministries to the municipalities. This would help alleviate tensions between officials clashing over matters of jurisdiction and control by emphasizing working together on problems identified by civil society.
- Amplify the GOT’s decentralization reform public information and civic education campaigns around decentralization through partner municipalities and civil society organizations.
- Support the Center for Training and Support Decentralization (CFAD) in localizing its activity to be nearer to regional and local entities in order to reach a larger number of beneficiaries, and to develop an online training platform.
- Support the Administrative Court and Court of Accounts to exercise effective control on local collectivities.
- Support CSOs and municipalities to lobby for adoption of phase 2 reforms.

Fiscal and Administrative Decentralization

- Design program interventions to assist officials, the private sector, and citizens to develop local best practices such as those pioneered by the partner municipalities of the USAID TADAEEEM project to fill in current legal gaps in the authority of municipalities, especially as regards planning and budgeting and public–private partnerships.\(^6\)
- Support CSOs and municipalities to lobby for increases in central government funding to municipalities, and to establish a shared tax system that permits municipalities to retain more of the taxes they collect. This would allow them to upgrade the quality of their staff, purchase needed equipment and deliver higher quality services to the community.
- Continue to support municipalities with grants, conditioned on the use of open, transparent, and participatory means of planning, budgeting, and monitoring of public services.
- Assist municipalities to create/update inventories of real property and improve data sets for demographic and financial information to serve as the basis for increased tax collection.
- Strengthen the capacity of municipalities in accounting, tax collection, budgeting, and expenditure control.
- Support efforts to increase the transparency of the municipal budget and expenditure process.
- Encourage greater involvement and reliance on the private sector to outsource services, management and increase economic opportunities and local revenue.
- Review municipal policies on tax assessment and collection and identify opportunities for increased local revenue generation.

**Channels of Engagement**

- Encourage cooperation and collaboration between elected officials and appointed ones, specifically assisting them to brainstorm and solve problems together in a way that increases the legitimacy of government and generates best practices that could be memorialized in eventual legislation.
- Work with municipalities to introduce feedback mechanisms into their means of public communication such as hotlines, suggestion boxes, and integrated electronic query management systems through their websites so they can answer to citizens directly.
- Help municipalities facilitate their annual planning meetings so they can reach a consensus on projects that meet citizens’ needs and appropriate the proper funding.
- Support public information campaigns through CSOs on the role of municipal governments and how citizens can actively participate.

## 2. INTRODUCTION

In June 2021, USAID/Tunisia submitted a statement of work (SOW) to the Monitoring and Evaluation for Tunisia and Libya Activity (METAL) to assess the status of subnational governance in Tunisia. The assessment collected and analyzed data on the commitment of the central government, along with the expectations of citizens and the capacity of subnational government institutions. The findings, figures, and explanations comprising this assessment report are intended to inform a new Country Development Cooperation Strategy (CDCS) and

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\(^6\) USAID TADAEEEM project, Final Report, August 27, 2021, p. 41.
support adjustments to existing programs or the design of new ones, along with identifying opportunities for further cooperation with the host country government.

2.1 OVERVIEW OF THE CONTEXT

2.1.1 Tunisian Context

As the birthplace of the revolutions that swept the Middle East in 2011, Tunisia stood in the vanguard of democratic change. Unlike its neighbors who relapsed into authoritarianism, Tunisia adopted a progressive constitution in 2014 and has held two rounds of national elections deemed “free and fair” in 2014 and 2019. In addition, the nation took steps to make government more responsive to the needs of citizens, adopting a local government law, creating a ministry of local administration, and holding municipal elections. And yet, 10 years after the revolution and in spite of its very real paper progress, Tunisia seems to have stalled in its advance toward democracy and self-governance.

During the commemorations of the 10th anniversary of the Arab Spring, a number of factors were proffered for the slowing progress. Among them were an otherwise positive emphasis on compromise, which may have stymied the resolution of more controversial reforms in favor of “just getting along.” Commensurate with that absence of confrontation has been a rise in frustration, which ironically may have spurred the emergence of more hardline parties, some advocating an Islamic reaction, others even advocating a return to authoritarianism. A weak military and a Nobel prize-winning civil society (and vibrant civil society sector generally) may have contributed to the lack of swift reform.

[I]ronically, the same factors that helped Tunisia’s transition survive its early years have since constrained its transition. Each of these factors — a willingness to compromise, a

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8 https://www.brookings.edu/blog/order-from-chaos/2021/01/22/ten-years-in-tunisian-democracy-remains-a-work-in-progress/
10 https://www.brookings.edu/blog/order-from-chaos/2021/01/22/ten-years-in-tunisian-democracy-remains-a-work-in-progress/
weak security sector and a powerful civil society — have, in their own ways, inhibited the consolidation of Tunisia’s democracy.

– Sharan Grewal, Nonresident Fellow in Foreign Policy, Center for Middle East Policy, Brookings Institute

Complicating matters, economic growth in Tunisia has plummeted and during the COVID-19 pandemic Tunisia has suffered a sharper decline than most of its peers in the neighborhood. In addition to these adduced factors, corruption continued, driving down Tunisia’s rating on the annual Freedom House review and a finding by Transparency International that 67 percent of people surveyed thought corruption had worsened in the year preceding the pandemic. All these factors contributed to the disappointment expressed during many anniversary celebrations, and some were cited by President Kais Saied when he dismissed the government in July 2021. Elected on a populist platform that specifically pledged to root out corruption, Saied won 72 percent of the vote in the 2019 presidential election. Though his critics called his dismissal of the government on July 25 a “coup,” the action has so far proved popular (though street protests continue). He has even openly spoken of amending the constitution via referendum. As a result, there could be new parliamentary elections, a referendum on the constitution, a reversal of the gains since the revolution, or a radical advance of the goals of the Arab Spring. Either way, the immediate political direction of the country is unclear, making it especially important for an assessment of subnational governance to inform and guide USAID/Tunisia in writing its new CDCS and in designing the next generation of its assistance programs.

2.2 USAID in Tunisia

The current Country Development Cooperation Strategy (CDCS) was published in September 2016 and meant to support the Government of Tunisia (GOT) to “surmount its economic and social challenges, as identified in the GOT’s proposed 2016–2020 Strategic Development Plan (SDP).” In that regard, and reflecting the priorities of the agency at that time, the approved CDCS proffered two “interlocking” development objectives (DOs) – Inclusive Private Sector Employment Increased (DO 1) and Social Cohesion Promoted through Democratic Consolidation (DO 2) – with cross-cutting themes of youth, gender, and geographic integration.

The second of these development objectives was based on the hypothesis that “effective governance systems foster constructive engagement through collaboration between state institutions and citizens, and that a cohesive society is a necessary foundation for

12 https://www.brookings.edu/blog/order-from-chaos/2021/01/22/ten-years-in-tunisian-democracy-remains-a-work-in-progress/
14 https://freedomhouse.org/country/tunisia/freedom-world/2021
15 https://www.transparency.org/en/countries/tunisia
16 https://www.aljazeera.com/gallery/2021/9/19/dueling-tunisian-protests-erupt-over-presidents-power-grab
18 https://www.usaid.gov/tunisia/cdcs
19 Ibid.
democratization.”\textsuperscript{20} It explicitly relied on an Organization for Economic Cooperation and Development (OECD) definition of “social cohesion” as the touchstone of good governance, that “a cohesive society works toward the wellbeing of all its members, fights exclusion and marginalization, creates a sense of belonging, promotes trust, and offers its members the opportunity of upward mobility.”\textsuperscript{21}

**Assessment Team Management**

The Assessment Team (the Team) consisted of four members – one expat based in the United States and three Tunisians – and was supported by members of the METAL staff. A more fulsome description of their role on the Team, along with contact information, can be found in Annex 2.

