



**DISCUSSION PAPER No. 219** 

# **Beyond slogans** CHALLENGES TO LOCAL EMPOWERMENT IN TRANSITIONING TUNISIA

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#### SUMMARY

Calls for regional equality, dignity and employment were at the heart of the Tunisian Revolution. After the overthrow of the old regime, it became critical for Tunisians to look for a different system of governance where local authorities are given a voice and have the necessary powers to respond to people's local concerns. The country's new constitution of 2014 reflected these aspirations and was deemed as a breakthrough in terms of local government in Tunisia.

This paper looks at the country's move towards decentralisation. Tunisia has taken important measures to implement local democracy. A legislative and institutional reform was started by the Tunisian government, fully supported by the increasingly active civil society and by the country's international partners. Meanwhile, local communities have taken concrete steps towards participatory governance, capitalizing on the opening up of the public space after the revolution despite the legislative hurdles that at times challenged these initiatives.

That being said, the reform process has just started. There is resistance to this new governance model and there have been attempts to thwart this progress. Repeatedly postponing the municipal elections risks to threaten the government's credibility inside and outside the country. Notably, this delay has serious implications for Tunisia's democratic transition. With the continuous absence of elected regional and municipal councils, a whole chapter on local government in the constitution is on hold. In the meantime, numerous special delegations that replaced the dissolved municipalities after the revolution are still unable to manage local affairs, hence the growing pressure to elect new legitimate local councils. It still remains to be seen when the local elections will finally take place, and whether these multiple delays are going to have an impact on voter turnout.

## **Beyond slogans**

Challenges to local empowerment in transitioning Tunisia

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ECDPM welcomes feedback on this paper. For questions or remarks, you are invited to contact the author Tasnim Abderrahim (ta@ecdpm.org)

### Acronyms

APJO	Association for the Protection of Jemna's Oasis
ARLEM	Euro-Mediterranean Regional and Local Assembly
ARP	Assembly of the Representatives of the People
ATP	Articulation of Territorial Platforms
CLC	Code on Local Collectivities
CPD	Country Programme Document
CPSCL	Caisse des Prêts et de Soutien aux Collectivités
DGCPL	Direction Générale des Collectivités Publiques Locales
ECA	European Court of Auditors
ECDPM	European Centre for Development Policy Management
ENI	European Neighborhood Instrument
ENP	European Neighborhood Policy
ENPI	European Neighborhood and Partnership Instrument
EU	European Union
FNVT	National Federation of Tunisian Cities
GDP	Gross Domestic Product
HAICA	High Authority for Audiovisual Communication
IDEA	Institute for Democracy and Electoral Assistance
IFES	International Foundation of Electoral Systems
INLUCC	Instance Nationale de la Lutte Contre la Corruption
ISIE	High Independent Authority for Elections
MAPU	Program on Modernisation of Public Administration
MFA	Ministry of Foreign Affairs
NGO	Non-governmental organization
NYU	New York University
OECD	Organisation for Economic Co-operation and Development
PNUD	Programme des Nations Unies pour le développement
SSE	Social and Solidarity Economy
TAP	Tunis Afrique Presse
UCLG	United Cities and Local Governments
UNDP	United Nations Development Programme

## 1. Introduction

Calls for regional equality, dignity, and employment were at the heart of the Tunisian Revolution. The protests that erupted in the country's hinterland in December 2010 were an outcry against state policies that have for long fostered marginalisation and resulted in striking regional disparities. The post-independence republic emulated the extremely centralized system inherited from the time of the French colonisation. Thereby, the central government dominated all political and economic decisions that would usually be communicated to lower tiers following a top-down model.<sup>1</sup> Thus, after January 14th, deep-seated frustration with Ben Ali's highly centralised regime pushed the Tunisian people to look for a different system of governance where local authorities are given a voice and endowed with the necessary powers to respond to people's local concerns.

#### A new constitution that responds to people's aspirations...

It was imperative to reflect these concerns in the country's new constitutional framework. The 2014 constitution represents a breakthrough in terms of local government. Indeed, it underscored the importance of implementing critical reforms to address people's pressing needs. Particularly, Chapter Seven dedicated to local authorities emphasises the importance of delegating more powers to local government that "is based on decentralisation" and "shall enjoy legal personality as well as financial and administrative independence".<sup>2</sup> The constitution further underlines the state's commitment to "strengthen decentralisation and to apply it throughout the country, within the framework of the unity of the state".<sup>3</sup> Local and international observers alike welcomed these new constitutional provisions as a significant step towards implementing local democracy.<sup>4</sup> Yet, while the constitution provides a general framework and broad principles for decentralisation, specific legislations are needed to operationalise these guidelines.

#### Moving forward despite the challenges

More than three years after the promulgation of the new constitution, initiating the process of decentralisation continues to face several challenges. In the meantime, numerous special delegations that replaced the dissolved municipalities after the revolution remain unable to manage local affairs, resulting in growing pressure to elect new legitimate local councils. In order to set off this process, the Assembly of the Representatives of the People (ARP) essentially needs to adopt two key legislations: the law on elections and referendums and the code on local collectivities. While the former was finally adopted in January 2017 after frequent delays, discussions on the latter are still ongoing. As electing new local councils largely depends on the adoption of these two legislations, this resulted in postponing the date of the elections more than once.

#### Implications for the democratic transition

Notably, this delay has serious implications for Tunisia's democratic transition. With the continuous absence of elected regional and municipal councils, a whole chapter on local government in the constitution is put on hold. The persistent absence of a legislative framework to accommodate the objectives of the revolution would undermine the citizens' trust in the government and in the entire transitional process.<sup>5</sup> Eventually, this may affect participation in the first local elections after the revolution.

This paper discusses why decentralisation constitutes a cornerstone of Tunisia's reform process and how as a mechanism it can contribute to the process of local development. The paper also looks at Tunisia's registered progress in terms of establishing genuine local democracy and boosting local development by

<sup>&</sup>lt;sup>1</sup> Kelibi, S. 2015. الامركزية في الدستور التونسي لسنة 2014: الوعود و الحدود. Legal Agenda, 11 August 2015.

<sup>&</sup>lt;sup>2</sup> <u>The Constitution of the Tunisian Republic</u> (2014).

<sup>&</sup>lt;sup>3</sup> Ibid.

<sup>&</sup>lt;sup>4</sup> See for example UCLG, 2014. Local governments in Tunisia's new Constitution. 7 February 2014.

TAP, 8 August 2016. <u>صرصار . موعد 26 مارس 2017 المحدد للانتخابات البلدية لم يعد قائما</u> .

discussing government-led programs and local initiatives that have blossomed despite the absence of a favourable legislative framework. Questions are raised as well on the role of foreign actors, particularly the EU and the UNDP, in this process.

