



United Nations
Development Programme

Distr.
GENERAL

DP/CP/TUN/3
19 March 1982
ENGLISH
ORIGINAL: FRENCH

GOVERNING COUNCIL
Special meeting
24-28 May 1982, Geneva
Agenda item 3 (d)

COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR TUNISIA

UNDP assistance requested by the Government of Tunisia
for the period 1982-1986

Illustrative IPF for 1982-1986: \$15 million

Note: In accordance with decision 81/15, adopted by the Governing Council on 27 June 1981 (E/1981/61/Rev.1, annex I), the third country programme for Tunisia is being submitted to the Council without an accompanying note by the Administrator.

The previous country programmes for Tunisia and the accompanying notes by the Administrator were issued under the document symbols DP/GC/TUN/R.1 and DP/GC/TUN/R.2 and DP/GC/TUN/R.1/RECOMMENDATION and DP/GC/TUN/R.2/RECOMMENDATION, respectively.

INTRODUCTION

1. The third UNDP programming cycle will have a duration of five years, covering the period January 1982 to December 1986. This coincides exactly with the period of the sixth national economic and social development plan. The present document presents the third country programme for Tunisia, which will be executed during the third cycle. Tunisia has been assigned, for the programming period as a whole, an illustrative indicative planning figure (IPF) of \$US 15 million, which is the same amount as for the present and the previous cycles. In addition, an amount of approximately \$251,380 has been designated as the Government's contribution to cost-sharing. In view of world inflation, which will mean a sharp increase in project costs under the programme, especially with regard to experts and the procurement of equipment, the above figure represents a considerable decrease in real terms. The IPF is therefore modest when set against the country's technical assistance requirements.

2. The formulation of the present programme was the result of much consultation and correspondence between the Government and the UNDP office at Tunis. The annual review in September 1980 and the note of 23 April 1981 from the Resident Representative to the Government, together with many working and related meetings, constituted the main stages in the dialogue.

3. It should be stated that development activities will be financed by such agencies and bodies of the United Nations system as the World Food Programme (WFP), the United Nations Fund for Population Activities (UNFPA), the World Health Organization (WHO), the United Nations Children's Fund (UNICEF), the Food and Agriculture Organization of the United Nations (FAO), the International Labour Office (ILO), the United Nations Industrial Development Organization (UNIDO), the United Nations and the International Bank for Reconstruction and Development (IBRD). The activities of these agencies are also in keeping with the Government's development priorities and complement the activities in the present country programme. The Tunisian Government will continue its efforts to ensure that all the multilateral contributions harmonize with each other and to co-ordinate the multilateral with the bilateral assistance. Tunisia hopes to benefit more extensively from the regional and interregional projects financed by UNDP, particularly in the sectors covered by the country projects.

4. The present programme continues to give priority to agriculture. A total amount of \$4,950,300 is programmed to meet the most pressing needs in the key agricultural areas: fisheries, forestry, water and soil conservation, apiculture and vine-growing.

5. To ensure the optimum use of funds, the present programme reflects the following trends which, moreover, correspond to several of the global concerns of the United Nations system: orientation towards investment, efforts to achieve self-sufficiency, technical co-operation among developing countries (TCDC), the role of women in development.

6. An important feature of the programme is that technical co-operation activities are increasingly looked upon as pre-investment activities leading to

actual investment and paving the way for financing by bilateral or multilateral sources.

7. Another major feature of the programme is the endeavour to keep the number of long-term experts to the strict minimum and to favour short-term and medium-term missions of highly qualified consultants for specific tasks.
8. As to the recruitment of experts and consultants, recourse may be had to Tunisians and to those nationals of developing countries who have the necessary qualifications for the tasks at hand.
9. The Government will encourage the appointment of Tunisian counterparts to work alongside international experts under the projects of the third country programme so that they may later take over. Training will therefore be an important component of the programme and of each project.
10. No equipment is allowed unless it is for specific purposes, and the number of vehicles is being kept to a minimum. The programme includes a project designed to provide logistic support to the programme, which will meet the travel requirements of project personnel on short-term visits.
11. The Government reserves the right to call upon an independent party, in accordance with procedures to be worked out with UNDP, to evaluate the work of substantive project personnel whenever it considers this necessary; such evaluation would be in addition to the normal project evaluation process.
12. The Government considers that the services of some trained Tunisian personnel resident abroad might be enlisted under the TOKTEN (transfer of know-how through expatriate nationals) arrangement. The programme therefore sets aside an amount of \$100,000 for this purpose.
13. An amount of \$500,000 is earmarked for TCDC. Two facets of such mutual co-operation are currently represented in the services provided by Tunisian experts in the countries of Africa and the Middle East and Tunisia's reception of a number of African students. The above amount will be used to support these two undertakings and to promote the implementation of the recommendations made at international conferences and by the United Nations General Assembly concerning TCDC.

