Country Strategy and Programme Evaluation
Republic of Tunisia

Over the past 15 years, Tunisia has made real progress in reducing poverty, bringing the rate down to 15.5 per cent. Nevertheless, socio-economic disparities between urban and rural areas have not diminished. Growing youth unemployment in rural areas is an important concern.

IFAD has been working in partnership with the Tunisian government since 1980 to improve the living conditions of vulnerable rural populations through major socio-economic and natural resource management investments and the strengthening of farmers’ organizations to support crop and livestock production. Since the start of its operations in Tunisia, IFAD has contributed financing to the tune of US$174 million to 13 projects with an estimated total cost of US$465 million.

This is the second Country Strategy and Programme Evaluation conducted by IOE in the Republic of Tunisia. It covers the period from 2003 to April 2018. Its main objectives were to evaluate the results and performance of the IFAD-funded strategy and programme and arrive at conclusions and recommendations for the future partnership between IFAD and Tunisia for the eradication of rural poverty.

Main findings of the evaluation

Over the past 15 years, the country programme has shifted from an integrated territorial development approach with a heavy emphasis on the valorisation of natural resources toward more complex projects, preserving their territorial dimension but adding a promising approach that emphasizes the development of agropastoral value chains. This shift is aligned with IFAD and government strategies and targets the disadvantaged Centre-North and South regions.

The country programme has contributed to an increase in productivity and agricultural diversification, income and human capital, thanks to investments in socio-economic infrastructure (rural roads and potable water) and natural resource management (irrigation, water and soil conservation, tree planting, rangelands development),
jointly planned and implemented with the beneficiary populations and public entities. Significant progress has been made in terms of the rural population's participation in infrastructure management and collective initiatives through the creation and strengthening of farmers' organizations. Several relevant partnerships with research institutions, deconcentrated public technical services and non-governmental organizations have contributed to the results obtained.

However, there has been limited scaling up of the results due to the low levels of involvement by the regional and central governments in project monitoring, the low priority of knowledge management in the portfolio, and IFAD's limited policy engagement with the government and other development partners. Support for income-generating activities (IGAs) directly targeting the poorest and most vulnerable households, women and young adults has been a weaker point, due to the lack of adequate means, limited efforts to develop tailored financial services and inconsistent follow-up. The evaluation also noted sustainability risks related to the environment, such as the overexploitation and salinization of water resources, and farmers' organizations, who need an adjustment of their legal status and continued coaching.

The country programme has not succeeded in implementing genuinely innovative approaches that prioritize the poorest and most vulnerable rural households. Geographic targeting has made it possible to concentrate interventions in especially disadvantaged areas, notably with respect to the degradation of natural resources; however, a disproportionate amount of investments in these areas has been relatively more beneficial to crop and livestock producers who are better off (irrigated land, pastureland development) or the population as a whole (roads, potable water, organizational support and outreach); while activities directly targeting the poorest and most vulnerable households, rural women and young adults (IGAs, the distribution of olive seedlings) account for a much smaller proportion of the financing.

### TUNISIA AT A GLANCE

- **Population**: 10,982,754 (2014)
- **Rural population**: 33 per cent (2017 est.)
- **Gross domestic product growth rate**: 1.9 per cent
- **National proportion of rural poor**: 15.5 per cent (2016)
- **Life expectancy at birth**: 75.15 years (2016)
- **Human development index**: 0.72 (2016)
- **Total projects financed with loans**: 13
- **Total IFAD loans approved since the first loan to the country**: US$174 million

**Sources**: World Bank; United Nations Development Programme, National Institute of Statistics

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**Main recommendations**

- **The government and IFAD should ensure that in targeting financing and interventions, priority is given to the poorest and most vulnerable rural populations, especially women and young adults.** Poverty-based geographic targeting is still important, but the targeting should also be based on the rural economy's development potential. It should be supplemented with the targeting of the most vulnerable social groups, with a focus on rural women and young adults, through direct support for capacity building and the strengthening of productive capital.

- **IFAD financing should further strengthen and scale up innovative interventions that promote rural poverty reduction, in coordination with a wide range of stakeholders.** IFAD and the Government should continue their support to poor value chains, while bringing methodological and technical innovations that are tailored to the situation of the poorest population, particularly women and young adults, and boost their economic capacity, empowerment and resilience to economic and climate shocks. It is important to expand the partnership between the projects and the private sector, research and development institutions and civil society.

- **The government and IFAD should strengthen their strategic partnerships to promote policy engagement.** The future COSOP should detail the policy engagement topics, linking them with the approaches and results of the portfolio, and indicate the means that will be mobilized to support that engagement. A recommended topic is the promotion of inclusive and sustainable development approaches for agropastoral value chains and related economic activities in rural areas.

- **The government and IFAD should consider tailoring the institutional establishment and anchoring of the projects in terms of the nature and approach of future country programme interventions in the context of decentralization.** In line with decentralization, regional and communal political authorities should be more involved in the projects. Project management units should be strengthened with competitively recruited staff, and the state personnel assigned to the projects should be fully available.