## 2. Context in Tunisia since 2011

#### 2.1. Framing decentralisation after the revolution

Maybe one of the key merits of the revolution is liberalising the circulation of information and casting light on the striking regional disparities in some remote areas of the country. Revealing the real numbers about poverty and economic marginalisation after the revolution contributed to accentuating the need for implementing decentralised governance in Tunisia. It has become clearer that the old regime has left behind a heavy legacy of inequality and exclusion. Under Ben Ali, the authorities employed the media as a mere propaganda tool that hides the socio-economic realities of the country's internal regions and broadcasts the image of a more developed country.<sup>6</sup> Concentrating power in the center was underpinned by the firm belief that it is the ultimate approach to ensure national unity and strong linkages between the capital and the rest of the country. However, economic development plans failed to achieve regional equality as evidenced by the start of all uprisings from the country's internal regions.<sup>7</sup>

Several of Tunisia's internal regions had endured neglect by the central government while being "treated as mere sites for extraction of raw materials" such as phosphates without exploiting these resources to improve the inhabitants' living standards.<sup>8</sup> Besides, while Tunisia's GDP per capita growth averaged 3.4% between 1990 and 2000, the percentage of relative poverty increased from 30.3 to 49.3 in Kasserine and from 39.8 to 45.7 in SidiBouzid during the same period.<sup>9</sup> The distribution of the budget of the last government before the revolution is also revealing: While 82% of public expenditure was allocated to the 11 coastal regions, only 18 percent was dedicated to the 13 interior regions.<sup>10</sup> Besides, currently more than 83% of industrial firms cluster on in the coastal regions with 40% in only Tunis and Sfax, which has created enormous regional differences in terms of economic performance along with growing disparities in infrastructure, transportation, and information networks.<sup>11</sup>

Attempts at implementing decentralisation before 2011 had little to no impact because there was no political determination to engage in a serious discussion on democratic governance. Historically there has been a strong central control in Tunisia, along with limited resources to the local and regional level rendering them inefficient. Under the existent centralised administration, decisions are particularly communicated to the '*wali*' (governor) and '*moatamad*' (chief of delegation), heading deconcentrated levels of government, whose images are associated with corruption and dictatorship in the Tunisian collective imaginary.<sup>12</sup> The results of this top-down type of governance are deep regional disparities as development plans prepared at the central level failed to take into consideration the specificities of each region. This triggered feelings of marginalisation and exclusion among people in the deprived areas and demands for

<sup>&</sup>lt;sup>6</sup> Bellamine, Y. 2015<u>. *اللامر كزية في تونس: مشروع الأقاليم الخمسة* Nawaat, 5 March 2015.</u>

<sup>&</sup>lt;sup>7</sup> Beji Okkez, M. S. 2015. <u>هل تكون اللامر كزية آلة أمعالجة التفاوت الجهوي؟</u> Nawaat, 2 March 2015.

 <sup>&</sup>lt;sup>8</sup> Kherigi, I. 2016. <u>Why decentralisation could be the key to saving the Arab world</u>. Middle East Eye, 24 February 2016.
<sup>9</sup> Ibid

<sup>&</sup>lt;sup>9</sup> Ibid.

<sup>&</sup>lt;sup>10</sup> Ibid.

<sup>&</sup>lt;sup>11</sup> Ayadi, M. Mattoussi, W. 2014. <u>Disentangling the pattern of geographic concentration in Tunisian manufacturing</u> <u>industries.</u> World Institute for Development of Economics Research. p. 4.

<sup>&</sup>lt;sup>12</sup> Kelibi, S. 2015. *اللامركزية في الدستور التونسي لسنة <u>2014: الوعود و الحدود</u> Agenda, 11 August 2015.* 

social justice. All these factors necessitated rethinking the roles of the central government and local government in Tunisia after the revolution.

Transferring power and responsibilities to the local level is perceived to have significant benefits in terms of accountability, problem solving, citizen participation, stability, and economic development. A decentralized system is expected to foster accountability and transparency as local elected officials can be more easily held accountable before the local population especially that tracing the results of projects becomes easier on a smaller scale.<sup>13</sup> The spatial proximity would offer citizens better access to public decision making at the local level. They can become more actively engaged in local self-management through taking initiatives to address issues that impact them daily. This in turn would make Tunisian citizens feel less alienated from the political process and increase their trust in governmental institutions. Under a decentralized model, local development becomes driven by the local population instead of the central government, which has different issues on its agenda and might not be aware of the local potential. It helps better distribution of resources because fiscal decentralization will cut with extracting resources from the regions and concentrating them at the center.

The need to establish a more democratic form of governance seems to be a point of consensus among all political and civil society actors: including a chapter on local authority in the constitution was not a contentious issue.<sup>14</sup> A myriad of conferences, forums, discussions were organized to discuss the need to and importance of including decentralisation in the prospective constitution. These events constituted an opportunity for members of local councils to discuss with representatives of the national government about the anticipated role of local authorities in Tunisia's reform process and development efforts more generally.<sup>15</sup> As establishing a decentralized system was not a controversial question, discussions within the Local and Regional Municipalities Committee at the National Constituent Assembly focused on more practical matters such as the tools, resources, and the challenges to implementation.

Hence, decentralisation was framed by experts and the wider audience as an alternative system of governance to address the needs of the country's ailing internal regions and a structural model to boost local development. Today, in Tunisia, local democracy is further perceived as a security valve against the return of the authoritarian regime.<sup>16</sup> Eventually, much of the ideas and proposals advanced by experts and civil society actors involved in the issue of local governance and development were taken forward and included in the Tunisian constitution promulgated on 27 January 2014.

#### 2.2. Local government in the new constitution

In order to discuss any specific type of decentralisation, it is imperative to start with examining the "constitutional vision or paradigm that the rules in question are designed to pursue".<sup>17</sup> The Preamble of the constitution does not provide an insight into this vision. It does however refer to the need to build a "participatory" regime and adopt the "principle of the separation and balance of powers", which are relevant but not specific to local government.<sup>18</sup> According to Article 12, the Tunisian state, "shall strive to achieve social justice, sustainable development, and balance between regions." Article 14 stipulates that the state

<sup>18</sup> Ibid.

<sup>&</sup>lt;sup>13</sup> Miller, K. 2002. <u>Advantages and disadvantages of local government decentralization</u>. Caribbean Conference on Local Government and Decentralization. Georgetown, Guyana, 25-28 June 2002.

<sup>&</sup>lt;sup>14</sup> Arabesque. 2015. *في اللامر كزية. نحو دولة المواطنة* Arabesque. 2015.

<sup>&</sup>lt;sup>15</sup> Cities Alliance. n.d. <u>Local Authorities call for greater decentralisation in Tunisia</u>. Cities Alliance.

<sup>&</sup>lt;sup>16</sup> Jasmine Foundation. n.d. <u>السلطة المحلية بين الواقع و الأفاق</u> Jasmine Foundation. n.d.

<sup>&</sup>lt;sup>17</sup> Fedtke, J. 2013. <u>Tunisian Constitutional Reform and Decentralization: Reactions to the Draft Constitution of the</u> <u>Republic of Tunisia.</u> International IDEA and the Center for Constitutional Transitions at NYU Law. P. 1

"commits to strengthen decentralisation and to apply it throughout the country, within the framework of the unity of the state" (Chap. 1). Article 14 belongs in Chapter 1 of the constitution, which includes "provisions of a general and more fundamental character".<sup>19</sup> Thus, decentralisation emerges as a constitutional principle, which reflects the paramount importance of this concept.<sup>20</sup>

The new constitution has further explicitly emphasized the importance of local government by devoting an entire chapter to this topic, which is Chapter Seven. The first article in this chapter provides that "local government is based on decentralisation" (Art. 131). It thus recognizes decentralisation as the basis for arranging and distributing power among different layers of government in the country. This can be considered as an extremely significant change in comparison with the old constitution that included merely one article on the territorial organisation of the country. The new constitution provides that local governments have their own legal status as well as administrative and financial independence (Art.132, Chap. 7). It also provides that these local authorities are to be elected by the people in universal, free and fair elections (Art. 133). Indeed, in order for local government to achieve the desired objectives, they need to enjoy a certain regulatory authority, be able to control some administrative assets such as facilities, equipment, and personnel, enjoy self-generated or allocated sources of revenues, recruit personnel from the local and regional levels, and provide citizens with adequate opportunities to take part in decision-making through elected councils.<sup>21</sup>

The constitution identifies three levels of local government; municipality, region, and district (Art. 131):

- 1. Municipality: this is the smallest level. Municipalities existed since the independence. They used to be elected also before 2011 but did not cover the whole Tunisian territory.
- 2. Regions: A new decentralized level of government. Regional councils will cover the same territory as governorates, which are a de-concentrated level of government that existed before the revolution and that are headed by appointed representatives of the central government. Governorates are divided into delegations and sectors. With the new constitution, governorates will remain de-concentrated bodies headed by appointed governors, but regional elected councils will be established in parallel.
- 3. Districts: A new level of local government created by the new constitution, and each district will group together several governorates. The distribution of districts is not yet finalised.

