BUILDING CAPACITY TO EVALUATE VALUE CHAIN DEVELOPMENT FOR JOB CREATION: A CASE STUDY FROM TUNISIA

KEY MESSAGES

- Value Chain Development (VCD) approaches, and building country capacity to adopt them, represent important operational tools to help World Bank client countries harness private sector potential and remove job creation constraints to create more and better jobs, especially for youth, women, and other vulnerable groups.

- The WBG-coordinated pilot “Value Chain Development for Jobs in Lagging Regions—‘Let’s Work’ Program in Tunisia” targets pilot value chains that could provide job opportunities for poor or vulnerable groups in lagging regions. The project tests new tools to help inform VCD policies: (a) Cluster and value chain reinforcement initiatives (CRIs), and (b) Value chain and job focused surveys.

- A “VCD Training”—the central capacity building element of the of the Let’s Work program in Tunisia—aimed to build public administration capacity to analyze value chains and support private sector development, job creation, and competitiveness, with a focus on lagging regions.

- The World Bank designed and delivered the VCD Training in Tunis from April 5, 2016 to November 14, 2016. The eight VCs used for training purposes in the program all link to key WBG-financed operations in Tunisia. Two of these value chains—olive oil and medicinal and aromatic plants—were also subjects of subsequent jobs surveys.

- The VCD Training built strong capacity for VCD analysis in Tunisia. The training helped establish an inter-ministerial “Taskforce” and VCD “Platform.” Overall, 27 civil servants received training, among whom 11 were evaluated as “ready to conduct value chain analysis and development work” by the end of the training program; six of these worked as core members of the Government VCD Taskforce.

- The VCD capacity development has informed ongoing WBG-financed operations in Tunisia and has been used to train subsequent generations of recruits since the end of the project. All VCs analyzed show high potential for growth, which could lead to more and better jobs in the olive oil, the medicinal and aromatic plants, and tomato sectors.

WHY DOES TUNISIA NEED VALUE CHAIN DEVELOPMENT CAPACITY?

Macro-economic imbalances make it difficult for Tunisia to deal with its main problems: unemployment and regional disparities. After a short economic recovery in 2012, Tunisia’s increasing political and social instability led to slowing economic growth in recent years. In 2015 unemployment was at 15.3 percent, still well above the pre-revolution level. Jobs created in Tunisia were mainly in low-productivity sectors, employing low-skilled workers.
Slightly less than half of Tunisia’s working-age population participates in the labor market. Unemployment can be high in some area while low in others, but in either case they suffer from very high informality and/or low overall job quality. Many working age adults are excluded from full participation in the labor market, usually because of low participation rates for women and youth.

In Tunisia, economic development has been characterized by significant regional imbalances, as interior regions lag coastal areas. Regional disparities persist because of meager Government investment and an inefficient public sector. The country suffers from administrative centralization, with activities concentrated in coastal urban areas. This comes at the expense of the rural interior, notably in three of the country’s six regions: northwest, center-west and south. Together, Tunisia’s northwest and center-west regions are home to about 47 percent of the poor, have the lowest development indicators for education, employment, health, and have the highest unemployment rates for university graduates.

Agriculture provides the bulk of employment and income opportunities in lagging regions, and income levels remain low. Good paying jobs and other income opportunities are limited, and overall economic prospects are threatened by unsustainable agricultural and natural resource management practices, as well as climate change.

Unemployment rates and household vulnerability are high. High unemployment (15 percent in 2015) especially effects women (21.1 percent against 12.5 percent for men) and college graduates (31.4 percent). Workers living in the bottom 40 percent are often in lagging regions. Employment rates vary considerably across regions. In Tataouine, for instance, only 20 percent of the working age population is employed; 60 percent do not participate in the labor market, and 20 percent are unemployed. These numbers contrast with urban Tunis, Sfax, and Nabeul, where employment rates are above 40 percent. Formal wage employment in the private and public sectors is prevalent in Tunis, Ariana, Ben Arous (over 70 percent), but it is below 15 percent in Kairouan and Sidi Bouzid, where informal wage employment, self-employment (in and outside agriculture), and unpaid work are the norm.