*Table 1: Team Member Roles and Responsibilities*

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<th>Responsibilities</th>
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| Lamar Cravens   | - Lead the assessment, including desk review, data collection and analysis, and report writing.  
                  - Manage the Team, including delegating responsibilities, guiding team members, monitoring progress, and providing feedback.  
                  - Serve as the primary liaison with USAID/Tunisia and lead in virtual presentations. |
| Aida Kraiem     | - Research, data collection, and interviews.  
                  - Data collection and analysis on decentralization, public administration, and subnational governance reform.  
                  - Translation. |
| Anis Wahabi     | - Research, data collection, and interviews.  
                  - Data collection and analysis on public finance aspects of Tunisia’s decentralization, public finance, local taxation, and subnational governance reform.  
                  - Translation. |
| Adel Dhahri     | - Research, data collection, and interviews.  
                  - Maintain statistical analysis and integrity for the assessment.  
                  - Translation. |
| Ali Khatib      | (METAL) - Research, data collection, and interviews.  
                  - Preparation of online questionnaires, tabulation of results, and support to slide show presentation.  
                  - Report editing and formatting. |


3. METHODOLOGY

3.1 Data Collection

For data collection, the Team employed different means for different audiences. For certain influential individuals, open-ended key informant interviews (KIIs) were conducted. The individuals interviewed included current and former central government officials, mayors, donors, and representatives of civil society. Complementing those long-form interviews, short answer and multiple-choice questionnaires were also deployed.

Table 1: Numbers of Interviews by Entity

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<th>Representative</th>
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<tr>
<td>Local Government</td>
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<tr>
<td>Central Government</td>
<td>10</td>
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<tr>
<td>Civil Society</td>
<td>22</td>
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<tr>
<td>Donor</td>
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Over the course of data collection, and due to the initial low response rate to its questionnaires, the Team rewrote its questions to simplify them. In place of the open-ended blanks that encouraged respondents to elaborate on their answers, the Team asked respondents to express agreement or disagreement with a particular statement and it asked them to check all the boxes that applied (in the instance of services provided by municipalities, for instance).

The results were three separate questionnaires, tailored for three separate audiences. One questionnaire asked municipalities to provide their perspective on subnational governance, a second asked civil society organizations for theirs, while a third shorter questionnaire was written to solicit the opinions of governors to add the nuance of the middle layer of government to that of the central government and the municipalities. By asking the same questions of municipalities and organizations spread across all regions of the country and including some of the recipients of assistance from USAID TADAEEM, the Team gathered enough objective data to answer its core questions and present a “snapshot in time” of the perceptions of decentralization by those who are affected the most.

3.2 Sampling Approach

In qualitative research, stratified sampling is a specific strategy for implementing the broader goal of purposive sampling. Compared to a stratified approach, purposive sampling allows a systematic comparison between the categories that define the basis for stratification. This sampling method is a way to reduce sampling error by controlling the sample size in each stratum (e.g., internal and external stakeholders). Thus, the Team employed a stratified sampling technique to capture the perspectives and experiences of key stakeholders.

Because the structure of government is itself a controversial and highly political topic, and because the direction of decentralization after the events in the summer of 2021 remains unclear, the perspectives collected by this myriad of key informants was predictably diverse. The challenge then for the Team was to find a way to represent the complexity of the topic and the diversity of the perspectives of the opinions canvassed, while fitting it into a framework that makes sense and supports programming.

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22 The SAGE Encyclopedia of Qualitative Research Methods.
3.3 Challenges and Mitigation Strategies

In conducting this assessment, the Team confronted the usual challenges of any evaluation and some unique challenges of attempting such a comprehensive overview of subnational governance at this particular time.

In the first place, when conducting its interviews, the Team had to be aware of a variety of biases: recall, response, and selection.

- **Recall bias** occurs when interviewees may not recall events and experiences clearly, if at all. To mitigate this risk, the Team tried to triangulate responses to increase the validity of the evaluation findings, and probed respondents’ answers to ensure accurate recollections.

- **Response bias** is the risk that key informants may be motivated to provide responses that would be considered socially desirable. The Team tried to mitigate this risk by (1) obtaining a letter of sponsorship from USAID/Tunisia, which it distributed to potential interviewees in advance of their meeting, (2) explaining evaluation requirements clearly at the beginning of each interview, and (3) including written instructions and a consent form with the written questionnaires.

- **Selection bias** is an inherent risk of an evaluation in that sympathetic and supportive respondents can be given more weight than unbiased, objective ones. To mitigate the risk of selection bias in this assessment, the Team sought a wide selection of respondent municipalities and CSOs, ensuring that those selected were a representative mix of coastal and internal, large and small, and recipients and non-recipients of prior U.S. Government (USG) assistance.

In addition to these inherent challenges, the Team also had to contend with some unique ones while trying to conduct an assessment of decentralization in the midst of simultaneous political, economic, and health crises.

Due to the uncertainty surrounding the direction of decentralization, the incomplete legal regime of enabling legislation called for by the *Code des Collectivités Locales*, the suspension of parliament, the dismissal of the government, and the presumed transfer of responsibilities over local government from a dedicated Ministry of Local Affairs and Environment (MOLAE) to the Ministry of the Interior, the first of these challenges was political. Many government respondents were reluctant to speak with the Team at all, and those who did may have been guarded in their responses.

USAID/Tunisia also adapted to the political challenges underway by narrowing the scope of the assessment. In addition, the economic crisis has further exacerbated the ability of municipalities to meet their budgetary obligations, with allotments intended for their operations being reprogrammed into emergency health measures as the nation has struggled with the COVID-19 pandemic. The pandemic also affected the Team’s ability to travel and complicated its intended respondents’ interest in setting and making appointments.

To mitigate some of these external challenges, the Team members adapted. They made more use of technology than would normally be expected. They held their team meetings and many of their interviews virtually; they used Google Forms to disseminate their questionnaires and, as previously noted, they re-wrote their questions to make them simpler and easier to answer. The Team also relied on the broader staff of IBTCI’s METAL team and partnered with the staff of...
USAID’s Ma3an project to reach out and follow-up with municipal and civil society contacts in their networks to answer the online questionnaires.

Notwithstanding the foregoing, perhaps the biggest challenge confronting the Team was conceptual. A lack of consensus on how the Tunisian state should be organized; real questions as to whether the system described in the Code is even workable, let alone affordable bedeviled this mission from before it started. And that lack of consensus meant the Team had no definitive criteria to use in its assessment.

4. DECENTRALIZATION IN TUNISIA

To provide a common reference point for the current state of subnational governance in Tunisia, a brief overview of its constitutional and legal foundations may be helpful.

Going back to the 1959 Tunisian Constitution, only one article in that document – Article 71 – mentioned local government. From that time through the end of the reign of Ben Ali, the management of local affairs was left to regional and municipal councils.

With the adoption of the 2014 Tunisian Constitution, however, that situation changed, at least on paper. Chapter VII of that constitution addresses local government explicitly in twelve articles (Articles 131-142). These new articles set the parameters for legislation that was expected to follow according to a handful of basic but important principles. Among those principles were the autonomy of local government, which established the basis for the delegation or transfer of central government authority to local government, financial autonomy, which set the basis for increased transfers and the generation of revenue by the local government, all conditioned by the principle of subsidiarity, meaning that transfer of power would be for public entities which are the closest in distance and the most capable to provide the transferred power or service (albeit in conformity with national standards). Combined, these principles give to local government in Tunisia a presumption of autonomy, subject only to ‘a posteriori’ review or oversight by higher level government authorities after the fact.

The immediate implication of this change in the character of local government was the requirement of local elections, and so Article 133 declares that municipal and regional councils are to be directly elected. The constitution further tried to ensure that the resulting councils were representative, requiring that women, youth and persons with disabilities are included, and obligating local governments to adopt mechanisms for citizen participation in planning development, infrastructure, territorial development, financial planning and investment. (Article 139). This same principle of public participation is carried through to the eventual Code des Collectivites Locales.
While it might be imagined that the adoption of a new constitution and a local government code would be enough to create the four tiers of elected councils and place them on a firm legal footing, the Government of Tunisia saw it as only a start. They adopted a transition plan for the period 2011 to 2039 to realize the implications of this constitutional commitment to increased democracy. And to support that transition, they reconceived of old institutions such as Tunisian Common Loan Fund (Caisse des prêts et de soutien des collectivités locales, CPSCL23), and created new ones: for instance, the High Council of Local Government and the High Authority of Local Finance,24 the General Authority of Development of Exploration and Support for the decentralization process (Instance générale de prospection et d'accompagnement du processus de décentralisation, IPAPD).25 An immediate consequence of the broadening of jurisdiction of oversight would be a re-organization of administrative justice and the creation of regional administrative tribunals provided for in the Code,26 but these have not yet been initiated.