In the constitution, all three levels must cover the entire territory. The idea behind the creation of the district is to ensure maximum integration and complementarity between different regions. These three levels will have own powers, powers transferred to them by the central authority, and powers shared with the central authority. Besides, "the law may provide for the creation of specific types of local authorities" (Art. 131). Some however perceive this as an excessive movement towards decentralisation, which may not take into consideration the small size of the country and the elevated costs of decentralisation.<sup>22</sup>

As to the question of accountability, the constitution stipulates that local authorities "are subject to postaudit to determine the legality of their actions" (Art. 138). The constitution also provides for decentralised cooperation: local governments may cooperate with other local authorities either inside or outside the country (Art. 140). The new constitution emphasizes also the participatory approach and the principles of good governance so as to ensure the participation of different segments of society in local development and enhance transparency and accountability (Art. 139).

<sup>&</sup>lt;sup>19</sup> Ibid.

<sup>&</sup>lt;sup>20</sup> Ibid.

<sup>&</sup>lt;sup>21</sup> Ibid.

<sup>&</sup>lt;sup>22</sup> Hamami, J. 2014. <u>قراءة أولية في الدستور: ديمقراطية محلية في انتظار التجسيم</u> Sawt-achaad, 28 March 2014.

On the national level, all local councils will be represented by the High Council of Local Authorities that is established by Article 141. This new body can have an instrumental role in advising on issues of local financing and in the coordination of administrative efforts between different layers of government and also in avoiding or resolving possible conflicts. This council will constitute "an important forum to discuss local issues, something that is desperately lacking in just about every other country in the Arab region."<sup>23</sup>

The constitution also provides safeguards against potential risks of decentralisation. For instance, it can potentially instigate conflicts between local and national interests. Identifying such conflicts at the outset is necessary to ensure that the interests of all regions are considered when designing policies and developmental plans. On the question of balance between national and local interests and the need to prevent hegemony over local resources, Article 13 provides that "natural resources belong to the people of Tunisia" and "the state exercises sovereignty over them in the name of the people". By emphasizing the importance of national unity, the authors of the constitution seem to acknowledge the potential risks of decentralisation. It is possible for local government to nurture and develop linkages between local communities, and these linkages can eventually challenge national unity. That is why the Tunisian constitution seems to combine the need for decentralisation with the need to preserve the national unity as underlined in Article 14.<sup>24</sup>

If not carefully administered, decentralisation can lead to deepening inter-regional imbalances and driving instability. This is possible because regions do not enjoy equal resources and economic activities. Consequently, some regions will be able to generate more revenues than others and provide better services to their citizens. The constitution thus provides for the application of the principle of solidarity in allocating additional resources for local authorities (Art .136). The principle of solidarity is important in the sense that it prevents the evolution of these differences into disparities by adjusting the division of resources, and thus it contributes to the sustainability of the decentralised system.<sup>25</sup> To ensure the creation of efficient local governments, the constitution establishes that "all creation or transfer of powers by the central government to the local authorities shall be accompanied by corresponding resources" (Art. 135). The allocated resources will be "proportional to the responsibilities that are assigned to them by law" (Art. 135). Joint and transferred powers are distributed based on the principle of subsidiarity.

Overall, the constitutional guidelines announce a shift from an excessive focus on central authority towards a more balanced distribution of powers. The constitutional text provides a general, overarching paradigm that would guide the process of designing a decentralised model in new legislations on local government. However, Chapter Seven will not enter into effect as long as these legislations are not adopted.

#### 2.3. Towards the adoption of key legislations

Following the ouster of the former regime, municipal councils were dissolved and replaced by appointed special delegations. These new delegations, however, encountered enormous challenges in handling local affairs: while legal, the lack of legitimacy rendered them fragile, which led to the re-formation of some delegations more than once since 2011. Eventually, six years after the revolution, municipalities' contribution to local development remains limited. This has resulted in culminating frustration with the current situation and calls for the necessity to hold local elections in the earliest possible date.

 <sup>&</sup>lt;sup>23</sup> Al-Ali, Z. Ben Romdhane, D. 2014. <u>Tunisia's new constitution: progress and challenges to come</u>. Open Democracy, 16 February 2014.

<sup>&</sup>lt;sup>24</sup> Fedtke, J. 2013. <u>Tunisian Constitutional Reform and Decentralization: Reactions to the Draft Constitution of the Republic of Tunisia.</u> International IDEA and the Center for Constitutional Transitions at NYU Law.

<sup>&</sup>lt;sup>25</sup> World Bank. 2015. Note d'Orientation en matière de Décentralisation. World Bank.

Yet, with the delay of the adoption of the electoral law, the date for municipal elections was repeatedly postponed. According to the High Independent Authority for Elections (ISIE), keeping a six-month window between the approval of a law regulating the elections and the holding of the vote was necessary. After the adoption of the amended electoral law in January 2017, municipal elections were scheduled to take place in December 2017 and signal the first free and transparent municipal elections in Tunisia. The unreadiness of some political parties to tackle the electoral challenge and concerns about the Assembly's ability to pass the code on local councils before the elections led to postponing the election till March 2018.

#### The adoption of the electoral law

In January 2017, the Assembly of the Representatives of the People adopted the long-awaited law on elections and referenda. The new law completes and amends the organic law on elections adopted on May 26<sup>th</sup> 2014, and it will govern all types of elections and referenda; parliamentary, presidential, regional, and municipal. Creating a unified law seeks to avert possible confusion among voters regarding the conduct of elections and to avoid any inconsistencies between separate laws.<sup>26</sup> The process of adopting this law encountered multiple challenges. Political reasons could have been behind this delay with some parties knowing intense internal conflicts and divisions, which made them unready and unwilling to tackle the electoral challenge. But also acute disagreements on certain provisions of the law were at the heart of this delay. Points of contention included issues like the electoral threshold, public funding for electoral campaigns, control of foreign funding, dispute resolution, and control of campaign financing.

One issue stood out as more controversial though and continues to divide even after the adoption of the law, namely the provision to grant military and internal security personnel the right to vote. This question is of great importance regarding the long-standing neutrality of the Tunisian military establishment. Proponents of this provision argue that members of the military and security forces need to enjoy their full rights as citizens since the constitution grants the right to vote to all citizens without exception (Art. 21). Moreover, security forces contributed to succeeding national elections in 2011 and 2014 without siding with any political party, which makes fears about affecting the neutrality of the security institutions unjustified.

Others, however, expressed some fears about involving army and internal security forces in political calculations and raised practical issues with regard to the implementation of the law. They argued that the law needs to adhere to the principle of neutrality of military and security institutions as set out in Articles 18 and 19 of the Constitution. As for issues of implementation, most military personnel are deployed in cities other than those where they are registered and where they would need to vote. Allowing all security personnel to travel to those cities where they actually need to vote in a single day may pose practical issues.<sup>27</sup> Questions are also raised about how they should be approached by political parties.

Yet, the electoral law has provided some safeguards to avert potential risks. Army and security personnel have the right to vote only in municipal and regional elections and they are not eligible to run for these elections. Plus, they have no right to participate in electoral campaigns or party meetings or any other activity relevant to the elections, and any breach of these rules is sanctioned by law. Besides, they will be able to cast their votes ahead of the general vote, but their votes will not be sorted separately. Specific details on arranging this process will be determined by the ISIE.

#### The code on local collectivities- in progress

<sup>&</sup>lt;sup>26</sup> Thomas-Arnold, E. 2016. <u>Building Tunisia's Legal Framework for Regional and Municipal Elections</u>. IFES, 16 February 2016.