PROPOSED UNDP TECHNICAL CO-OPERATION TO SUPPORT NATIONAL
DEVELOPMENT PRIORITIES

14. The major objectives of the sixth national economic and social development plan are as follows:

- (a) To promote the full employment of additional manpower: 325,000 jobs must be created during the period of the plan;

(b) To achieve greater social justice; income distribution among citizens and regions and improvement of social services; and

(c) To reduce economic and financial dependence on the exterior.

15. A redressing of the regional imbalance is planned in order to facilitate the attainment of these objectives. It will be carried out by a general commission for regional development and national physical planning, which is soon to be established. The general commission will be responsible, inter alia, for encouraging and co-ordinating investment in less-favoured regions, namely, the north-western, the southern central and the southern regions. Account is taken of this in the formulation of projects under the present programme.

16. UNDP assistance will play an important part in implementing the plan through the third programme, which will reflect these priorities. Accordingly, agriculture, industry, health and development planning will occupy a prime place in the programme, absorbing 38 per cent, 15 per cent, 10 per cent and 9 per cent respectively, of the amount allocated for programming under the IPF. Education (6 per cent) science and technology (6 per cent), and employment (5 per cent) are in second place, followed by natural resources (energy), transport and communications, international trade, human settlements, culture and miscellaneous (TCDC, TOKTEN, logistic support to the programme).

A. Economic and social planning

17. To enable the investment drive to be successful, emphasis will be placed on the strengthening of the units whose task is to identify and study feasible projects for the generation of employment.

18. The prices and incomes policy is one of the manifestations of socialism aimed at increasing the well-being of all segments of its population. If a comprehensive and consistent policy is to be formulated in this area, action must be taken as regards the determination of prices, wages, taxes and subsidies for basic consumer products in order to improve purchasing power and ensure a better redistribution of income.

New projects

19. Training of Tunisian staff in project analysis and management (TUN/81/016). 1982-1984. Estimated UNDP contribution: \$207,000.

20. Strengthening of the capacity of the Directorate-General for projects at the Ministry of Planning and Finance in the area of on-going and a posteriori monitoring and evaluation of development projects (TUN/81/017). 1982-1984. Estimated UNDP contribution: \$409,810.

Planned allocation

21. An allocation of \$600,000 is destined for other activities which have yet to be formulated.

B. Natural resources

22. For Tunisia, whose known energy resources are modest, energy plays an important part through its contribution to production, the balance of payments and the receipts of the State budget. Unless new discoveries are made, a net deficit in petroleum products can be expected from 1987 onwards. From that time onwards the use of energy substitutes for petroleum and gas must be planned. In this context, a census and a survey of the prospects for working Tunisian lignite reserves are being launched. Moreover, the use of coal, in particular for electric power stations, would help to diversify energy sources. Finally, it would be advisable to form a team of Tunisian technicians who would follow, and participate in, solar energy research and the possibilities for its utilization.

Planned allocation

23. A project in this area will be formulated in 1984 or thereafter, at a total cost of \$215,000.

Regional project

24. Water resources in the countries of North Africa (RAB/80/011). 1980-1984. UNDP contribution: \$2,422,500.

C. Agriculture

25. Agriculture occupies an important place in the national economy, with half the members of the population directly deriving their livelihood from it. It has a very considerable impact on other sectors and on the balance of payments (food deficit). Moreover, agriculture is of considerable importance in achieving national goals, through a reduction of the food deficit, an improvement of employment conditions, a reduction in the exodus from the countryside and the pressure of employment demand in urban areas, and a contribution to the equilibrium of regional development and the distribution of national income.

Ongoing projects, including extensions

26. Assistance to the development of apiculture in Tunisia (TUN/75/005). 1976-1981. UNDP contribution: \$611,575. 1982-1984: \$333,000. Total: \$944,575.

27. Forestry development and erosion control (TUN/77/007). 1977-1982. UNDP contribution: \$1,600,599.

28. Support to the design and institution of farming and assistance systems suitable for small and medium-sized farms (TUN/79/010). 1980-1981. UNDP contribution: \$383,795. 1982-1984: \$486,800. Total: \$870,595 (including \$160,000 for cost-sharing).

