

Country Assessment for Tunisia Report on dialogue with civil society

Introduction

13 June 2012 the EBRD held a workshop with civil society organisations (CSOs) in Tunis with the aim to introduce the EBRD, its mandate and business model to CSO participants as well as solicit CSO inputs on the operational environment – including transition challenges, business environment and political context. The aim of the workshop was also to receive comments on the Bank’s potential operational priorities in Tunisia. This exercise was part of a series of discussions and meetings with civil society held in the southern and eastern Mediterranean (SEMED) region by the EBRD. The discussion was based on the Concept Note that was used for the preparation of the Country Assessment and dialogue with the Tunisian authorities.

The Civil Society Engagement Unit identified a diversified range of relevant civil society organisations and representatives to ensure that civil society’s views on the planning, implementation and expected impact of the Bank’s future engagement in the country could be voiced. The CSOs were identified according to five thematic areas: democracy and human rights; transparency and accountability; environmental issues; gender and inclusion issues; and entrepreneurship and small and medium sized business development. In addition, the Bank disseminated information about the meeting via international and local CSO networks as well the EBRD website, Facebook and Twitter pages to reach out to a wide range of civil society stakeholders.

39 representatives coming from 29 civil society organisations, including human rights NGOs, women's groups, academics, young entrepreneurs, sociologists, foundations, think tanks and SME development groups took part in the meeting. The list of organizations is included in the Annex to this Report.

CSO comments

Policy dialogue

CSOs urged the Bank to commit to the country for the long term. They highlighted that, in addition to its investment projects, the EBRD should engage in an active policy dialogue with the government to foster structural and institutional reform. CSOs also expressed concerns regarding the level of corruption in the country and urged the Bank to conduct comprehensive and independent due diligence and feasibility studies before financing any project in Tunisia. CSOs stated that there is a need for new models and ideas – a new strategic framework for the development of the country– that would bring jobs and greater equality. In that context, the Bank was encouraged to invest in all sectors including tourism, municipal and environmental infrastructure, knowledge economy and biotechnology.

Transition challenges

CSOs expressed their concerns regarding the political and economic transition of the country. CSOs were concerned about the independence of the judiciary from political parties and informed that civil society advocates for and monitors transparency and accountability in the administration. The debate also highlighted that some distrust exists among civil society with regards to potential IFI interference with sovereign political and economic decision-making.

EBRD mandate

CSOs positively acknowledged the political aspects of the mandate of the Bank as set forth by the Article 1. CSOs suggested enhancing the Bank's political assessment in order to grasp wider and deeper aspects of democracy. EBRD management informed that the Bank is currently addressing this issue through the review of the political methodology.

CSOs were unclear about the differences between the EBRD and other international financial institutions (IFIs) and the Bank's focus on the private sector as a force for democracy. EBRD management explained how the Bank's work is aimed, among others, to result in strengthening SMEs, wider economic empowerment and support the narrowing of the developmental gap between urban and rural regions. All these elements over time result in expansion of the country's middle class, which is a prerequisite of genuine political representation and plurality in democratisation processes.

Banking and SME financing

CSOs advocated for the Bank's engagement in the reform process of the banking sector in order to enable local financial institutions to utilise EBRD's funding to develop the private sector, in particular SMEs and youth entrepreneurship. CSOs welcomed the initiatives implemented by the Small Business Support Team and expressed their hopes about a wide availability of the Business Advisory Services across all regions of Tunisia. Civil society representatives pointed out that facilitating access to credit will represent one of the major challenges in Tunisia. In particular, they advised to extend loans especially to young, female and rural entrepreneurs.

Transparency and accountability issues

Civil society representatives encouraged the Bank to promote policies that enhance transparency, accountability and access to information. According to CSOs, the Bank's investments and projects might be exposed to a high risk of failure due to endemic corruption undermining the rule of law. CSOs were in favour of public private partnerships (PPPs) but emphasised the importance of involving CSOs to ensure transparency and equal benefits across regions. EBRD management responded that information is disclosed according the Public Information Policy of the Bank and ensured that fostering transparency and accountability represents one of the cornerstones of successfully promoting the transition to a market economy.