Women remain quite vulnerable in Tunisia. Women represent 58 percent of the rural labor force and up to 80 percent in the northwest and center-west regions. Women have always actively participated in agriculture, working in the farm and the production system in

**FIGURE 1**

Employment by Region and Type of Job

![Employment by Region and Type of Job](image)

Source: Household Budget and Consumption Survey (NSHBCSL) from 2015.
livestock, tree cultivation, vegetable crops, handicraft, and processing and storage of agricultural products. While they play a key role, about 80 percent work informally. Many of them head families but have very limited to no access to credit. These constraints further limit their access to economic opportunities.

**HOW DID THE WORLD BANK HELP BUILD VCD CAPACITY IN TUNISIA?**

The World Bank Country Partnership Framework’s (CPF) for Tunisia focuses on: (a) Restoring an environment conducive to sustainable economic growth and private sector-led job creation; (b) Reducing regional disparities; and (c) Promoting social inclusion, particularly for youth and women. At least four WBG-financed investment projects aim to support this strategy, all of which implement value chain development activities. This note focuses on the “Let’s Work” capacity building program for Tunisia, which benefits all four of these World Bank investment projects. This note aims to show how VCD approaches can strengthen World Bank financed projects. More specifically, the note demonstrates how building country capacity to adopt VCD approaches can help client countries harness private sector potential and remove job creation constraints to create more and better jobs, especially for youth, women, and other vulnerable groups.

**World Bank’s “Let’s Work” Program**

The World Bank Group's (WBG) Finance, Competitiveness and Innovation and Social Protection & Jobs Global Practices have partnered to deliver technical assistance (TA) through its “Let’s Work Program” to support structural change in client country economies. Let’s Work is a global partnership that unites organizations dedicated to providing solutions to the global job crisis by harnessing the potential of the private sector to help create more and better jobs (see [https://www.jobsandevelopment.org/lets-work/](https://www.jobsandevelopment.org/lets-work/)). The Let’s Work partnership’s mission is two-fold:

a. **Removing main constraints:** Work with countries, private sector companies, and development practitioners to support private-sector-led job growth by removing main constraints to job creation and strengthening value chains.

b. **Create more and better-quality jobs:** To help create more formal sector jobs in developing countries, but also better jobs that increase productivity and wages, improve working conditions, and provide more opportunities for everyone—especially women and youth.

The Let’s Work strategy focuses on generating new methods and approaches to measure, understand, and strengthen the creation of more and better jobs. It also seeks to systematically gather, generate, test, and widely share best practice knowledge and tools to promote the jobs agenda.

**WBG “Let’s Work” Program in Tunisia**

The World Bank Group-coordinated pilot “Value Chain Development for Jobs in Lagging Regions—Let’s Work Program in Tunisia” TA targets pilot value chains that could provide job opportunities for poor or vulnerable groups, including women and youth in selected lagging regions. The project tests two tools to help inform value chain development policies:

a. **Cluster and value chain reinforcement initiatives (CRIs)** build on a rich analytical toolbox well tested in the private sector (including M. Porter’s cluster “competitiveness diamond,” the related “five forces,” or “strategic market segmentation”).

b. **Value chain and job focused surveys**, with benchmarking against similar value chains in comparator economies. These piloted tools simultaneously inform World Bank lending operations, while also building client country capacity to use these tools.

**VCD CAPACITY BUILDING FOR TUNISIA**

A “VCD Training” was the central element of the capacity building component of the Let’s Work Program in Tunisia. The objective of the training was to build Tunisian public administration capacity to analyze value chains. In turn, this capacity supports private sector development, job creation, and competitiveness, with a focus on lagging regions. The training focused on building Tunisia’s capacity to identify the most binding constraints affecting creation and productivity of jobs within targeted
value chains. The training also aimed to improve local administration in lagging regions to conduct value chain analysis and business development. The idea was to build local capacity so the process can be replicated in as many additional regions and value chains in Tunisia as needed. Training was guided by a set of survey instruments to map value chains and assess constraints to growth and employment creation.