29. Fisheries development (TUN/81/002) (continuation of project TUN/79/008). 1982-1984. UNDP contribution: \$830,000.

New projects

30. Strengthening of the hydraulic engineering capacity of the National Centre for Agricultural Studies (TUN/81/001). 1982-1983. Estimated UNDP contribution: \$270,000.
31. Agricultural, woodland and rangeland development in the catchment basins of the centre and north-west of Tunisia (TUN/81/004). 1982-1984. Estimated UNDP contribution: \$1.5 million.
32. Strengthening of the system for identifying, analysing and evaluating projects in the context of agricultural planning (TUN/81/006). 1982-1984. Estimated UNDP contribution: \$375,000.
33. Experimentation, demonstration and extension in connexion with the development of agricultural land and rangeland and the combating of desertification in arid regions (TUN/81/011). Dates to be determined. Estimated UNDP contribution: \$830,000.
34. Development of the wine-growing sector in Tunisia (TUN/81/015). 1982-1984. Estimated UNDP contribution: \$481,000. (A cost-sharing contribution of \$40,000 is also planned.)

Regional projects

35. Rangeland development in arid zones (RAB/79/019). 1981-1982. UNDP contribution: \$500,000 (preliminary draft).
36. Improvement of olive-oil production in the Mediterranean basin and the Middle East (RAB/79/027). 1980-1982. UNDP contribution: \$804,590.
37. Mediterranean aquaculture project (MEDRAP) (RAB/79/033). 1981-1984. UNDP contribution: \$2,454,242.

D. Industry

38. The textile manufacturing industry offers many advantages in terms of national priorities: it contributes substantially to economic growth, generates many jobs and improves the balance-of-payment situation. There is therefore a need to expand the production potential of this sector and to eliminate a number of obstacles in order to make Tunisian industrial commodities competitive and attractive in relation to imports.
39. With respect to industrial integration, the intention is to: (a) identify projects for the manufacture of capital goods or their components which are traditionally imported; (b) identify by-products that it would be reasonably cost-effective to produce domestically; (c) prescribe a set of measures designed to encourage and stimulate industrial integration; and (d) improve the competitiveness of domestic production in terms of price and quality.

Ongoing projects, including extensions

40. Assistance to the National Leather and Shoe Centre (TUN/77/001). 1978-1981. UNDP contribution: \$700,930. 1982-1983: \$270,000. Total: \$970,930.

New projects

41. In order to assist the Government to achieve the sectoral objectives of the sixth plan, a number of new UNDP/UNIDO projects are planned for 1984 onwards. The projects will be formulated on the basis of official requests received from the Government. They will include:

(a) Development of the plastic matrix at the pilot tool centre at Sousse. 1984-1986. Estimated UNDP contribution: \$930,000;

(b) Assistance to small and medium-sized enterprises. Estimated UNDP contribution: \$500,000 as from 1984;

(c) Assistance to the metal construction workshops at Gabès. Estimated UNDP contribution: \$165,000 in 1984; and

(d) Standardization and quality control. Estimated UNDP contribution: \$165,000 in 1984.

E. Transport and communications

42. This sector always plays an important role in the economic life of Tunisia. The sixth development plan will promote the strengthening of the rail, road, sea and air infrastructures and will continue the extension of telephone exchanges, the improvement of urban networks and the strengthening of transmission links.

Ongoing project

43. Training in electronic switching at the Postal and Telecommunications School at Tunis (TUN/79/007). 1980-1982. UNDP contribution: \$230,597.

F. International trade

44. Petroleum, olive oil, phosphates and products derived therefrom, and textiles represent the main exports. Apart from phosphates and products derived therefrom, the other commodities mentioned will encounter difficulties either in terms of availability (petroleum) or marketing (olive oil and textiles). It is therefore essential to identify the sectors concerned and to diversify exports so as to increase their volume and reduce their vulnerability.

New project

45. Computerized trade information system at the Exports Promotion Centre. 1984-1985. Estimated UNDP contribution: \$333,730.

G. Human settlements

46. The Government will continue its efforts in three major areas of human settlements: construction of rural dwellings, promotion of suburban dwellings and rehabilitation of working-class districts. An agency for urban rehabilitation and renewal is being established to help achieve these objectives.

Ongoing project

47. Urban rehabilitation and development (TUN/79/003). 1980-1983. UNDP contribution: \$475,000, of which \$157,700 is for cost-sharing. A supplementary allocation of \$215,000 is planned in 1984.

H. Health

48. Public health is second only to education in terms of the share of social expenditure. However, it does not yet fully meet the needs of the population. Consequently, efforts must be continued to expand the health infrastructure and improve the quality of the services.