Also yet to be adopted is the complete set of enabling legislation required by the Code. To date only 14 of the 39 laws have been issued. But this is by design. Per the Government of Tunisia’s own plan, the first phase of its transition to autonomous local government in 2039 is passage of the Code, the creation of new municipalities and the convening of municipal elections. The major objectives of the first phase have largely been accomplished. It is in its second phase, that progress has been stalled. Per the transition plan, the enabling legislation required by the Code was to be promulgated, along with a specific decentralization law and the delegation of authority over a variety of public services, as well as the creation of the 24 regional (or governorate) councils and the oversight bodies referenced above. This second phase was expected to last from 2020 till 2029 and to prepare the nation for the final phase from 2030 to 2039, during which 6 districts were to be created and the remainder of central government competencies slated to be transferred to subnational units would be finally delegated.

Absent the requisite authority to act as the autonomous local government bodies anticipated by the constitution, the municipal councils elected in 2018 found themselves in something of a political limbo. They were elected to lead councils whose relationship to other government entities was not settled yet. In essence, the reconceived councils are elected bodies grafted onto a still fundamentally ministerial system and as such they are limited in what they can do for the voters who elect them.

These limitations of their incomplete authority are compounded by financial and logistical challenges. The financial limitation is all the more acute because the 2014 Constitution created an additional 86 municipalities to incorporate citizens living in remote rural or border areas (and 23 The CPSCL was created by decree in 1902 as a loan fund for municipalities. Law 75-37 of 14 May 1975 transformed it into a Loan and Support Fund for [all levels of] local government (JORT 34 of 20 May 1975, p. 1068). It is organized by Decree 92-688 of 16 April 1992 to support the administrative and financial organization of the CPSCL (JORT 24 of 21 April 1992, p. 44). Its mission is to grant loans and to provide financial and technical assistance to help identify, study and implement local government investment plans.

24 Law 2018/29 of 9 May 2018. In particular it cites: presenting estimates of financial resources to be transferred to local government in the context of the State budget; proposing criteria of distribution of transferred State resources to local government; drafting a preliminary report on the cost of the transfer or extension together with central services and the High Court of Local Government; making financial analyses of different [levels of] local government in the light of their financial calculations; these accounts to be obligatorily transferred by [local] government to the Court; examining the volume of public compensation of municipalities in line with the provisions of Art. 9 of the Law; carrying out evaluation studies and supporting surveys of local government financing.

25 This is responsible for developing a national approach to implementing decentralization, and ensuring the involvement of local government, the ministries and public bodies, together with key components of civil society. It is within the ministry in charge of local affairs and not independent like a General Directorate or a department.

26 Government Decree 2017/620 of 25 May 2017.)
a subsequent decree placed all the territory of the nation under the control of a municipality. This increase in the number of municipalities adds to the challenge of financing local government from central government resources, increases the risk that new municipalities get into debt and increases the political difficulty of equalizing transfers between municipalities. In addition to these financial limitations on the ability of municipalities to act as autonomous local governments, they suffer from a serious shortage of skilled labor.

These complications contributed to the president’s intervention in the summer of 2021, suspending parliament and dismissing the government on July 25. In September, he subsequently published a decree, announcing that he was drafting amendments related to political reforms. As far back as 2011, however, he offered an alternative vision for the organization of the state. His vision continued into his 2019 campaign platform.

In brief, the plan offers an ‘inverted pyramid’ for democracy from the ground up. It consists of 264 local councils, whose members are directly elected. From these, 24 regional councils would be derived, one council for each of the country’s governorates and comprised of one member from each of the lower councils on the territory of that governorate. And finally, at the national level, a unicameral Peoples’ Assembly would replace parliament. The assumption in this structure is that it would be more representative and hence more responsive than the current system of 350 municipalities, regions and districts plus a national legislature.27

Considering that the president has never offered more detail than this basic organizational restructuring,28 it is impossible to say whether his long-standing vision will affect his promised changes to the constitution, to be voted on in a referendum on July 25, 2022.29 Since however he also announced that parliamentary elections will be held on the anniversary of the revolution, December 17, 2022, it can be assumed that none of the missing 25 pieces of legislation required by the Code des Collectivités Locales will be promulgated anytime in the next year.

These circumstances make assessing subnational governance in Tunisia a challenge and explain why no definitive criteria exist for an assessment of its status and why the findings in this report are valuable precisely for the contradictory nature of things people are saying in a time of political uncertainty.

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28 https://daghbaji.wordpress.com/2013/08/03/%d9%85%d9%86-%d8%a3%d8%ac%d9%84-%d8%aa%d8%a3%d8%b3%d9%8a%d8%b3-%d8%ac%d8%af%d9%8a%d8%af/?fbclid=IwAR2jPwmHdtTnlLak_yaPjZTKFiCwLrRFB02cDI9jsDr9jOU5xN8ZlWkVw
5. FRAMEWORKS AND CRITERIA FOR DATA ANALYSIS

Because of this political uncertainty too the criteria for this assessment have been uncertain. Unlike a program audit in which key metrics are included in the program documents themselves, this assessment was commissioned without any agreed-upon criteria. The original Scope of Work of the assessment was changed after the team had been recruited and their work begun, and after every presentation, additional research has been conducted.

5.1 Assessment Criteria

There being no universal definition of decentralization nor criteria for judging it, the assessment team had to seek its own set of criteria for its review. It did so by drawing on three sources:

- USAID’s *Handbook for Democratic Decentralization Programming*;
- The Government of Tunisia’s plan for Decentralization 2011-2039;
- The Triple A Framework of Authority, Ability & Accountability.

Criteria from USAID

The first of these sets of criteria came from USAID itself, specifically a handbook circulated in 2021 for feedback from practitioners by USAID’s Mike Keshishian of the Center for Democracy, Human Rights and Governance.[^30] That handbook defines three ‘dimensions of decentralization’:

**Political Decentralization**

Political decentralization is the transfer of political authority to subnational governments. This transfer takes place through constitutional amendments and electoral reforms that create new (or strengthen existing) spaces for representation in subnational units. In many developing countries, the formal political authority of subnational elected officials coexists with traditional community or tribal authority, which may serve key roles that need to be respected or even nurtured.[^31]

**Fiscal Decentralization**

Fiscal decentralization is the expansion of revenues and expenditures that are under the control of subnational governments and administrative units. On the expenditure side, fiscal decentralization refers to the transfer of additional responsibilities to subnational governments, often for some of the more important services governments can provide, such as healthcare, education, and infrastructure. On the revenue side, the most common types of fiscal decentralization include endowing subnational governments with the power to raise their own revenues and to set the rates of subnational taxes, giving some subnational governments the right to borrow with greater independence from the

national government, and increasing the transparency and stability of intergovernmental transfers.32

**Administrative Decentralization**

Administrative decentralization is the transfer of responsibility for the planning and management of public functions from the national government and its centralized agencies to subnational governments and/or subnational administrative units. The governing principle here is that of subsidiarity: central authorities should perform only those tasks which cannot be handled at a more local level. Administrative decentralization refers to the institutional architecture—structure, systems, and procedures—that supports the implementation and management of those responsibilities under the formal control of subnational actors.33

The assessment team leader, being one of the handbook’s reviewers, argued with Keshishian that economic growth and jobs creation were conceptually different from public financial management and so Economic Decentralization should be distinguished from Fiscal Decentralization. Following consultations with USAIS team, the Scope of Work for the assessment was modified to include a fourth ‘dimension’:

**Economic or Market Decentralization**

The most complete forms of decentralization from a government's perspective are privatization and deregulation because they shift responsibility for functions from the public to the private sector. Privatization and deregulation are usually, but not always, accompanied by economic liberalization and market development policies. They allow functions that had been primarily or exclusively the responsibility of government to be carried out by businesses, community groups, cooperatives, private voluntary associations, and other non-government organizations.34

After initial research and document review for the inception report, the evaluation team recommended excluding Political and Economic Decentralization dimension to be excluded from the analytical approach. Following consultations with the USAID team, the scope of work was modified to omitted Political and Economic Decentralization, instead asking the team to look at only Fiscal and Administrative Decentralization.