The World Bank designed and delivered the VCD Training (See Annex A for complete description) in Tunis from April 5, 2016 to November 14, 2016. The VCs chosen for the training and/or survey—olive oil, medicinal and aromatic plants, and tomatoes—were identified in consultation with Government of Tunisia counterparts, and link to several key WBG-financed operations. The focus was largely on two lagging regions, the northwest and center-west, based on the Ministry of Development, Investment and International Cooperation’s (MIDCC) Regional Development Index (RDI) indicators. Starting with this component promoted capacity building in beneficiary agencies and counterparts, ensuring that they understood how to perform VC analysis with a Jobs lens, as well as the related development initiatives that can be implemented to support targeted VCs. In addition, it ensured that the VC work is client-driven.3

---

**FIGURE 2**

Let’s Work Program in Tunisia—Program Design and Key Features

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>Phase 1: VC development training program</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Training on value chains and cluster development</td>
<td></td>
</tr>
<tr>
<td>▶ 5 learning modules over 8 months</td>
<td></td>
</tr>
<tr>
<td>▶ Hands-on exercises focused on applying learnings on selected value chains</td>
<td></td>
</tr>
<tr>
<td>• Survey instrument preparation</td>
<td></td>
</tr>
<tr>
<td>• Survey implementation</td>
<td></td>
</tr>
<tr>
<td>▶ Collect quantitative information about jobs, production, prospects, and challenges of selective VCs</td>
<td></td>
</tr>
<tr>
<td>• Conduct FGDs and interviews to collect qualitative information</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOOLS / MAIN TARGET ACTORS</th>
<th>Phase 2: Jobs in VC survey implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Cluster and VC reinforcement initiatives building on analytical toolkits1 tested in the private sector</td>
<td></td>
</tr>
<tr>
<td>• Targeted Tunisia task force (civil servants)</td>
<td></td>
</tr>
<tr>
<td>• Jobs in VC survey instrument</td>
<td></td>
</tr>
<tr>
<td>• KH-coder to analyze qualitative information</td>
<td></td>
</tr>
<tr>
<td>• Targeted at informal and formal businesses in the VC (including farms)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OUTCOMES / DELIVERABLES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Intermediate report on opportunities for growth in 3 pilot VCs</td>
<td></td>
</tr>
<tr>
<td>• Selection of VCs targeted for training and survey analysis</td>
<td></td>
</tr>
<tr>
<td>• Reports detailing status quo of operations and jobs of assessed VCs and future growth and job potential</td>
<td></td>
</tr>
</tbody>
</table>

**Note 1:** Including M. Porter’s cluster “competitiveness diamond,” the related “five forces,” or “strategic market segmentation.”
BOX 1: TUNISIAN VALUE CHAIN DEVELOPMENT ANALYSIS

The value chains chosen for the VCD training in Tunisia mainly included products from the agri-business sector—olive oil, medicinal and aromatic plants, and tomatoes. Complete reports outlining the process of analysis and findings can be found at:

Medicinal and Aromatic Plants in the North-West of Tunisia: Findings from a Value Chain and Jobs Survey (2020).
Olive Oil in the North-West of Tunisia: Findings from a Value Chain and Jobs Survey (2020).
Olive Oil, Medicinal and Aromatic Plants, and Tomatoes in North-West Tunisia: A Roadmap to Developing Competitive Advantage on Strategic Markets (2020).

A key part of VCD Training was conducting of a series of workshops for Government counterparts. The training comprised five in-class training weeks (five learning modules). The training was accompanied by hands-on exercises for the participants to work on over the training period. This enabled the trainees to apply the coursework on a practical case. Trainees were organized in teams of three to four members, each group working on a given value chain. Two additional 3-day working sessions were also organized to assist the groups in conducting their group work.

TABLE 1
Overview of Training Workshop

<table>
<thead>
<tr>
<th>In-class session</th>
<th>Dates (in 2016)</th>
<th>Concepts covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Module 1</td>
<td>April 5–8</td>
<td>Clusters &amp; Cluster Initiatives</td>
</tr>
<tr>
<td>Module 2</td>
<td>May 2–6</td>
<td>Industry Analysis, Segmentation &amp; Value Chain Analysis</td>
</tr>
<tr>
<td>Module 3</td>
<td>May 30–June 3</td>
<td>Value Chain Analysis &amp; Benchmarking</td>
</tr>
<tr>
<td>Module 4</td>
<td>June 27–30</td>
<td>Change Management</td>
</tr>
<tr>
<td>Refresher Class</td>
<td>September 6–8</td>
<td>Review of the concepts studied to date</td>
</tr>
<tr>
<td>Methodological Class</td>
<td>September 27–29</td>
<td>Methodological Work with each team</td>
</tr>
<tr>
<td>Module 5</td>
<td>October 11–13</td>
<td>Cluster Organization &amp; Project Management</td>
</tr>
<tr>
<td>Restitution &amp; Closing</td>
<td>November 14</td>
<td>Restitution of Field Projects to General Directors</td>
</tr>
</tbody>
</table>
VCD TRAINING RESULTS