Ongoing project

49. National public health laboratories services (TUN/73/006). 1975-1985. UNDP contribution: \$1,189,277.

New project

50. Community medicine/Teacher Training Centre II (TUN/81/013). 1982-1986. Estimated UNDP contribution: \$903,809.

I. Education

51. The principal objective is to improve the quality and efficiency of the education sector and to satisfy more fully economic needs and employment requirements in the area of training.

Ongoing project

52. Further training of senior officials in the public sector (TUN/77/005). 1978-1981. UNDP contribution: \$471,238. 1982-1986: \$500,000. Total: \$971,238.

New project

53. Standardization of university furniture. \$150,000 from 1984 onwards.

54. Rehabilitation of the disabled: \$200,000 from 1984 onwards.

J. Employment

55. The problem of employment must be looked at in the general context of the country's demographic, social and economic development. To come to grips with it, a series of actions and measures are required for the purpose of reducing demand (strengthening of birth control), increasing supply (doubling of investment), and training job-seekers in order to facilitate their access to the labour market.

New project

56. Employment promotion and improvement of working conditions (TUN/81/005). 1982-1986. Estimated UNDP contribution: \$700,000.

K. Culture

57. The emphasis will be on the preservation of the country's cultural heritage.

New project

58. Inventory of cultural assets (TUN/81/012). 1984-1985. Estimated UNDP contribution \$135,000.

L. Science and technology

59. Steps must be taken to strengthen the scientific and technological centres and to enable Tunisia to benefit from the transfer of technology.

Ongoing project

60. Assistance to the National Informatics Centre (TUN/80/002). 1980-1981. UNDP contribution: \$380,529. 1982-1986: \$700,000. Total: \$1,080,529.

New project

61. Assistance to the National Statistics Institute. 1984: \$100,000.

M. Miscellaneous

62. Three new items distinguish this programme from the preceding one: TCDC, TOKTEN and logistic programme support.

Planned allocations

63. An allocation of \$500,000 is planned for TCDC during the third programming cycle. Details of the activities have yet to be formulated.

64. An allocation of \$100,000 is earmarked for TOKTEN.
65. A project providing logistic support to the programme may be formulated within the limits of a \$50,000 allocation.

Annex

FINANCIAL SUMMARY

		\$			
A. <u>Resources</u>					
(a) IPF and other resources					
(i)	Illustrative IPF for programme period	15 000 000			
(ii)	Carry-over from previous IPF cycles	-			
(iii)	Other resources (cost-sharing)	251 380			
(b) Provision for adequate programming		1 717 900			
TOTAL		<u>16 969 280</u>			
B. <u>Use of resources</u>					
(a) Programmed					
(i)	Ongoing projects	4 186 566			
(ii)	New projects and new phases included in the country programme	8 017 714			
(iii)	Earmarked for specific objectives and activities for which projects are to be worked out (continuous programming at a later stage)	1 765 000			
Subtotal		<u>13 969 280</u>			
(b) Reserve [if any]		-			
(c) Unprogrammed balance <u>a/</u>		3 000 000			
TOTAL		<u>16 969 280</u>			
C. <u>Financial distribution of programme, by sector</u>					
<u>Sector b/</u>	<u>Ongoing projects</u>	<u>New projects</u>	<u>Sectoral earmarkings</u>	<u>TOTAL</u>	
	\$	\$	\$	\$	
02	General development issues, etc.	-	617 000	600 000	1 217 000
03	Natural resources	-	-	215 000	215 000
04	Agriculture, forestry and fisheries	1 681 000	3 496 000	-	5 177 000
05	Industry	270 000	1 760 000	-	2 030 000
06	Transport and communications	200 000	-	-	200 000
07	International trade and development financing	-	334 000	-	334 000
09	Human settlements	318 000	-	-	318 000
10	Health	518 000	826 000	-	1 344 000
11	Education	500 000	150 000	200 000	850 000
12	Employment	-	700 000	-	700 000
15	Culture	-	135 000	-	135 000
16	Science and technology	700 000	-	100 000	800 000
17	Miscellaneous	-	-	650 000	650 000
TOTAL		<u>4 187 000</u>	<u>8 018 000</u>	<u>1 765 000</u>	<u>13 970 000</u>

a/ Representing 20 per cent of the illustrative IPF which has not been taken into account for programming in accordance with the Administrator's instructions contained in UNDP/PROG/FIELD/111; UNDP/PROG/HQTRS/126.

b/ According to ACC classification.