**Criteria from the Government of Tunisia**

The second set of criteria relied on by the assessment team came directly from the Government of Tunisia itself. The GOT’s strategy on decentralization addresses the powers that subnational government units presently have, and it sets the parameters and timeline for the transition to greater devolved governance in the future. The strategy presumes a steady progression in the

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34 [http://www.ciesin.org/decentralization/English/General/Different_forms.html](http://www.ciesin.org/decentralization/English/General/Different_forms.html)
passage of legislation, transfer of authorities, creation of facilitating institutions\(^\text{35}\) and eventual autonomy of municipal councils. Put simply, the strategy divided the work of Tunisian decentralization into strengthening the capacity of professional staff at the local level and improving the finances of local government as precursors to the transfer of eventual autonomy to the lowest rungs of government.

Figure 2: GOT Stages of Decentralization and Planned Increases in Financial Support

The first illustration shows the transition plan, with the time anticipated for each phase and priority legal and institutional changes anticipated. The second shows the GOT’s plan of

\(^{35}\) Among the institutions to be created: MALE: Ministère des Affaires Locales et Environment (Ministry of Local Affairs and Environment)(obviously before the suspension of the government in the summer of 2021); IPAPD: Instance de Prospective et d’Appui au Processus de la Décentralisation (Authority of Prospective and Support to the Decentralization Process); HCC: Haut Conseil des Collectivités Locales (High Council of Local Authorities); HIFL: Haute Instance des Finances Locales (High Authority of Local Finance); FSCL: Fonds Commun des Collectivités Publiques Locales; (fonds spécial du trésor) Local Collectivities Fund, etc.
investing gradually in its staff at an initial rate of 15 percent, complementing that increased emphasis on their capacity with a modest increase in the funds they manage (10 percent) and gradually transferring more responsibility to them (at an initial rate of 15 percent). This foundational period was expected to last three years. As the graphic shows, the GOT intended to build a more substantial structure during the next six years, with 25 percent more investment in people, 21 percent more in funds, and a significant 50 percent more in delegated authority. Although it certainly has not occurred as planned, the very logical, structured transition at least demonstrates the commitment the GOT had at the time to reorganizing the state into empowered, autonomous local government entities.

More than just a commitment, of course, the strategy came with its own set of criteria for measuring the progress the GOT has made in realizing its objectives. Although the government has fallen behind on its own schedule due to economic and political factors and the COVID-19 pandemic, the assessment found that its commitment to decentralization remains strong.

Among the highlights of the first stage cited by former government officials during assessment interviews were:

- A variety of seminars, focus groups and study tours on comparative choices for decentralization between 2011 & 2014.  
- The creation of a Ministry of Local Affairs to oversee implementation of decentralization.  
- A new financing mechanism for municipalities, setting conditions on the award of grants and locals by the Tunisian Common Loan Fund (CPSCL).  
- A tax amnesty has been decreed on the sums due under the municipal tax, or housing tax, and the contribution to the National Housing Improvement Fund for 2016, and the years preceding it, as well as late penalties and prosecution costs.  
- A creation of environmental police to enforce hygiene regulations under the control of municipalities.  
- Promulgation of the *Code des Collectivités Locales* in May 2018.

**Criteria from the Triple A framework of Authority, Ability, Accountability**

Complementing USAID’s ‘dimensions of decentralization’ and the Government of Tunisia’s own action items for decentralization, the assessment team relied on an analytical tool that simplified the complexity of decentralization by distinguishing between the authority, ability, or accountability of a government body to perform its functions.

The three broad inquiries of the tool consisted of the following:

- The *authority* of a government entity to exercise power over a defined territory or subject
- The *ability* of that government entity to exercise its grant of authority

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36 *Activité du Centre de Formation et d’Appui a la Decentralisation pour l’année 2012* (interieur.gov.tn)
37 Government Decree No. 365/2016 of March 18, 2016
38 Decree No. 3505-2014 of 30 September 2014.
39 Article 72 of 2019 Finance law.
40 Law No. 2016-30 of 5 April 2016, amending and supplementing Law No. 2006-59 of 14 August 2006, relating to the violation of hygiene regulations in areas under the control of local authorities.
- The accountability of that entity (to citizens and other government entities) to exercise its authority responsibly

Sub-Categories of Issues

In each of these three broad categories, however, further classification was possible. Issues of authority could be sub-categorized as requiring decisions of policy, changes in the existing legal environment, or increases in delegation.

- **Policy issues** are those requiring a decision from the central government. Most of these involve outstanding and unresolved issues about the structure of subnational entities, their territorial and subject matter jurisdiction, and their relationship to one another and the central government (both Parliament and the Ministries).

- **Legal issues** are those requiring adjustments or amendments to existing legislation, bylaws, procedures, protocols, instructions, etc. having the force of law.

- **Delegation issues** are those involving the ceding of authority from a national to a subnational government entity via either “transfer” within a ministry, “delegation” by the Cabinet, or outright “devolution” by the Parliament.

Similarly, issues of ability could be further categorized as requiring improvements in the Material, Intellectual, or Financial ability of government to exercise its authority.

- **Material ability** includes having the adequate staff, offices, computers, and other equipment necessary to exercise current or contemplated authority.

- **Intellectual ability** includes access to information/data, systems, and the knowledge of staff (acquired on the job or through specific training) to exercise or contribute to the exercise of authority by subnational government officials.

- **Financial ability** includes the financing necessary to exercise authority. This could be from central government transfers or a variety of alternative sources (governmental and nongovernmental).
Finally, issues of *Accountability* could be further categorized as strengthening the internal communication between institutions of government and external communication between the government and citizens.

- *Internal communication* includes channels and protocols to improve the information flow between subnational councils and the ministries, directorates, and departments who together constitute subnational government.

- *External communication* includes means and mechanisms to strengthen the social contract between the government and the governed by improving the information flow from the government to citizens and from citizens to government.

### 5.2 Assessment Questions

Adopting these criteria and with the input of the mission, the revised core questions approved by USAID in its October 20th conference call were as follows:

1. What is the current state of progress with decentralization reform (on the part of the Government of Tunisia and that of the international community)?
2. What is the current status of Fiscal and Administrative decentralization?
3. What are the channels of engagement between citizens and local officials and between local officials themselves?

What each of these core questions encompasses was elaborated briefly in the Inception Report as follows:

**The Progress of Reform**

This first core question encompasses the GOT’s own commitment to implementing its strategy for decentralization, its objectives, deadlines, and progress to date. It also encompasses the extent of international donor commitment, reflected in the variety of interventions, locations, objectives, and periods of performance of their assistance.

**The State of Fiscal and Administrative Decentralization**

The second core question encompasses the processes and procedures by which various units of government perform their essential functions. In the case of Fiscal Decentralization, those essentials include how they manage their Revenue and Expenditures. For Administrative Decentralization, the essentials include how they perform their ordinary activities (such as basic service delivery) as well as those Extraordinary ones that ultimately speak to their resilience (and might include COVID-19, climate change, influxes of refugees, or other contingencies).

**The Channels of Engagement**

This third core question encompasses the relationships of appointed and elected officials to one another and of the various government institutions with the citizens they serve. It
includes everything from how information flows from central government ministries to subnational governance officials to the ways municipalities communicate with their constituents via hearings, notices, web pages, social media, and other forms of e-governance.

5.3 Questionnaires

Even with its careful search for objective criteria to evaluate and analyze the current state of subnational governance in Tunisia, that political uncertainty that compelled changes in the scope of work continued to force changes on the team. Most conspicuous of all was its difficulty in getting municipal officials to respond to its surveys. Its original questionnaires approved by the mission had to be re-written and considerably simplified into a multiple-choice format and redistributed due to a poor initial response. While the team found enough repetition in the responses it did receive to conclude that its findings were representative, one explanation for the response rate itself could be uncertainty with the direction of the government’s reforms.

6. FINDINGS

As previously mentioned in the Executive Summary, in reaching the findings that comprise the balance of this report, the Team consulted half a dozen academic articles, reviewed 30 laws, conducted 19 KIIs and collected responses to written questionnaires completed by 20 CSOs and 67 municipalities, spread over all 4 geographic regions of the country, and including 8 municipalities that had been recipients of assistance from the USAID TADAEEM project.

Many of those findings were summarized into graphs and figures included in a slide presentation shown to the Mission on January 23, 2022, a copy of which is included in Annex 5.

6.1 Respondents

A total of 20 of 60 CSOs and 67 of 100 municipalities submitted answers to the Team’s questionnaires. Of those 67 municipalities, 10 had been partners of USAID TADAEEM. Although the limited number of CSO and municipality responses may have compromised the strength of our findings, the team mitigated this limitation by obtaining wide geographic coverage of the responses. When plotted on a graph, the responses show a good geographical spread, giving the Team confidence that its findings were based on a representative sample.