The Training achieved strong capacity building for VCD analysis in Tunisia. Beyond the VC analytical outputs, the training showed that robust capacity building programs can be powerful tools for project preparation and client engagement. The training has helped acquaint Government officials in Tunisia with key VCD concepts, cases, and tools. The trainees evolved from a somewhat inward-oriented perspective, with only Tunisian cases as benchmark, towards a broader knowledge of value chains and processes of change in other countries and contexts. In addition, training participants improved important “soft skills” related to written and verbal presentation skills, as well ability to work in teams.

VCD Training directly contributed to establishing an inter-ministerial Taskforce for VCD in Tunisia (see Box 1). Overall, 27 civil servants received training, among whom 11 were evaluated as “ready to conduct VC analysis and development work” by the end of the training program, and six of these work as core members of the Government’s new Taskforce. The program was instrumental in informing both ongoing and upcoming operational projects and fostering close exchange between key Tunisian agencies and administrations, as well as donors, on VCD and job creation issues. The process of bringing together teams across multiple agencies with a joint objective and engaging them on real cases (internationally and locally) has been a cornerstone in promoting important institutional reforms and creation of the new Taskforce to work on common competitiveness and job-creation objectives.

The TA also informs ongoing WBG-financed operations supporting the Taskforce and created knowledge and formed teams now involved in implementing lending operations. All VCs analyzed under the assistance show high potential for growth, which could lead to more and better jobs. The Taskforce is working to improve the competitiveness and job-creation potential of the Olive Oil (gourmet olive oil), Medicinal and Aromatic (fresh rosemary for gastronomy), and Tomato (fresh for demanding customers) value chains. A follow-up activity to this TA is currently being implemented by a WB/IFC project that trains the next generation of recruits of the Taskforce with the same training material from this TA.
BOX 2: JOINT VALUE CHAIN DEVELOPMENT PLATFORM IN TUNISIA

Since value chain or value chain-related activities are common to four Bank operations in Tunisia, the Government decided to create a joint VCD platform (the “Platform”) to coordinate these activities, especially in the northwest and center-west regions. The Platform will act as an inter-agency one-stop-shop for relevant services offered by participating agencies, but will also provide a package of support services, including:

- Identifying and analyzing higher value-added markets for targeted products and services.
- Facilitating public-private dialogues (PPDs) to allow champions and motivated players to develop market-based strategies and competitive advantage, mobilize relevant economic and institutional actors, promote collaboration across the value chain, and foster business-to-business networking and cluster development activities.
- Identifying policies via PPD that can strengthen the competitiveness of a value chain or improve the business climate for a targeted value chain or a region.
- Assisting private sector participation in the PPDs and to help companies apply for grants or access to finance.
- Identifying investments and common services (for example, cold chain, packaging, and marketing services) needed to address value chain market failures, decrease intermediation costs on local MSMEs, and increase their access to higher value-added and higher-return markets.
- Facilitating preparation and coordination of key actions and provide adequate funding to implement these activities.

The Platform will be composed of civil servants, mostly from three key Tunisian MSME support agencies: Tunisia’s agency for investment promotion in agriculture (APIA), Tunisia’s Industrial development agency (APII), and Tunisia’s export development Agency (CEPEX), as well as two (sub)regional development agencies, Tunisia’s agency for regional development in the center west (ODNO) and Tunisia’s agency for regional development in the North west (ODCO). Most participants in the VCD training belong to these agencies. Having participants from all these maximizes synergies between specialized MSME support agencies, an important factor since fragmentation of private sector support has led to coordination failures in lagging regions. The aim is to promote an integrated and coordinated VCD mechanism and approaches.

LESSONS LEARNED FOR VCD CAPACITY BUILDING FOR WORLD BANK CLIENTS

Choose VCD participants with future implementation in mind. Collaboration across multiple agencies could further be leveraged by ensuring that future participants are composed in such a way that recommendations stemming from the VCD training could move a step further, by assigning roles and responsibilities to actors for identified action points, providing a start for implementation.