<sup>&</sup>lt;sup>27</sup> Baraket, B. 2017. جدل في تونس بعد المصادقة على "تصويت العسكريين و الأمنيين". Alaraby, 1 February 2017.

While the Assembly of the Representatives of the People already adopted the amended law on elections last January, it still needs to adopt the Code on Local Collectivities (CLC). This single unified code will gather all laws on the organisational and financial issues related to local government. This departs from the current approach of having separate laws that concern local and regional councils such as law No. 33 of 1975 on municipalities, law No. 35 of 1975 on the budget of the local collectivities and law No. 36 of 1975 on the common fund of the local collectivities and Law No. 11 of 1989 on the regional councils and others. Gathering laws in a single code is expected to expedite the decentralisation process by ensuring that all necessary legislations are handled in a coherent way. It is also expected to make it easier for all interested parties be it political parties, civil society, or ordinary citizens to have one single reference on local government in Tunisia. The legislative reform related to governance, local councils, and decentralization is a continuous process. After the adoption of the present draft code, some other laws that will need to be revised to reflect the new constitutional principles will be integrated into the code.

The first draft of the CLC was published in October 2015. A nation-wide consultation ensued to discuss the draft. Since then, it has undergone many revisions till the latest draft was submitted to the Assembly in May 2017. The code includes 363 articles spread on two major chapters; the first one on common provisions that concern all tiers of local government and the second on specific provisions and it includes three titles with each one dedicated to the three decentralised levels. The draft code also includes transitional provisions (18 articles) that will ensure the transition from the current to the new decentralised structure. According to the strategic plan for implementing a decentralised system, Tunisia can reach an efficient decentralized system after 30 years. This process will be divided into three phases so as to allow room for evaluation and adjustments. During this phase, powers will be gradually transferred to local collectivities in relation with the development of financial and human capacities at the local level.

The code on local collectivities defines the organisation of different levels of local councils, their prerogatives, assets and financial matters, the relationship between different layers of government, relationship with civil society as well as cooperation with entities inside or outside the country. The new code is expected to recognize and reflect the developmental role of local councils by recognizing the constitutional principles. It should also further strike a balance between the prerogatives of local councils and the concrete financial resources needed to carry out their tasks and develop projects that could create jobs and drive growth. The code seeks to ensure that local councils manage public funds in the most efficient and transparent way by providing general guidance on how these funds should be used. It would also set mechanisms to ensure the accountability of local elected councils and provide a system of administrative control. Equally, it will provide guidelines for creating partnerships with other local authorities abroad to benefit from other countries' experiences; conclusions of these partnerships will be decided in consultation with relevant administrations in Tunisia to ensure compliance with the ultimate interests of the state and international agreements and conventions that Tunisia adheres to.

The Committee on Administration and Armed Forces in the ARP has organized meetings with a number of civil society organizations who offered to provide input on the draft code. Civil society activists lament that the discussion of the code was not prioritized in the Assembly despite the urgency of this issue.<sup>28</sup> Observers and civil society activists have further voiced some concerns about the draft code. To start with, the title of the code is problematic: while the constitution purposefully uses the term local "authorities" the draft code features instead the term "collectivities". This could signal resistance by the drafters of the code to guaranteeing the independence of local councils. However, to succeed this process, decentralisation

<sup>&</sup>lt;sup>28</sup> Interviews with representatives of Tunisian NGOs. Tunis, 13 July 2017.

should not be perceived as a threat to the central administration but rather as a mechanism to achieve development and stability. This does not seem to be the case in Tunisia where the central administration is perceived to be resisting this change, and in a way undermining the initial expectations from this process that were also enshrined in the constitution. Generally it was noted that the draft CLC does not ensure the administrative and financial independence of local councils by for example giving more powers to the deconcentrated administration represented in the governor (*Wali*).<sup>29</sup> Article 253 for instance stipulates that the governor has the prerogative to authorize or reject the implementation of decisions made by the municipality.<sup>30</sup> This shows that the appointed administration that represents the central government has more powers than the democratically elected local councils. Thus while in its introduction the draft code emphasises the need to cut with old practices and the old methods of governance, it does not sufficiently concretize these ideas.

Beyond these controversial points that could be addressed during discussions on the law in the relevant committees in the ARP, the critical question now is whether the new code will be adopted before or after the municipal elections. While the organization of the elections does not legally hinge on the prior adoption of the code, this likely scenario raises a number of concerns. In the absence of a new code, the local councils that will be established after the elections would continue to function according to current laws that do not recognize the administrative and financial independence of these councils. The current laws are in a stark contradiction to the new constitutional provisions that place local councils at the heart of local development. It is expected that the new code will replace the old laws as soon as it is adopted in the ARP. Yet, in the meantime, the new councils would lack the necessary legislative framework that allows them to draw yearly budgets and plans that reflect the new constitution and respond to people's aspirations.

Besides, with the increasing fragmentation within the political landscape in Tunisia and divergent stands on the date of the municipal elections, postponing the adoption of the code till after the elections could make it subsequently subject to partisan tensions. Political groups that perform well in the local elections could be more supportive of speeding up the process and devolving more powers to the local councils which also suggests more visibility for their elected representatives and an opportunity to work close to the people and eventually gain support for the legislative elections in 2019. On the other hand, the parties that will not perform poorly in the elections could try to block the adoption of the code and disrupt the decentralisation process.<sup>31</sup> This bears the risk of derailing the country's reform process and losing the trust of both the Tunisian population and international partners. It remains to be seen if the ARP will intensify efforts to adopt the code before the elections. Otherwise, political parties would need to come together before the elections and agree on a roadmap with fixed dates for the adoption of the code.

<sup>&</sup>lt;sup>29</sup> Bouhlel, S. 2017. <u>في نقاش مشروع مجلة الجماعات المحلية بالبرلمان...المجتمع المدني ينتقد العديد من الفصول و يقدم مقترحات التعديل</u> Assabah, 15 June 2017.

<sup>&</sup>lt;sup>30</sup> ARP. 2017. <u>Draft code of local collectivities</u>, May 2017.

<sup>&</sup>lt;sup>31</sup> Abderrahim, T. 2017. <u>Tunisia's Decentralization Process at a Crossroads</u>. Sada, 19 May 2017.

# 3. A favourable environment for decentralisation in Tunisia?

#### 3.1. Challenges to local empowerment

One of the key challenges facing the process of decentralisation is the legacy inherited from the previous regime. Before the revolution, there have been some attempts by the government to enhance decentralisation by for instance organising projects on municipal development in 1992 and 2010.<sup>32</sup> However, the scope and impact of these projects remained limited because they were not endorsed by political willingness to empower local government as it was feared that the central administration would be weakened in the process of delegating more powers to the lower tiers of government.<sup>33</sup> Regional and municipal councils lacked the necessary financial and human resources, were under excessive control from the ministry of interior, and were not representative of the broader population.

Plus, there was poor coordination between national, regional, and local plans and inadequate cooperation between these different levels of government. The absence of an empowering legislative and institutional framework compounded the problem. Besides, municipalities covered only 60% of the Tunisian territory, and more than <sup>1</sup>/<sub>3</sub> of the population were not covered by the municipal distribution. As a result, these councils were not able to respond to local needs and play an instrumental role in local development.<sup>34</sup> Regarding the legacy of a highly centralised state, there could be some resistance within the central administration to this change. Adopting a participatory approach and fostering citizen involvement can be curtailed because of a "conservative-minded public service" that is more favorable of receiving orders from the center under traditional procedures and through old channels of communication.<sup>35</sup> Recent studies on the situation of Tunisian municipalities reveal that weak local leadership and limited financial and human resources hinder active involvement of civil society.<sup>36</sup> The relationship between municipalities and the regional administrations remains also very weak.<sup>37</sup>That is why implementing decentralisation should go hand in hand with the reform of public administration.