Figure 3: Municipal Responses per Governorate
The breadth of coverage of CSOs is likewise considered acceptable with 20 organizations and 76 individuals responding. Their written comments were supplemented by interviews with key informants, including women’s NGOs and the national coalition of civil society.

Figure 4: CSO Responses per Governorate

With this baseline of information and perspectives from local government practitioners, the Team set about applying its various external criteria to try and make sense of their responses in light of the core questions of this assignment.

6.2 The Progress of Reform

Perhaps the most important finding of the assessment is continued widespread support for decentralization. Despite a slowdown in the GOT’s ambitious plan to devolve more responsibility to local municipalities between 2011 and 2039, and in spite of the current absence of a national legislature or even a ministry dedicated to overseeing the decentralization process, official support remains steadfast. As a practical matter, however, the continuing gap in law required to cede more control to locally elected municipalities means that donor opportunities to support subnational governance may be limited at present to encouraging greater collaboration among elected and appointed officials and between officials and the public.

The Government of Tunisia

The current Tunisian Constitution was adopted in 2014 and the Code des Collectivities Locales of 2018, which promised more local control. But according to a former minister of Local Affairs, only 14 of the 39 pieces of legislation required by the Code have been passed so far, leaving the legal foundation of subnational governance incomplete. Among the reasons offered for this slow progress were political wrangling and the financial crisis, which sapped the government’s resources. These influences were then compounded by the COVID-19 pandemic, which caught the world unaware and compelled the government into emergency mode. These factors stalled the government’s ambitious plan of transitioning authority to elected municipal government by 2039, stalling the government’s ambitious plan to cede greater authority to elected municipal officials and contributing to the suspension of parliament by the president in June 2021 (new elections are scheduled for 2022). Annex 5 includes a table of the enabling legislation and other normative acts a new parliament would need to pass once it is seated to regain momentum and realize the promise of decentralization.
Despite the intervention of the president and his suspension of parliament, the commitment to decentralization remains high among participants in the assessment. Former central
government officials interviewed boasted of the technical progress they had made, and individuals at all levels spoke of how decentralization remained necessary for democracy and economic development. As this report was being prepared, the MOLAE published a website to advise citizens on decentralization.42

**International Donors**

The international donor organization representatives surveyed likewise reiterated their commitment but exhibited a “wait and see” attitude toward programming. They were mostly concerned with capacity building for municipalities and civil society, advancing their counterparts’ organizational development, and improving their outreach and advocacy. And the donors interviewed remained steadfast in their commitment to provide small grants to newer and poor municipalities. The summary table below and a more comprehensive one in Annex 7 show the current international donor projects.

**Table 2: Sample International Donor Projects in Tunisia**

<table>
<thead>
<tr>
<th>Project</th>
<th>Period</th>
<th>Budget</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Bank</td>
<td>2014 -</td>
<td>12.4 million US dollars</td>
<td>Empowering and strengthening local communities (LCs) to deliver local services</td>
</tr>
<tr>
<td>GIZ Municipal Development Initiative (IDM)</td>
<td>2015–2023</td>
<td>10.6 million Euro</td>
<td>Tunisian municipalities have improved citizen participation and transparency.</td>
</tr>
<tr>
<td>GIZ Support for Decentralization in Tunisia (ADEC)</td>
<td>2018–2021/2022</td>
<td>13.5 million Euro</td>
<td>(1) Strengthening decentralization and de-concentration, (2) Strengthening territorial planning and networking, (3) Capacity development, and (4) Fiscal decentralization, local finance, and audit</td>
</tr>
<tr>
<td>Euro Commission PARD</td>
<td>October, 2019 till September, 2022</td>
<td></td>
<td>(1) Supporting key actors of the process in institutional and organizational strengthening for reform, and (2) Supporting the actors in the implementation of the decentralization process.</td>
</tr>
<tr>
<td>UNDP ADDL Support Decentralization Governance and Local Development</td>
<td>2019–2022</td>
<td></td>
<td>Promoting governance and development on the local level as a means to improve citizens’ life conditions.</td>
</tr>
</tbody>
</table>

**6.3 Fiscal Decentralization**

In analyzing the state of decentralization in Tunisia, the Team relied on *USAID Handbook for Democratic Decentralization Programming (2021)*43 and its *Public Financial Management Risk Assessment Framework (PFMRAF) Manual (2014).*44 The team applied the Triple A framework to explore the Authority, Ability and Accountability of municipalities to exercise financial autonomy, corroborating its survey results with reference to a report from the High Authority for Local Finance.45

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42 https://www.estichara.tn/ar/
Authority

Municipal respondents overwhelmingly recognized that they did not have the current legal authority to achieve financial independence. So much in the Code still needs to be enacted and so much other law needs to be changed. For instance, with regard to the fiscal authority of subnational government in Tunisia, the Team learned that while Article 145 of the Code describes the taxing power of local administrations, only 20 percent of potential revenue was being collected. In addition, local administrations lack certainty with respect to their annual allotments from the central government per Article 131 of the Code and so far, to the establishment of a High Council of Local Finance and Public Accountability. Currently, municipal governments also do not possess the authority to retain monies that they collect, make investment decisions, or determine a set of financial incentives (tax breaks, amnesties, etc.) to alleviate the tax burden on local businesses, attract new business, or stimulate jobs creation.

“There is a gap between what is foreseen in the CCL and the reality, due to lack of political will. Because of the lack of political will, the implementing texts are late in appearing.”
Adnen Bouassida, President of National Federation of Tunisian Cities (FNCT)

The bar chart below shows in a summary fashion how much work municipal respondents thought needed to be completed before local government realized the scope promised under the Code des Collectivities Locales. As the discussion of the analytical framework used to make sense of these responses explained, the Team understood authority to be anything with the force of law. That would include enabling legislation – the remainder of the 39 laws required by the Code – but it would also entail a host of less difficult to realize normative acts. These might be regulations issued by a ministry, directives from a minister, or bylaws, protocols, memoranda, or instructions that empowered a government official to do (or not do) an action on behalf of the state. In other words, authority can be thought of as the rules of governing, and in the opinion of municipal respondents consistently well more than half of them thought they needed more.

Figure 7: Authority of Municipalities
The annual report of the HIFL corroborated these findings that municipalities do not possess the current authority to function as financially autonomous organs of local government. Among its most pointed criticisms, the HIFL report concluded:

- The incompatibility of the legal framework in place with the new provisions of the [Code des Collectivités Locales], in this case, the Public Accounting Code (CCP) with its dominant procedural aspect and the Local Tax Code (CFL) which is not in conformity with the substance of the Constitution.\(^{46}\)

**Ability – (Material and Intellectual)**

With regard to their ability to exercise their current and expected authority to manage their own finances, the Team learned that survey respondents consistently expressed a need for more staff, more equipment, and more information. Respondents cited the need for more professional staff (in particular accountants), with the adequate education, training, knowledge, and skill to support fiscal decentralization. They also thought those staff needed to be provided with adequate office space and computer equipment to manage more financial responsibility. Surprisingly, most municipalities are still not computerized; their accounting entries remaining largely manual. And most conspicuously of all, respondents noted that they lacked the financial information necessary to achieve financial autonomy, such as access to the national revenue management software.\(^{47}\) The first figure shows their own estimate of their material needs.

![Figure 8: Material Needs of Municipalities](image)

When it came to the material ability of the municipalities, again respondents were consistent in saying they needed more to do their jobs. They said they needed staff, computers, other

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\(^{46}\) Annual Report of the High Authority for Local Finance (Haute Instance des Finances Locales, HIFL), 2019, p. 4.

\(^{47}\) The Ministry of Finance controls tax procedure and revenue management. The system used for revenue management is called the Budgetary Resources Management System. It is administered and maintained by the National Center for Informatics, and only about 60 percent of municipalities use it. *Source: Fiscal Decentralization: Challenges & Solutions, CILG/VNGi, January 2021.*
office equipment, office space, and vehicles just to perform their current responsibilities. And, of course, that staff needed better training and access to information (i.e., intellectual ability). The second figure depicts their responses and their intellectual needs.

