Competitive Cities TDD Action Planning
Sfax, Tunisia

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1. Key takeaways from Competitive Cities TDD

1. **Find your own way to be a competitive city** (*learnt from the TDD*): each city has its specifics and the Competitive Cities approach is a flexible framework focusing on private sector needs to help local governments leaders identifying paths towards increased competitiveness.

2. **Rationalize your local government** (*learnt from local partners*): to avoid engaging in unsuccessful or even harmful policies, it is key that local governments rationalize (i) their decision-making and (ii) their functioning.

3. **Challenges faced by local governments show similar patterns across the world** (*learnt from exchanges with peers*): For example, like in Tunisia currently, when the Philippines decentralized in 1991, its local governments were fiscally and technically weak, and not ready to receive important new attributions.
2. What needs to be accomplished

• **Challenge 1**: a low added value economy

**How to address this challenge**: informed strategy focusing on key sectors and value chains capable of concretizing a qualitative upgrade of the local economy

• **Challenge 2**: a limited mayor’s wedge

**How to address this challenge**:
- a- Extend the city’s wedge by forming and leading coalitions
- b- prepare for the upcoming decentralization
3. Actions to be taken with milestones

Vision Sfax 2035: From a low value added production center to a high value added agribusiness industrial hub*

- **Milestone 1 (within 9 months)**: City of Sfax G2B services improvement plan is designed; includes scenarios for impact upcoming decentralization
  - Map, assess and propose improvements of municipal G2B services
  - Identify with the private sector the most urgent services to improve
  - At all stages: Engage Sfax municipal staff for ownership and smooth change

- **Milestone 2 (within 12 months)**: Sfax G2B services improvement plan is adopted by the municipal council and implementation launched
  - Launch immediately a set of high priority flagship projects identified with private sector (within 1 month after adoption)
  - Create in the municipal administration a manager position with extended attributions in charge of relations with the private sector

- **Milestone 3 (within 15 months)**: City of Sfax Development Plan; materializing the Sfax 2035 vision into a set of concrete policies and projects; include scenarios for impact of upcoming decentralization
  - Collect and analyze relevant data and targeted private sector inputs and prepare first draft
  - Initiate an a dialogue with municipality’s staff, private sector, civil society and local academics to create ownership and initiate a coalition
  - Make institutional and political economy assessments of the plan

- **Milestone 4 (Within 18 months)**: Development Plan is adopted by the Municipal council and launched
  - Launch immediately a set of flagship projects identified as high priority

* For the sake of the exercise, we are assuming that this vision has been backed up through relevant data analysis
4. Opportunities and Barriers

**Opportunities**
- **Decentralization reforms**: the upcoming decentralized system will increase autonomy of the local governments and their role in LED.
- **Central government support**: creation of clusters for higher value added sectors is already a priority of the Government of Tunisia who could be supportive of such an initiative and thus facilitate its advancement.
- **Sfax strong entrepreneurial culture**: people from Sfax are known all over Tunisia as hard workers and private sector oriented community.

**Barriers**
- **Municipalities capacities**: municipalities in Tunisia have limited role and therefore experience in LED.
- **Institutional context**: LED institutional ecosystem is very crowded (line ministries, governorates, investment support agencies, state owned companies...) with fragmented responsibilities and often no efficient coordination mechanisms.
5. Needs for assistance

• **World Bank**: support to collect and make sense out of the data for development plan design

• **City of Yokohama**: support to improve institutional functioning and find ways to implement successfully its development plan

• **City of Kobe**:
  - support in creating fruitful PPDs and leading growth coalitions
  - Support in engaging dialogue with communities on land management

• **City of Quezon**: support on how to face decentralization challenges