The survey component could be better tailored to respective VC analytics. The value chain and jobs survey analysis focus on status quo evaluation of actors in the value chains, whereas strategic market segmentation focuses on potential future market opportunities (an outside-in assessment). Future VC analysis could further integrate and deepen the two components to help: (a) validate perceptions and alleged facts of the VCs, and verify gaps identified through strategic market segmentation; (b) inform initiatives to surmount constraints identified; and (c) assess possible effects of policy interventions for growth and better job creation. To systematize and scale up...
this approach, governments’ specialized agencies for empirical and quantitative work—in this case Statistics Tunisia, National Institute of Statistics (INS), and Institute of Competitiveness and Quantitative Studies (ITCEQ)—could receive dedicated capacity building and resources to conduct or supervise surveys. They could do so in close coordination with agencies engaged in reinforcing value chain or cluster competitiveness (the Taskforce in this case).

Future projects could fully engage participants and experts engaged in CRIs in the design and analysis of the surveys from the outset. Under the Tunisia work, the survey instrument was only developed during the project and not closely integrated in the capacity building program. While the capacity building work informed survey design, the perspectives could be better coordinated.

Cross-administration and collaboration side effects in terms of networking and cross learning between individuals and agencies should be promoted. Participants bonded with each other during the Tunisia VCD capacity development. They understood better the roles of each of the various organizations and started contemplating ways to collaborate more often and more effectively.

Select tutors based on their capacity to respond to two mandatory points: a) deep understanding of the methodology, and b) availability and swift responsiveness. Selection of tutors is an essential component of the training. Their contribution is critical to ensure that participants understand and assimilate the concepts to replicate the full methodology at work. Tutors should spend at least 1.5 hour per week talking with their team and try to answer any query within 24 hours. For future trainings, early recruitment of tutors is advisable, and 2–3 days of specific training (train-the-tutors) should be held.

Select value chains large enough to include participants representing all links in targeted value chains. It is very unlikely to realize change in the field when value chain representation is too small and or incomplete.

Selection of training participants should follow a few key criteria:

- Address at least mid-level professionals. Participants need to have enough years of experience and practice to participate in business cases and feed class debates. Future trainings should require participants to enjoy at least three years of professional achievements in fields related to the training.
- Have proficiency in the teaching language. The training is based on the study of advanced strategy concepts and economic theories. Anyone enrolled who would not master the teaching language, in this case French, would automatically suffer from a disadvantage in learning.
- Have Internet connection and basic IT equipment. While laptops are not compulsory to follow in-class sessions, each team should bring at least one computer per team for group workshops. More importantly, for the remote fieldwork to be done under the supervision of tutors, each participant should have access to a reliable Internet connection, a communication device, and a computer to work on project documents such as spreadsheet, text processing and presentation software.
- Align participants’ supervisors with the training organizers. While the World Bank team met with the directors/supervisors prior to the training, some confusion on participant time commitment remained a main issue raised by participants who felt they did not get full support from their supervisors. In such cases the World Bank team met again with the concerned supervisors to clarify this point and ensure full support to the participants from their management.

Engage and align staff supervisors and training organizers fully from the start of training. Future trainings, the initial briefing with participant supervisors should emphasize the following points:

- The time dedication to the training (outside and inside the office).
- The need to spend time visiting and interviewing companies.
- The potential need to meet with and interview national/regional experts.
- The potential need to travel outside of Tunisia (benchmarking trip).
Plan and budget for travel and firm interviews. Some planned aspects of the VCD Training in Tunisia could not be executed due to lack of time and budget. National and international trips could not be financed. Instead, participants and their tutors compiled information through Internet-based research on press articles, white papers, and videos. While in-the-field interaction can be challenging—as it requires budgeting, precise logistics, and planning—it is also a rewarding and eye-opening step in the curriculum. Future training should include firm visits, national and international expert interviews, and a 3-to-4 day benchmarking trip abroad.

EXTENDING AND SUSTAINING VCD CAPACITY

Align different policy-making levels. As mentioned, Tunisia established a common VCD “Platform” to bring together a trained team of specialists and dedicated civil servants. Aligning institutional levels and coordinating efforts between ministries, national, and local authorities is a long and challenging process. Reinforcing the competitiveness of regional or local value-chains must be an iterative endeavor that should be planned and integrated into a broader economic development vision. Every level of policy making (national, regional and local) should be mobilized and coordinated to create “ownership” of the change management process.