A further challenge is to ensure sustained resources to succeed this process since additional funding will be needed to establish new municipalities, build and furnish facilities, and recruit new staff. Providing adequate training for the new councils will be necessary as well to develop their capacities at decision-making and mobilization of local resources while maintaining local stability. Decentralisation can have unexpected outcomes if not managed appropriately; one of those is to challenge the unity of the state. While this risk is not blatant in the Tunisian context, it is mandatory to adopt preventive measures to deter possible threats. The constitution already emphasizes the unity of the state and underscores the importance of cooperation between different municipalities or regions in certain fields like transport. Cooperative and twinning projects should be multiplied, as this should reinforce the connectedness and feelings of mutual dependence among different regions.<sup>38</sup>

<sup>&</sup>lt;sup>32</sup> World Bank. 2015. <u>Note d'Orientation en matière de Décentralisation.</u> World Bank.

<sup>&</sup>lt;sup>33</sup> Jasmine Foundation. n.d. <u>السلطة المحلية بين الواقع و الأفاق</u> Jasmine Foundation. n.d.

<sup>&</sup>lt;sup>34</sup> Hammami, M. 2014. <u>Développement économique: modèle et gouvernance de la decentralisation</u>. 31<sup>ème</sup> Congrès international de l'Ordre des Experts Comptable de Tunisie. Sfax, 17-18 September 2014.

<sup>&</sup>lt;sup>35</sup> Bergh, S. I. 2013. <u>Decentralisation and local governance in the EuroMed region</u>. Workshop organized by ARLEM. Brussels, 18 November 2013.

<sup>&</sup>lt;sup>36</sup> UCLG. 2015. <u>Observatory of Democratic Governance in the Mediterranean: Tunisia</u>. UCLG. Mediterranean Commission.

<sup>&</sup>lt;sup>37</sup> Ibid.

<sup>&</sup>lt;sup>38</sup> Interviews with representatives of Tunisian NGOs. Tunis. 13 July 2017.

Another potential threat of decentralization is to deepen regional disparities while attempting to reduce them. According to an expert from the World Bank, "it is impossible to create economic growth everywhere" in Tunisia because there is no balanced development to start with.<sup>39</sup> Some disadvantaged regions will most likely generate less local revenues than others because these regions have little economic activities to be taxed in the first place. As explained earlier in the paper, the constitution has already set out principles to address these differences in capacities such as emphasizing the principle of solidarity. Yet, it is expected that differences in the quality of service delivery among municipalities will continue for years ahead. Still, matching expectations with real capacities should be clearly considered from the outset. To ensure sustained popular support for this reform process, it is necessary to reinforce the participatory approach so that citizens feel engaged and active in this process. Mechanisms should be set also to ensure that choices made by citizens are binding on politicians.<sup>40</sup> Clear and efficient communication with citizens to inform them and discuss progress of development projects is necessary. This could reduce the risk of delaying progress of projects due to popular protests or strikes. Local elected officials particularly have a critical role in ensuring this clear communication thanks to their proximity to citizens.<sup>41</sup>

The media, be it national or regional, has an important role to play also in terms of guaranteeing support for the reform process basically by shedding light on successful experiences of local democracy in the country. While revealing shortcomings and cases of corruption is mandatory, it is important as well to show concrete positive examples that could be emulated in different regions. The media's role in supporting this process must start immediately, prior to the elections, by increasing understanding of the role of local councils according to the new constitution and how this is supposed to directly affect the daily life of citizens.<sup>42</sup> Most importantly, fiscal decentralization is needed so that the new municipalities will have the needed resources to play an active role in local development and ensure quality service delivery. This should go through fighting corruption and undertaking tax reform and fighting illicit financial flows.

Regarding all these challenges, it is imperative to keep people's expectations realistic. Local elections are not an end; they only signal the beginning of a long process. It is thus important not to set large expectations during the electoral campaigns; otherwise this might soon result in disappointment among local communities and loss of trust in the credibility and capacity of local government. This is all the more necessary regarding the widening gap between government and citizens.

#### 3.2. Opportunities - Progress despite limitations

Despite all these difficulties, the Tunisian context offers multiple reasons for optimism. To start with, local government is not a novelty in Tunisia as the first municipality in the country dates back to 1858. While the performance of municipalities has been marked by several deficiencies, Tunisia is not starting from scratch. There is a significant experience that the country can build on.

In order to overcome the challenges outlined above, an enabling political environment conducive to good governance is necessary. Over the past few years, and even before adopting the new constitution, there have been ongoing efforts at the central and local level to move forward the processes of decentralization and local development, spearheaded either by the government or by local communities (Box 1).

<sup>&</sup>lt;sup>39</sup> Wolf, A. 2014. <u>Tunisia's neglected interior builds itself up</u>. Aljazeera, 23 August 2014.

<sup>&</sup>lt;sup>40</sup> Interviews with representatives of Tunisian NGOs. 13 July 2017.

<sup>&</sup>lt;sup>41</sup> Ibid.

<sup>42</sup> Ibid.

#### Box 1: Jemna as a case of a community-driven local development

The oasis of Jemna is among the public lands that were leased to private investors in the early 90's to support the program of economic privatization.<sup>1</sup> After the ouster of Ben Ali, the residents captured the land, arguing that under the previous formula only the private operators benefited from the revenues of the land, which was rented for low prices that did not match the value of the oasis. The citizens further cast doubt on the former process of leasing the land to businessmen that they deemed as lacking transparency.

In 2011, the residents formed the Association for the Protection of Jemna's Oasis (APJO) to survey on growing the crops and ensure that the revenues be spent in a transparent and efficient way. Since the revolution, the yearly revenues were used to start developmental projects in the region. Collectively exploiting the land allowed hiring more than 133 permanent employees, up from only seven before the revolution. The residents are now free to use the revenues of the land to develop their region. The citizens' resistance has proven that the rich resources of their land enable them to enhance development in their area without relying on limited resources from the central government.

In September 2016, the government, which perceives that the citizens have no legitimacy to manage the land, intervened to prevent the association from selling the yield. The government also perceives that it is role is to protect public properties and national resources. Otherwise, the practice of seizing lands by citizens will lead to disintegrating the state and dismantling its authority. The residents refused to comply with the state decisions, and the auction was eventually conducted. The harvest was sold for 1.7m Tunisian dinars (around 690, 000 EUR) while the government used to rent this land for 30,000 Tunisian dinars (around 12,000 EUR). With this striking difference, the initiative received nation-wide support and raised questions about state policies related to management of public lands and the urgency of agricultural reform as well as the potential of local communities in development.

As promising as it is, this initiative encountered legal challenges that are compounded by lack of trust between the citizens and the government. Following the auction, the government stepped up measures to prevent the association from using the revenues of the land. On the other side, supporters and residents of Jemna protested the government's decision. After several rounds of negotiations, the government advanced two proposals. The Ministry of State Properties proposed the creation of a joint company for Agriculture Promotion and Development between the government (34%) and the residents (66%) to manage the land and thereby preserve the interests of both parties. The company would be able to rent the land for a small price during a period ranging from 25 to 30 years. The residents should contribute to this company through a cooperative. As for the Ministry of Agriculture, it proposed that the permanent workers at the land form a cooperative for agricultural production whose revenues would then benefit the whole community. A final settlement is yet to be reached.