Gender and social inclusion

Women's rights organisations emphasized that gender issues represent a particularly sensitive topic, especially in view of the on-going political transition in Tunisia. EBRD

management reassured that gender will acquire a prominent position in the updated political methodology, the new Gender Strategy will be prepared and further attention will be dedicated to gender mainstreaming of Bank-financed projects.

CSOs acknowledged the importance of the social impact of the EBRD engagement in the country. In particular, CSOs expressed their hopes in terms of EBRD support to young entrepreneurs, women's employment and investments in less developed region of the country. And, they warned about the risk of uneven distribution of benefits in the local communities. EBRD management informed that the Bank screens all projects against its Environmental and Social Policy and that for particular projects a thorough environmental and social impact assessment is carried out.

EBRD engagement with civil society

CSOs commended the Bank for its bottom up approach in engaging in dialogue with civil society in the SEMED region. The Bank was urged to engage also beyond consultations and provide capacity building to CSOs, in particular to those engaged in fostering the market economy (e.g. youth and women's economic empowerment, SME development). While this has not been a feature of the Bank's engagement with CSOs to date, Management would consider such opportunities in line with its mandate. A key message was that the Bank wants to work in partnership with CSOs to improve its understanding of the countries in its new region and to enhance the quality of projects.

Conclusion

The workshop with civil society in Tunisia informed the development of the Country Assessment for Tunisia, which will guide the EBRD's operations in the country during the second phase of engagement and until a country strategy is approved by the Board of Directors. The workshop represented an opportunity for the Bank to take stock and analyse the contribution of civil society to the Bank in terms of informing all aspects of the Bank's investment strategy, assessment of the operational environment and evaluation of results. CSOs provided the Bank with civil society's perspective on the transition challenges faced by the country and welcomed the opportunity to further engage with the EBRD.

The dialogue between civil society and EBRD representatives generated valuable input for the preparation of the Country Assessment for Tunisia. Civil society's recommendations were reflected to a large extent in the Country Assessment, which addresses the main transition challenges faced by the country. The Country Assessment acknowledges civil society's concerns regarding the political environment, transparency and accountability, and business development. The Country Assessment dedicates specific sections on the collaboration between the EBRD and other IFIs and on gender issues. The Assessment further recognizes that- over the medium term- the development of a resilient and diverse economy will tackle regional disparities and high unemployment. The Bank values the contribution of civil society in promoting public dialogue about decisions that affect the lives of local people and environments, as well as holding governments and policy makers publicly accountable.

Annex: List of participant civil society organisations and others

1. NOU-R
2. International Relations Association Tunisia
3. Association Tunisienne des Sciences de la Vie et de la Terre (APE- ATSVT)
4. Injaz Tunisie
5. Advanced Technology Development Center (ATDC) Technopole Borj Cedria
6. Tounes Amenaty
7. Thala Solidaire
8. Tataouine
9. AMEF Consulting- Association des Tunisiens des Grandes Ecoles (ATUGE)
10. Générations Futures
11. Tunisian Education and Resource Network (TEARN)
12. Fédération Nationale des Villes Tunisiennes (FNVT)- Association des Tunisiens du Nord de la France (ATNF)
13. Centre d'appui au développement local et régional
14. Team International
15. British Council/ UNFPA Consultant
16. Recherche en Action (REACT)
17. Association Internationale des Etudiants en Sciences Economiques et Commerciales- AIESEC Carthage
18. Pounissiet
19. Promotion & Appui au Développement d'Initiatives Locales (PADIL)
20. La volonté de Metline
21. Strategy Consulting Services
22. Centre des Jeunes Dirigeants d'entreprises (CJD)
23. Association Tunisienne de Droit Du Développement (ATDD)
24. Appuis aux Initiatives de Développement (AID)
25. International Organization for Migration (IOM)
26. Education for Employment (EFE) Tunisia
27. Union Tunisienne de l'Industrie, du Commerce et de l'Artisanat (UTICA)
28. Observatoire Chehad
29. Association Tunisienne pour la Transparence Financière (ATTF)