Respondents, especially in civil society criticized the knowledge of municipal employees, especially as it related to basic services under their supervision. Here again, the HIFL report was unblinking in its opinion of the preparedness of municipalities to exercise more authority, criticizing:

- ‘The weak capacities of local authorities to manage resources human, financial and organizational.’

Specifically, the HIFL report highlighted the necessity of better information for municipal staff, concluding:

- Strengthening local resource management capacities by working for the establishment of an integrated information system which makes it possible to provide complete and reliable data and the implementation of internal control systems of budget management. [What is needed is a mechanism] that would improve the financial indicators used to measure financial balances, management, rationalization of expenses, compensation expenses, debt management, etc.)

**Ability – (Financial)**

In addition to their limited material and intellectual ability to exercise their current authority, municipalities also have limited financial ability, and in exploring it, the Team delved more into the three aspects of financial management: revenue, expenditures, and control.

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48 Ibid.
Revenue

In conformity with the provisions of the annual Finance Law adopted each year by parliament, the executive branch in Tunisia develops a budget on a rolling basis, submitting it to the national assembly for approval. It includes projected revenues and expenditures of the state for each calendar year.

While the national budget process applies to the whole of government, the portion allotted to local government is comparatively modest. For instance, in Tunisia local authorities receive approximately 3 percent of the total state budget, while in Morocco they receive 11 percent, in Turkey they receive 18 percent, and in Poland 33 percent. Though the GOT figures look small in comparison, the government has committed itself to raising the allotment going to local authorities. Article 131 of the Code, for example, obligates the state to increase its amount “progressively.”

Municipal participants in the assessment said they received monies from several sources, the most significant portion coming from the central government.

Figure 10: Respondents Estimate of Funds from Central Government

The 2019 annual report of the High Authority for Local Finance confirmed an increase in transfers “from the general resources of the State, foreign loans and donations” of “1814.9 million TND in 2017 to 1875.9 million TND in 2019,” but detailed a very mixed picture of municipal finance:

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50 Fiscal Decentralization: Challenges & Solutions, January 2021, The Center for Innovative Local Governance (CILG), a sister organization of the international division of the Association of Dutch Municipalities, (VNGi).

51 Ibid.
• A 3% increase in own resources between 2018 and 2019, following a 2 point increase in equipment subsidies (12.1% compared to 9.9%) from the CPSCL (Fund for Loans and Support of Local Government).
• A gradual decrease in transfers from departments from 3.8% to 2.2%, and transfers of the State in respect of operating subsidies of 23.5% to 21.9%.
• Stability of the municipalities' share of their own resources of 58%.
• Low rate of non-tax resources of around 6.6% for the period 2017-2019.
• Low contribution from borrowing resources (2.7%), departmental transfers and expenditures local (3%).
• Disparity between municipalities in the implementation of their budgets. 78% of municipalities have implemented 95% of their budgets, 23 implemented only 75%, while 64 municipalities executed less 50%.
• Decrease in corporate and market taxes (8.6% and 10.1%, respectively)
• Personnel compensation expenditures increase in total budgetary expenditures by 41% in 2017 to 42.7% in 2019.
• Decrease in expenditure on municipal investment from transfers from the State of 28.6 MD in 2017 to 17.6 MD in 2019.

Despite this dependency on central government transfers however, enough respondents nevertheless mentioned local resources to suggest their significant potential.

**Figure No. 11: Potential Sources of Local Revenue**

Among the sources of local revenue for municipalities, the Team found a good basis in real estate and a variety of local taxes. Collections in both areas were limited at the moment, but with minor adjustments to law, protocols, or databases, these sources could grow rapidly in a relatively brief period of time. The next pair of bar graphs shows what is possible.

The majority of these categories of revenue are taxes (building and non-building, hotels, and commercial) along with fines and fees. And yet the potential of the municipalities has been

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52 The overall amount of transfers to local authorities comes from the general resources of the State, foreign loans and donations. This amount increased from 1814.9 in 2017 to 1875.9 in 2019. Annual Report of the High Authority for Local Finance (Haute Instance des Finances Locales, HIFL), 2019, p. 5.
negatively impacted by the financial and health crises of the past couple of years. Total income from the already modest sources of the municipalities slowed in the pandemic with lessened economic activity lowering the monies collected. Under these circumstances, the Team found that the rate of municipal tax revenues declined to around 12 percent over the past five years, as opposed to 18 percent at the national level. And these figures do not consider the overall impact of COVID-19 on either available central government funds or potential resources within the territory of the municipalities.

Assuming the pandemic ends, and the crisis passes, the basis for local economic growth and revenue generation could spring back quickly if the municipalities had better data (population, financial, and real estate) and the right to retain more of the monies collected locally.

**Expenditures**

With regard to expenditures, the Team found it to be governed by Law 1039 of 2014. That law sets thresholds, depending on the nature of the procurement, and it establishes procedures, notice requirements, and deadlines. Intended to promote both trust in the efficiency and good management of public funds, the procurement process is used to obligate about 13 percent of gross domestic product (GDP) and 35 percent of the national budget.

Though the same procedures should eventually be applied to the municipalities, at present a law extending procurement authority to them is among the many promised under the Code.

**Control**

Procurement leads logically to issues of control, and with it the Team’s third inquiry into whether local government is exercising its authority in a responsible manner. In other words, it leads to inquiries of accountability. There are a number of government institutions responsible for public procurement compliance as described below:

**Table 3: Institutions Responsible for Procurement Compliance**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Office of the Prime Minister</td>
<td>Responsible for the coordination of national procurement planning and administers all other public procurement regulatory institutions. The office does not interfere with the functioning of other regulatory institutions by issuing instructions since each regulatory institution administers its own decision-making process.</td>
</tr>
<tr>
<td>Higher Committee of Public Procurement (HCPP): (“La Commission Supérieure des Marchés Publics”)</td>
<td>This is a unit within the Office of the Prime Minister. The HCPP consists of representatives of various Ministries and is involved in all three phases of the public procurement process. The HCPP is the highest regulatory institution and does not report to any other regulatory institution. The HCPP comprises eight committees, each specializing in a specific field. For example: a certain committee would specialize in buildings market, civil engineering, and other related studies; while another specializes in communication technologies, information technology, power, electronics and other related studies, etc.</td>
</tr>
<tr>
<td>National Monitoring Office for Public Procurement (NMOPP): (“L’Observatoire Nationale des Marchés Publics”)</td>
<td>This is an agency within the HCPP. The NMOPP administers a database that collects and analyzes public procurements data. It suggests appropriate measures and amendments to improve the public procurement plan, and reviews and evaluates public procurement developments.</td>
</tr>
</tbody>
</table>
Office of the Prime Minister: Responsible for the coordination of national procurement planning and administers all other public procurement regulatory institutions. The office does not interfere with the functioning of other regulatory institutions by issuing instructions since each regulatory institution administers its own decision-making process.

Follow-up and Investigations Committee (FUIC): (“Le Comité de Suivi et d’Enquête”). This is an ad hoc entity established to address matters pertaining to public procurement. The FUIC is a unit within the Office of the Prime Minister.

Committee for Amicable Settlement of Disputes (CASD): (Comité Consultatif de Règlement Amiable des Litiges”) This is an arbitration committee established within the Office of the Prime Minister whose mission is to secure amicable settlements of disputes relating to public procurement.

With regard to cash management, the central bank of Tunisia maintains a single treasury account. The state maintains a budgetary accounting system based on cash principles. The 2019 budget law, nonetheless, provides for two other accounting systems: one based on the principles of accrual and standards inspired by International Public Sector Accounting Standards (IPSAS) and a second based on analytical accounting by mission, but neither is being used now. Of serious limitation, there is also no integrated financial management system at the moment; in fact, several separate systems are in effect at the same time. These include budget management, revenue management, payroll management, and public debt management systems. The lack of implementation of the accounting aspects of the 2019 budget law and use of a myriad of separate financial systems demonstrates that the ability to hold local governments financially accountable is lacking.