The Tunisian government has expressed its commitment to empowering municipalities and placing them "at the heart" of the urban development process.<sup>43</sup> In 2014, the then interim government launched a fiveyear municipal investment plan worth US\$770 million to strengthen local authorities and tackle the needs of disadvantaged areas.<sup>44</sup> In March 2014, the Ministry of Interior released a circular outlining the principles that municipalities must respect in developing Communal Investment Plans, namely adopting a participative approach, following transparency and respect for principles of good governance, and developing the competencies of human resources at the municipalities in compliance with the process of decentralization.<sup>45</sup> However, there are great differences between municipalities on how they are faring on this point as some are more advanced than others.<sup>46</sup> In order to assist municipalities in developing the Communal Investment Plans, the Mol launched a program to train facilitators who would facilitate the discussion between the municipal council and citizens.<sup>47</sup>

<sup>&</sup>lt;sup>43</sup> World Bank. 2014. <u>Strengthening local government in Tunisia as a first step toward decentralization</u>. World Bank, 24 July 2014.

<sup>&</sup>lt;sup>44</sup> Ibid.

<sup>&</sup>lt;sup>45</sup> Collectivités Locales. 2014 برنامج الاستثمار البلدي

<sup>&</sup>lt;sup>46</sup> Bellamine, Y. 2015. Plans d'investissements communaux et participation citoyenne : le rôle crucial du facilitateur. Nawaat, 30 May 2015.

<sup>&</sup>lt;sup>47</sup> Ibid.

Central governmental departments such as Caisse des Prêtset de Soutien aux Collectivités Locales (CPSCL) and Direction Générale des Collectivités Publiques Locales (DGCPL) recognise the importance of reforming support mechanisms for local government.<sup>48</sup> Furthermore, there are different existing institutions that are involved in strengthening local authorities such as National Training Center for Local Governments and the National Federation of Tunisian Cities (FNVT). Their presence should be a great asset to the success of the experiment provided there is adequate coordination amongst them.

In March 2016, the Ministry of Local Affairs was established, and its key tasks are to prepare and survey on the implementation of the general policy for decentralization and enhance local development. Thus, local councils are no more under the tutelage of the Mol. In preparation for the next municipal elections, the process of re-organising the territorial division is finalised and municipalities now cover the entire Tunisian territory by creating new municipalities and expanding the boundaries of old ones.

Legislative reforms are undergoing. A new investment law and a new framework for public private partnerships were adopted as well. Moreover, in June 2016, the National Committee for Fighting Corruption announced the adoption of a national strategy on good governance and fighting corruption and the creation of special units for fighting corruption within every ministry. Another promising aspect is the strong involvement of civil society in this process. A number of active NGOs set observatories to monitor the work of municipalities and enhance citizen participation in preparing development plans. Civil society can indeed play an instrumental role in monitoring municipalities, facilitating citizens' access to information and increasing public understanding of the workings of local government. Better understanding of the role and methods of work of local councils would encourage citizens to be more engaged in local decision-making.

In the context of the search for a new development model to reduce regional disparities, the new national development plan 2016-2020 places a great emphasis on the importance of setting a strategic vision for promoting the social and solidarity economy.<sup>49</sup> To this end, the Tunisian Ministry of Development, Investment, and International Cooperation developed a strategic study on the social and solidarity economy in partnership with the United National Development Program. The government then organized a national conference last July to present the findings of the study and announced its five-point plan to promote the SSE:<sup>50</sup>

<sup>&</sup>lt;sup>48</sup> World Bank. 2014. <u>Strengthening local government in Tunisia as a first step toward decentralization</u>. World Bank, 24 July 2014.

<sup>49</sup> Ministry of Development, Investment, and International Cooperation. -20202016 المخطط التتموي

<sup>&</sup>lt;sup>50</sup> PNUD Tunisie. 2017. <u>Discours de Monsieur Youssef Chahed</u>. PNUD Tunisie, 5 July 2017.

- 1. Develop a comprehensive legal framework for the social and solidarity economy. This framework should set a clear and practical definition of SSE and should be in line with the new constitution and the principle of equal right to sustainable development
- 2. Establish a national and regional governance system that reinforces a participatory approach and the principles of good governance. This should be supported by the creation of:
  - An independent national body that would survey on the implementation of this strategy and be responsible for the coordination between different concerned parties.
  - A higher council on social and solidarity economy that would serve as a platform for dialogue and exchange on this sector.
  - Establish a statistical system concerned solely with the SSE so as to provide accurate data on this sector and facilitate monitoring and evaluation.
- 3. Set a financing system that responds to the specificities of this sector and that would finance national bodies working on the SSE as well as finance SSE projects
- 4. Develop a national program that promotes initiatives related to the social and solidarity economy to develop the culture of SSE particularly among young people
- 5. Set a national plan of communication around SSE to increase understanding about is principles and characteristics

The social and solidarity economy is now perceived by the Tunisian government as a key sector that could greatly contribute to creating wealth and jobs besides the public and private sectors. The emphasis on this type of economy is driven by the belief in the potential of the social and solidarity economy for creating jobs, boosting revenues, reducing regional disparities, and favouring social inclusion and cohesion.

The strategy announced by the government to promote the SSE holds the promise of multiplying the Jemna experience and of providing a favourable legislative framework that could encourage such initiatives to blossom. The Code on Local Collectivities could provide directions to address this issue by emphasizing the role of the local communities in managing local affairs and starting discussions on the properties of multiplying.

## 4. The role of foreign actors

It emanates from the preceding analysis that a combination of bottom-up and top-down approaches are necessary to ensure parallel efficient processes and advance Tunisia's decentralisation process. Tunisia's partners need to step up support for institutional and legislative reforms in the country by backing concrete government initiatives. What is also needed is to support government-led programs that focus on capacity building at the local level and that seek to direct citizens and local councils on how to mobilize local resources for development and ensure effective and efficient resource-management.

External support for decentralisation efforts in Tunisia has started far before the revolution, but this theme has significantly gained momentum since 2011 in accordance with the growing importance of this topic domestically. The EU and the UNDP emerge as among the most active supporters of Tunisia's decentralization process.

#### 4.1. The European Union

At the wake of the revolution, Tunisia signed a privileged partnership with the EU, which perceives that along with its member states are best suited to support Tunisia's democratic transition. This proximity could be explained by history and geography but could also be explained by recent attempts from responsible on both sides of the Mediterranean to deepen this relationship. According to the EU, the relationship with Tunisia is strategic and global and the EU is well-positioned to provide not only economic and financial but also political support.<sup>51</sup> The EU thus seeks to deepen the relationship with Tunisia across all levels, in accordance with the principle of differentiation in the revised ENP. This position was reiterated in the joint communication of September 2016 on strengthening European support for Tunisia.

The EU recognizes the importance of the issues of regional development and administrative reform in Tunisia. According to the EU, its support for decentralisation and local governance in Tunisia is driven by its awareness of the importance of the role of local authorities in development; hence comes the EU's emphasis on local and regional development, a field where the "EU's trademark is well recognized".<sup>52</sup> Financial and technical support for these issues includes programs of the European Neighbourhood and Partnership Instrument (ENPI) and the European Neighborhood Instrument (ENI), thematic instruments and programs, and the Neighborhood Investment Facility. Assistance under the ENI (213, 5 millions € for 2016) focuses on four key areas amongst which support for the reform of public administration through the Program on Modernisation of Public Administration (MAPU). The EU supports the Tunisian government in its effort to increase accountability and renew the relationship between citizens and the administration.<sup>53</sup> This point is particularly relevant for Tunisia's ongoing decentralization process as the absence of accountable and active administrations could hinder growth and progress.

