Competitive Cities TDD Action Planning
Sfax, Tunisia

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Imed Sebri, Mayor of Sfax
Dhekra Gharbi, Ministry of Local Affairs and Environment
Wahid Kraiem, World Bank

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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.

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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

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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 mechanims.

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5. Needs for assitance

- <u>World Bank :</u> support to collect and make sense out of the data for development plan design

- <u>City of Yokohama</u> support to improve institutional functioning and find ways to implement successfully its development plan

- <u>City of Kobe :</u>
  - support in creating fruitful PPDs and leading growth coalitions
  - Support in engaging dialogue with communities on land management

- <u>City of Quezon:</u> support on how to face decentralization challenges