Nevertheless, in conducting its survey and interviews, the Team made a simple distinction between communication within government offices and between government and the public as a way of measuring the Accountability of municipal government. And while the subject of Accountability in general is developed more in the section on the third core question of Channels of Engagement below, communication within government offices involves the following:

Table 4: Government Bodies Exercising Financial Control

<table>
<thead>
<tr>
<th>General Controls</th>
<th>Tunisia possesses three administrative general controls: the General Control of Public Departments, the General Control of Finances, and the General Control of State Property and Land Affairs. They respectively report to the Head of Government, the Minister of Finance, and the Minister of State Property and Land Affairs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministerial Inspectorates</td>
<td>Directly reporting to their respective ministers, 16 general inspectorates and 3 inspectorates employ approximately 170 inspectors.</td>
</tr>
<tr>
<td>The Court of Auditors</td>
<td>Exercises legal and conformity control functions. In addition to its prerogatives associated with controlling the finances of political parties, it serves as the depository of the asset declarations of elected officials and civil servants who are subject to this requirement. The Court annually reports to the President of the Republic and to the legislative authorities on the results of its work and makes recommendations.</td>
</tr>
<tr>
<td>The Financial Disciplinary Court</td>
<td>This is a financial authority that rules on issues of mismanagement by its authorized officers. But the President of the Republic, ministers, State secretaries, members of Parliament, and presidents of municipal councils are</td>
</tr>
</tbody>
</table>
General Controls | Tunisia possesses three administrative general controls: the General Control of Public Departments, the General Control of Finances, and the General Control of State Property and Land Affairs. They respectively report to the Head of Government, the Minister of Finance, and the Minister of State Property and Land Affairs. Not subject to its authority. It has issued a very limited number of convictions that were only about minor cases.

Despite these structures and the oversight role they are expected to play, the Team found that the absence of harmony between them ironically may have contributed to the very lack of transparency they were meant to achieve. To improve transparency and reestablish trust, a new external control architecture may be needed. In its application of USAID’s Public Financial Management (PFM) Appraisal Checklist, the Team considered the need to foster a culture of internal control and auditing, based on international practices and standards. That might include:

- Adopting an audit charter setting the auditors’ tasks and establishing training programs designed to raise the awareness of civil servants to the challenges of internal control.
- Creating general auditing service.
- Merging the General Control of Public Departments, the General Control of Finances, and the General Control of State Property and Land Affairs into a single permanent auditing body, in charge of auditing any public organization and providing advice on management.
- Merging inspectorates with general inspectorates whose scope of activity is similar, and
- Guaranteeing to each member of these bodies the right to address the Audit Committee personally.

While many of these issues are quite beyond the ability of local government to affect, they nevertheless indicate the complexity of levels of control between government offices. They also compound one of the central difficulties in the communication between the government and citizens – a low level of understanding of how government works. Citizen awareness of these procedures was found to be low, and so the need for civic education great. Managing expectations begins with knowledge management.

A cause for optimism was nonetheless found in the participatory means used to prepare the municipal Annual Investment Plan. As a prerequisite for municipalities to receive money from the Loan and Support Fund (CPSCL), municipalities must craft their Annual Investment Plans through participatory means. This unites the basic government functions of planning and budgeting, and it sets the foundation for follow up monitoring by citizens who hold their elected officials accountable for the plans they make and the money they manage.

6.4 Administrative Decentralization

In analyzing the state of administrative decentralization, the Assessment Team likewise relied on USAID’s *Handbook for Democratic Decentralization Programming* (2021), which conceives

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53 CILG/VNGi *supra*
of local governments performing ordinary functions, exclusive of policymaking. In other words, it
presumes them exercising a circumscribed power, for instance delivering basic services in
conformity with national standards established by central government ministries. In analyzing
the responses of civil society and the municipalities surveyed, the Team looked at the authority,
ability, and accountability of local, elected officials to perform both their ordinary functions as
currently defined and those extraordinary ones that might occur due to unexpected climate,
political, economic, or public health crises.

The next illustration captures the view of municipal respondents on the extent of their current
authority over basic services.
The Team confirmed the municipalities’ responsibility for street lighting, roads and bridges, solid waste, sanitation, and water provision. Their responsibility for other common services such as health and education were more attenuated, however being the province of dedicated line ministries. But it was in the area of economic activity where they themselves judged their authority to be the most limited. For instance, they did not claim jurisdiction over tourism or agriculture.

“Local collectivities can have more important services to deliver to citizens like education (it can be transferred to local level because of geographical and cultural specifications there and which are diverse from other regions. Even the curricula could change from the south to the north)”.  
Mrs. Aysha Karafi, President of Tunisian Association for Local Governance (ATGL)

On the other hand, citizens wanted municipalities to do more than deliver basic services. They expected them to focus on the community’s economic needs in terms of development, revenue collection, and creating jobs.
6.5 The Channels of Engagement

With regard to the third core question of the assessment, the channels of communication among government officials and between the government and citizens, the Team found a complex situation with many opportunities for improvement.

Relations among government officials:

First, with regard to the channels of communication between elected and appointed officials, the Team found considerable tension. For instance, since their election in 2018, 76 elected mayors and 27 entire councils had resigned, and approximately 10 percent of elected members overall resigned due to conflict with appointed government employees.

The reason for the tension seems to be the fact that an elected body – the municipal council – has been grafted onto what remains a fundamentally ministerial system. With the delegation of authorities from ministerial to municipal bodies so incomplete, the tension is a predictable result of conflicting jurisdictions. Elected council members especially reported feeling a lack of respect from civil servants, who in turn complained that elected officials did not know the law and procedures.

Presumably, both problems could be alleviated by the promulgation of missing legislation, the delegation of more authority to local, elected officials and training programs designed to ensure that both sides – the political and the professional are working together. In the meantime, though donors could emphasize collaboration over control and sponsor working groups of elected and appointed officials, informed by civil society to address the most pressing problems in a community collaboratively.

Relations between government and citizens:

With respects to communication between the government and citizens, the Team found an even more complex dynamic.

Law No. 88 of 2011 enshrined the right of freedom of association and the number of NGOs exploded to over 22,000 in 2019.55 The sheer number of CSOs active in Tunisia and the variety of their interests makes it difficult to say conclusively much about the relationship of citizen groups to their local governments. At best, only impressions are possible. That caveat is especially important given some of the findings in this assessment.

First, the Team found a high level of commitment on the part of municipal officials to communicate with citizens. In its survey of CSOs, the Team also found a high level of engagement by civil society respondents, who were quick to say they had voted and interacted with officials in their communities. Interestingly, the types of information shared by municipalities seemed to be particularly substantive. Included among them were plans and budgets, along with meeting minutes and expenditure reports, as shown in the next figure.

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In addition, municipal respondents described the variety of means they employed to keep citizens informed. Those included municipal publications and websites, a heavy use of Facebook and other social media accounts, traditional and electronic news outlets, and plain old word of mouth.

While the responses to both the questionnaires answered by municipalities and civil society described a very positive relationship between the government and citizens, key informant interviews and six follow-up interviews with CSO leaders after the Team’s presentation of its initial findings to USAID revealed a more nuanced picture. Informants acknowledged the existence of formal opportunities to participate but expressed frustration as to whether their inputs were considered seriously in council decisions.

“From my personal experience in the municipality of Jendouba and from my exchange with other female councilors in the “network of elected women” I can say that independent female municipal councilors get excluded and discriminated against, simply because they don’t belong to a political party.”

Rahma Jaouadi, President, Association des Femmes Rurales de Jendouba (AFR)
This more shaded perspective was also consistent with the findings of a Canadian program for inclusive municipal leadership that found municipalities to be reluctant to collaborate with civil society (especially women NGOs).\footnote{As part of the implementation of the Canadian-supported inclusive municipal leadership program (PLMI), a rapid diagnosis of communication in three partner municipalities (Hammam-Chatt, Fondok Jedid Seltène, and Nabeul) confirmed the reluctance of those municipalities to collaborate with civil society and the absence of a strategy to implement more inclusive and participatory local democracy. \textit{Programme pour un leadership municipal inclusif en Tunisie (PLMI), avec l’appui des Affaires Mondiales Canada.} (2018–2022).}

Especially as regards financial matters, respondents felt that more transparency and more communication would be good.

Fortunately, the willingness of municipal respondents to share substantive information with citizens and the enthusiasm of CSOs to engage with their local governments creates a firm foundation for cooperation. The Team found that civic education could be advanced through civil society, and that cooperation between the private sector and civil society could improve the quality of plans and budgets and the transparency and responsiveness of local government. While much obviously remains to be done to realize the promise of the revolution, the constitution and the Code, progress has been made and can accelerate once a national assembly has been elected and seated. The commitment to decentralization and better, more effective and more democratic government remains strong.