The EU has also started a pilot project on integrated local development worth €60 million that aims at enhancing the process of decentralisation and address regional disparities.<sup>54</sup> The EU announced its commitment to support building service oriented administrations and boost local governance in marginalised areas by providing advice on developing the role of municipalities in policy development and

<sup>&</sup>lt;sup>51</sup> Délégation de l'Union Européenne en Tunisie. 2017. <u>Rapport d'activité</u>. p.7

<sup>52</sup> Ibid. p.62

<sup>&</sup>lt;sup>53</sup> Ibid. p.81

<sup>&</sup>lt;sup>54</sup> European Commission. 2016. <u>The EU is providing aid worth €213,5 million to Tunisia for reforms and funding social infrastructure</u>.

coordination, human resources, accountability and service delivery.<sup>55</sup> This program focuses on reducing regional disparities by supporting actions at the municipal level in the governorates of Jendouba, Kasserine, Gafsa and Tataouine.<sup>56</sup> The EU has further announced its commitment to provide technical assistance to the Tunisian authorities in identifying local barriers to the growth of economic activities. This diagnosis that would be based on the result of surveys of entrepreneurs in the regions will serve as a basis for a strategy to restore the growth and attractiveness of the most disadvantaged regions.<sup>57</sup> Besides working with administrative institutions, the EU supports civil society organizations that work on issues of local democracy, such as with the award-winner AI Bawsalawhich launched its project MarsadBaladiya (municipal observatory) in 2014. Al-Bawsala has played a key role in monitoring the activities of the constituent assembly, and now it aims to take this role to the municipal local level. Support for such projects is critical as they play a key role in reinforcing mechanisms of transparency and accountability.<sup>58</sup>

In general, these programs fall within the EU's focus on governance in Tunisia. The EU perceives that the diversity of experiences in European countries could help respond to citizens' aspirations and expectations in Tunisia by providing its know-how to Tunisian partners. These projects are also in line with demands on the Tunisian side. Improving governance is indeed one of the key points in Tunisia's development plan 2016-2020. Regarding the diversity of actors working on this theme in Tunisia, coordination continues to be a challenge. In general, the evaluation report by the European Court of Auditors noted that there is generally some level of coordination between EU and other main donors as well as within EU institutions and departments. Coordination and joint programming however remains missing between member states.<sup>59</sup> The EU joined the second phase of Moussanada Fund, which was initiated, by the World Bank and Switzerland in 2014 to coordinate actors' technical and financial support for Tunisia's reform of the financial sector, governance, and local authorities and decentralization. Donors thus contribute their grants to this multi-donor trust fund to avoid duplication and improve effectiveness of donations.<sup>60</sup>

To address the issue of coordination, in June 2016, Tunisia and its international partners including the EU, the G7 and IFIs launched a new coordination mechanism focusing on economic and governance reform. This mechanism seeks to facilitate exchange on on-going reforms and implementation of projects between the Tunisian government and its international partners.<sup>61</sup> The mechanism is headed by the Tunisian minister of foreign affairs and by the ambassador to Tunisia of the country presiding over the G7. The launching of this coordination mechanism was deemed as "an important first step toward broadening input on Tunisia's policy challenges".<sup>62</sup> However, it is perceived that the mechanism as it stands now poses a number of challenges, mostly how to incorporate more Tunisian leadership and commitment and how to ensure more accountability and transparency for Tunisian governmental institutions, civil society, and foreign actors.<sup>63</sup>

<sup>&</sup>lt;sup>55</sup> European Commission. 2016. Joint Communication to the European Parliament and the Council: Strengthening EU support for Tunisia. Brussels, 29 September 2016.

<sup>&</sup>lt;sup>56</sup> Délégation de l'Union Européenne en Tunisie. 2017. <u>Rapport d'activité</u>. p.16.

<sup>57</sup> Ibid. p. 63

<sup>&</sup>lt;sup>58</sup> Ibid. p. 80

<sup>&</sup>lt;sup>59</sup> European Court of Auditors. 2017. <u>Special Report. EU Assistance to Tunisia</u>. Luxembourg: Publications office of the European Union, 2017. p.6.

<sup>&</sup>lt;sup>60</sup> Délégation de l'Union Européenne en Tunisie. 2017. <u>Rapport d'activité</u>. p. 65.

<sup>&</sup>lt;sup>61</sup> Muasher, M. Pierini, M. Aliriza, F. 2016. <u>Capitalizing on Tunisia's Transition: the Role of Broad-Based Reform</u>. Carnegie Endowment for International Peace, November 2016. p. 5.

<sup>&</sup>lt;sup>62</sup> Ibid.

<sup>63</sup> Ibid.

The European Court of Auditors judged that money dedicated for Tunisia was generally well-spent despite some issues with the management of the assistance.<sup>64</sup> Shortcomings in management are due to the wide variety of sectors that required attention, and consequently this made it not possible to focus support on specific areas. Slow implementation was another shortcoming of the EU's development aid, best evidenced in the lengthy process of the approval and disbursement of the MFA loan. The ECA report further noted that certain projects lacked credible strategies or lacked specific and measurable objectives. The EU's delegation work was also affected by the very slow pace of undertaken reforms in Tunisia. This slow pace in turn is related to successive changes in government over the last years since the revolution.<sup>65</sup>

#### 4.2. The UNDP

The UNDP's current program of cooperation with Tunisia focuses on three key themes: democratic governance, establishing an inclusive, durable, and resilient economic model, and social protection and equitable access to social services.<sup>66</sup> The Country Programme Document (CPD) 2015-2019 aims to accompany Tunisia through this transitional period in building a sustainable democratic system and supporting inclusive and sustainable growth, generating significant progress in human development, poverty reduction and job creation, especially at the local level.<sup>67</sup> Most importantly, the UNDP cooperates with the Ministry of Development, Investment, and International Cooperation on developing a national strategic vision for the promotion of the Social and Solidarity Economy (SSE). In the context of its project "Inclusive Growth and Human Development" financed by the Swiss Cooperation, the UNDP supported the Ministry of Development, Investment and International Cooperation in launching a study to analyse the institutional, legislative, financial, fiscal and regulatory framework to better define the different actors involved in the social and solidarity economy and how they can play an efficient role in Tunisia's new development model. This approach seeks to turn the social and solidarity economy into a real pillar and driver of inclusive growth and generation of wealth and employment. The "Inclusive Growth and Human Development" project aims to consolidate the government's efforts towards introducing new public policies aimed at achieving significant progress in terms of development, poverty alleviation and job creation, especially for youth and women.<sup>68</sup>

This is in line with the choices made in the Tunisian 2016-2020 development plan, which aims to set a strategic framework for developing the social and solidarity economy including an implementation plan for the coming years. Eventually in July 2017, the Tunisian government and the UNDP organised the national conference entitled "The Social and Solidarity Economy: Pillar of development in Tunisia" where the results of the aforementioned study were presented. The study reveals that the Social and Solidarity Economy is important in terms of wealth creation; it accounts for between 6% and 7% of GDP in OECD countries. It is seen as a definite pillar for job creation: 250 million full-time or part-time jobs have been created in the G20 countries, representing 12% of total employment in these countries. Accurate statistics are lacking for developing countries, but there are many concrete examples and success stories that confirm the value of the SSE.

<sup>&</sup>lt;sup>64</sup> European Court of Auditors. 2017. <u>Special Report. EU Assistance to Tunisia</u>. Luxembourg: Publications office of the European Union, 2017. p.6.

<sup>65</sup> Ibid. p.7

<sup>&</sup>lt;sup>66</sup> Ministère des Affaires Etrangères. n.d. <u>La Tunisie et le programme des Nations Unies pour le Développement</u> (PNUD).

<sup>&</sup>lt;sup>67</sup> UNDP. 2014. Plan d'Action du Programme de Pays 2015-2019. UNDP. 2 December 2014.

<sup>&</sup>lt;sup>68</sup> UNDP.n.d. <u>Croissance Inclusive et Développement Humain</u>.

According to the development plan 2016-2020, the SSE has the potential to contribute around 1.5% of employment by 2020 up from the current 0,5%.<sup>69</sup> The SSE is now considered as a concrete alternative that could respond to young people's pressing needs, especially in vulnerable communities. Besides, the SSE could help building inclusive, durable, and resilient communities. According to the UNDP coordinator, the strategy proposed in the strategic study capitalizes on existing initiatives and suggests a holistic and coherent framework and road map to guarantee the development of the SSE in Tunisia. The UNDP coordinator further announced that the United Nations agencies would work on setting a joint initiative to coordinate the operationalisation and implementation of this strategy.<sup>70</sup>

According to the UNDP, the adoption of the new constitution offered the opportunity to introduce and test innovative mechanisms to improve local democratic governance. The program "Support to an integrated and Sustainable Local Development through the Articulation of Territorial Platforms in Tunisia" (ATP Program) responds to the country's need for enhancing local governance. The UNDP launched the ATP Initiative in 2005 as an innovative global program that promotes the territorial approach to development.<sup>71</sup> Moreover, the UNDP assisted the National Body for Fighting against Corruption (INLUCC) in setting an action plan for the national strategy for good governance and the fight against corruption. The action plan seeks to establish integrity islands (police, customs, municipality and health), with the prospect of subsequently expanded the experiment to other sectors. This approach seeks to concentrate resource and target specific areas of intervention in order to maximize results.<sup>72</sup> The UNDP also relied on supporting social entrepreneurship to boost social and solidarity economy and strengthen resilience in these communities.<sup>73</sup> The UNDP's project "Accelerated Creation of Jobs and Entrepreneurship" addresses the question of unemployment in the southern governorates of Medenine and Tataouine by assisting qualified women and young people from these governorates to create their own start-ups.

In preparation for the upcoming elections, the UNDP Tunisia office is implementing a project with financial assistance from Germany to provide assistance to a number of governmental institutions such as the Independent High Authority for Elections (ISIE), the High Authority for Audiovisual Communication (HAICA) and the Administrative Court in the organization of the upcoming municipal elections.<sup>74</sup>

#### 4.3. The way forward

Sustaining financial and technical support for institutional reform and local actors on the ground is mandatory to succeed the Tunisian transition. Sharing lessons learnt through other countries' experiences in the field of governance reform is critical. After the elections, sustained support for continuous training programs carried out by Tunisian civil society in favour of the new elected members will be needed as this training will be necessary to ensure that local representatives are able to implement the new democratic model.<sup>75</sup> Support could also be provided to the media sector, to establish a professional media that could

<sup>&</sup>lt;sup>69</sup> Ministry of Development, Investment, and International Cooperation. -20202016 المخطط التتموي

<sup>&</sup>lt;sup>70</sup> PNUD. 2017. <u>Conférence Nationale sur « l'économie sociale et solidaire : levier de développement en Tunisie</u>. PNUD, 5 Juillet 2017.

<sup>&</sup>lt;sup>71</sup> The territorial approach is defined by the UNDP as an approach "based on multi-sector, multi-partner (public, private, civil society, academia, traditionally excluded groups...), and multi-level (national, regional and local) platforms, where the plurality of actors of a given territory work jointly for the promotion of the sustainable development of that given territory."

<sup>&</sup>lt;sup>72</sup> PNUD. 2016. <u>Après la validation de la stratégie nationale de bonne gouvernance et de lutte contre la corruption, le plan d'action se met en place.</u> PNUD, 22 October 2016.

<sup>&</sup>lt;sup>73</sup> PNUD. 2014. <u>Appel à candidature aux organisations de la société civile et aux entrepreneurs sociaux à Médenine et Tatouine</u>. PNUD, 23 Septembre 2014.

<sup>&</sup>lt;sup>74</sup> PNUD. 2017. <u>La Tunisie se prépare à organiser ses élections municipales avec l'appui de ses partenaires</u>. 4 July 2017.

<sup>&</sup>lt;sup>75</sup> Interviews with representatives of Tunisian NGOs. Tunis. 13 July 2017.

play a constructive role in building trust between the government and citizens. This in turn reinforces monitoring and accountability and civic participation. The ECA's report noted that the lack of cohesive national development plan made it hard for the donors to identify priority areas, needed funding, and possible indicators for assessment. These obstacles should now be overcome as Tunisia has now approved its National Development Plan for 2016-2020, Steering donor assistance towards national strategic objectives should help accentuate the impact of the programs of donor assistance.

The successful execution of programs started by the international partners will hinge on several elements of the regional and domestic context. Regional factors could possibly affect donor support for Tunisia. In a very volatile region, it is important that any emerging security concerns do not override the focus on domestic reform agenda in Tunisia. Domestically political stability is needed to ensure sustained donor commitment. The Tunisian government should demonstrate its commitment to the reform process to first ensure buy-in of public policies by the Tunisian population and second guarantee sustained support of international partners. The Tunisian government needs also to assume its responsibility in particularly ensuring the sustainability of projects initiated by donors at the local level.

## 5. Conclusions

The analysis presented in this paper shows that Tunisia has indeed taken important strides towards implementing local democracy. A legislative and institutional reform was started by the Tunisian government, supported all the way by the increasingly active civil society and by the country's international partners. Meanwhile, local communities have taken concrete initiatives towards participatory governance, capitalizing on the opening up of the public space after the revolution even though legislative hurdles challenged these initiatives at times. That being said, the reform process has just started, and the actual challenges are concrete. The success of this journey hinges on a myriad of factors.

Almost all sectors plead for attention. The reform is thus complicated especially regarding the extremely bureaucratic nature of the Tunisian administration. A strategic approach and a clear political vision and determination are necessary to keep sustained efforts towards reaching the desired objectives. The Tunisian government needs to enforce adequate participation in the process through engaging with the media to 'publicize' the government's work and re-store public trust in the process. Succeeding the fight against corruption is necessary. As decentralisation risks devolving corruption to the local level, which is not a novelty in Tunisia, the government needs to fight corruption at both central and local levels. If efforts to fight corruption are intensified at the central level, newly locally-elected officials will be more likely to comply. Eliminating corruption would ensure not only more transparency and accountability but also would provide more resources for the government and eventually reduce dependency on foreign donors. Establishing concrete measures to curb corruption along with a tax reform should provide the needed resources to spur local development and achieve growth.

In order to implement democracy at the local level, Tunisia is currently preparing for its first municipal elections since the revolution. However the decision to postpone the elections from 17 December 2017 to 25 March 2018 may very well threaten the government's credibility inside and outside the country. The successful election of municipal councils will also hinge on the adoption of the Code on Local Collectivities that is being discussed in the ARP. Moreover, the election of new municipal councils will establish only one level of the three decentralised levels that should cover the entire territory as outlined in the constitution. Regional councils and districts still need to be established. The regional elections were initially planned to take place simultaneously with the municipal elections, but this was later deemed difficult for technical and financial reasons. It remains to be seen when the regional elections will eventually take place.

On a positive side, the reform process has started. Sustained efforts from the government and continuous citizen engagement are necessary for the process to bear fruits. Over the last years, Tunisia has gained some experience in the field of local and participatory democracy. Capitalizing on this experience and the local potential is necessary to ensure ownership of the process and to guarantee that policies and reforms adequately respond to local needs. What is needed also is close cooperation with regional neighbours who are undertaking similar reforms, particularly Morocco. The latter would be a viable partner to engage with in terms of sharing experiences and lessons learnt because of the multiple similarities between both countries. While Morocco has achieved more progress in terms of economic progress and reducing unemployment, regional disparities continue to be an ailing issue for both countries. Tunisia's international partners need to continue developing initiatives grounded in local realities particularly by capitalizing on the new approved development plan 2016-2020 and the new strategy on social and solidarity economy.

Centralisation and decentralisation are not either-or conditions. Usually a balance between both is needed to ensure efficient functioning of government. It remains to be seen how the code on local collectivities that is being discussed in the Assembly will ensure this balance. It also remains to be seen when the local elections will finally take place, after multiple delays that are projected to have an impact on voter turn-out.

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