### 7. RECOMMENDATIONS

As one of the purposes of this assessment is to inform the development of a new Country Development Cooperation Strategy and a possible follow-on project to TADAEEM, the following recommendations are presented in an order that resembles the former CDCS.

These recommended activities could be organized under a single Development Objective similar to Social Cohesion and Democratic Cohesion enhanced. Under that rubric, a series of activities can be imagined that would cohere around the three aspects of the Team’s analytical framework: Authority, Ability, Accountability and fit a project purpose intended to Improve Relations between Tunisians and their Institutions of Subnational Governance.

**Development Objective:** Social Cohesion and Democratic Cohesion Enhanced

**Project Purpose:** Relations between Tunisians and their Institutions of Subnational Governance Improved

- **Outcome 1:** Local administration regulatory and policy reforms advanced
- **Outcome 2:** Capacity for responsive municipal service delivery strengthened
- **Outcome 3:** Municipal public financial management strengthened
- **Outcome 4:** Stakeholder and community engagement increased
Sample activities that could be included in a successor project to TADAEM might be distributed across these activities as follows:

**Outcome 1: Local administration regulatory and policy reforms advanced**

The following activities would be intended to affect the Authority of municipalities:

1.1. Thought leadership for local administration policy and reforms delivered

- Contribute policy analysis, white papers, and thought pieces on how the promise of strong local government in the Constitution and *Code des Collectivities Locales* can be realized
- Support the High Authority of Local Finances in conducting studies on financial costs of power transfers and support key ministries that are mentioned in the Code because part of their authority could be transferred to municipalities.

1.2. Changes in the relations of central and subnational government entities encouraged

- Encourage collaboration between elected and appointed officials and civil society to address community problems until such time as further authority is delegated from the ministries to the municipalities. This would help alleviate tensions between officials clashing over matters of jurisdiction and control by emphasizing working together on problems identified by civil society.
- Commission analyses of central government services ripe for delegation to municipalities.
- Assist in the development of standard protocols across service ministries to promote greater integration with municipalities.
- Promote the predictability of central government transfers to support municipal budgets.
- Liberalize internal ministry policies on investment agreements between municipalities and private investors.
- Review municipal policies on tax assessment and collection and identify opportunities for increased local revenue generation.

**Outcome 2: Capacity for responsive municipal service delivery strengthened**

The following activities would be intended to affect the *Material & Intellectual Ability* of municipalities:

- Support municipalities with grants for equipment and information resources, conditioned on the use of open, transparent, and participatory means of planning, budgeting, and monitoring of public services.
- Support CFAD (center for training and support decentralization) in localizing its activity to be nearer to regional and local entities to reach a larger number of beneficiaries and develop an online training platform.
- Increase access to the National Financial Management Software.

**Outcome 3: Municipal public financial management strengthened**
The following activities would be intended to affect the Financial Ability of municipalities:

- Assist municipalities to create/update inventories of real property and improve data sets for demographic and financial information to serve as the basis for increased tax collection.
- Encourage greater involvement and reliance on the private sector increase economic opportunities and local revenue.
- Support effective means of financial control over municipalities.

**Outcome 4: Stakeholder and community engagement increased**

The following activities would be intended to affect the transparency and accountability of municipalities:

- Amplify the GOT’s decentralization reform public information and civic education campaigns through partner municipalities and civil society organizations.
- Help municipalities facilitate their annual planning meetings so they can reach a consensus on projects that meet citizens’ needs and appropriate the proper funding.
- Encourage collaboration between elected and appointed officials and civil society to address community problems until such time as further authority is delegated from the ministries to the municipalities.
- Work with municipalities to introduce feedback mechanisms into their means of public communication such as hotlines, suggestion boxes, and integrated electronic query management systems through their websites so they can answer to citizens directly.
<table>
<thead>
<tr>
<th>ID</th>
<th>IR</th>
<th>Interventions</th>
<th>Objectives</th>
<th>Counterparts</th>
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<tbody>
<tr>
<td>1</td>
<td></td>
<td><strong>Outcome 1: Local administration regulatory and policy reforms advanced</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td></td>
<td><strong>Thought leadership for local administration policy and reforms delivered</strong></td>
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<tr>
<td></td>
<td></td>
<td><strong>a.</strong> Contribute policy analysis, white papers, and thought pieces on how the promise of strong local government in the Constitution and Code des Collectivities Locales can be realized</td>
<td>Legislation &amp; protocols required for municipalities to act in accordance with the Code</td>
<td>MOI (MOLAE)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>b.</strong> Support the High Authority of Local Finances in conducting studies on financial costs of power transfers and support key ministries that are mentioned in the Code because part of their authority could be transferred to municipalities.</td>
<td>List of competencies that can be transferred in the near term</td>
<td>MOF, HLF</td>
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<tr>
<td>1.2</td>
<td></td>
<td><strong>Local administration regulatory and policy reforms advanced</strong></td>
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<td></td>
<td></td>
<td><strong>a.</strong> Encourage collaboration between elected and appointed officials and civil society to address community problems until such time as further authority is delegated from the ministries to the municipalities. This would help alleviate tensions between officials clashing over matters of jurisdiction and control by emphasizing working together on problems identified by civil society.</td>
<td>Protocols on cooperation between elected and appointed officials</td>
<td>Line ministries, MOI (MOLAE)</td>
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<td><strong>b.</strong> Commission analyses of central government services ripe for delegation to municipalities</td>
<td>Action plan of services to be devolved Communication protocols</td>
<td>MOI (MOLAE), line ministries</td>
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<td><strong>c.</strong> Assist in the development of standard protocols across service ministries to promote greater integration with municipalities.</td>
<td>Formula for annual allotments</td>
<td>MOF, HILF</td>
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<td></td>
<td><strong>d.</strong> Promote the predictability of central government transfers to support municipal budgets.</td>
<td>Public Private Partnership law &amp; procedures Authority to retain tax revenue and make investment decisions</td>
<td>HCPP, NMOPP, HILF</td>
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<td><strong>e.</strong> Liberalize internal ministry policies on investment agreements between municipalities and private investors.</td>
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<td><strong>f.</strong> Review municipal policies on tax assessment and collection and identify opportunities for increased local revenue generation.</td>
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<td>2</td>
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<td><strong>Outcome 2: Capacity for responsive municipal service delivery strengthened</strong></td>
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<td></td>
<td></td>
<td><strong>a.</strong> Support municipalities with grants for equipment and information resources, conditioned on the use of open, transparent, and participatory means of planning, budgeting, and monitoring of public services.</td>
<td>Grants for equipment, Internet service, meeting rooms, etc.</td>
<td>Target municipalities</td>
</tr>
</tbody>
</table>
b. Support CFAD (center for training and support decentralization) in localizing its activity to be nearer to regional and local entities to reach larger number of beneficiaries and develop an online training platform.

c. Increase access to the National Financial Management Software.

Outcome 3: Municipal public financial management strengthened

| a. | Assist municipalities to create/update inventories of real property and improve data sets for demographic and financial information to serve as the basis for increased tax collection. |
| b. | Encourage greater involvement and reliance on the private sector increase economic opportunities and local revenue. |
| c. | Support effective means of financial control over municipalities. |

Outcome 4: Stakeholder and community engagement increased

| a. | Amplify the GOT’s decentralization reform public information and civic education campaigns through partner municipalities and civil society organizations. |
| b. | Help municipalities facilitate their annual planning meetings so they can reach a consensus on projects that meet citizens’ needs and appropriate the proper funding. |
| c. | Encourage collaboration between elected and appointed officials and civil society to address community problems until such time as further authority is delegated from the ministries to the municipalities. |
| d. | Work with municipalities to introduce feedback mechanisms into their means of public communication such as hotlines, suggestion boxes, and integrated electronic query management systems through their websites so they can answer to citizens directly. |
8. ANNEXES

Annex 1: Statement of Work

Annex 2: Assessment Team

Annex 3: Questionnaires

Annex 4: Respondents

Annex 5: Slide Show of Preliminary Findings

Annex 6: Government of Tunisia Steps to Decentralization

Annex 7: International Donor Projects
Annex 8: Legal Framework for Subnational Governance

Annex 9: USAID PFM Risk Assessment Framework Rapid Appraisal Checklist

Annex 10: Bibliography