Adapt existing services and programs to support the strategy identified for each value chain and motivate the agents (companies and supporting institutions) to adhere to it. Medium-term project success depends on the government having capacity to manage action implementation and agreeing upon well-defined, specific ways to move the actions forward. Government could also end counterproductive services or incentives and influence technology centers, norms and standardization bodies, and educational institutions, among others, about program activities.

Promote dialogue between government and industry. Both “bottom-up” and “top-down” approaches are needed for a VCD project to deliver shared benefits. This requires economic agents (firms or farmers) to develop new skills and knowledge, and governments to learn how to regulate to enable this shared value. At the local level, authorities should dialogue with industries, with local government engaging directly in ongoing communication with companies in the cluster. For example, designate a specific person to interact with the cluster and VC agents to manage follow-up actions. Moving away from a purely regulatory and institutional role, government could engage and partner with local entrepreneurs and the business community to, for instance, provide strategic analysis capacity.

Further VCD training, including “on-the job,” to ensure that participants master complex project management tools. While their learning and memory are still “fresh,” training participants should apply the VCD analysis methodology in the field. Future projects should include real interaction with local SMEs, government staff, the World Bank, and external firms. Consultants can continue to help guide this process. With more experience, the trainees can in turn train new staff in VCD, initiating a virtuous cycle.

Design VCD capacity building with financial sustainability in mind. The first steps to ensure sustainability in Tunisia were achieved in creation of the Taskforce and VCD Platform. This ensures that its members remain civil servants and on an agency payroll. By regulating that arrangement through decree, the Government of Tunisia mitigated risks associated with dependency on recruited consultants. However, WBG-financed projects in Tunisia cover the operational costs of the Taskforce (logistics, equipment, and fees) for only 3–5 years. This dependency on World Bank financing can be reduced by (a) Enlarging the donor base for in VC cluster development, perhaps through an umbrella Trust Fund or interagency agreement, or (b) Enshrining VCD permanently in one of the MSME development agencies, such as CEPEX in Tunisia, and integrating its operational costs in the budget of that agency.
ANNEX A: 
VCD TRAINING PROGRAM DETAILS

CURRICULUM & IMPLEMENTATION

A curriculum combining in-class and on-the-field work

The “Value Chain Development Training” (VCD Training) was based on a simple yet effective curriculum that combines theory and practice. Five in-class joint training weeks associated with field project activities monitored by tutors. Following this model, participants applied key learning points studied in class on a real value chain analysis, and they were tested to see how much knowledge they acquired. The objective of the training was to reinforce governmental support in value chains development, and hence improve the competitiveness of local SMEs (often referred to as economic or “Porterian” clusters) to create more and better jobs.

In-class training and business cases methodology

The choice of the training material was based on European Foundation for Cluster Excellence (www.clusterexcellence.org) recommendations, standardized under the European Commission’s European Cluster Excellence Initiative (ECEI).

The training sessions were based on reading and discussion of business cases used by leading business schools, such as Harvard, INSEAD, and IESE. The business cases approach has two advantages: a) introducing specific business concepts in a concrete and contextualized manner; and b) basing the learning process on active participation and interaction of participants.

The business case approach fosters rich debates that build common knowledge among participants and facilitate the exchange between them, making them share opinions and related experiences from their respective careers. It helps maximize mutual learning and allows better transfer of knowledge transmitted by professors and instructors. The cases were taught in French by professors and instructors selected for their rich academic background and/or for their relevant professional experience.

Learning Modules

The training included five learning modules organized in five training weeks over six months (one week per month) made up of in-class sessions of 3 to 5 days.

The program was conceived to cover and transmit extensive knowledge on Cluster Management Excellence and Value Chain development. The five modules were:

1. **Clusters & cluster initiatives**: Cover Location Theory, Industrial Districts, Clusters, Innovation Systems and Cluster Initiative Selection.


5. **Cluster organization & project management**: Organizational Structures, Non-Profit Organization Management, Pattern Identification, Project Planning, Project Monitoring and Project Evaluation.
Training methodology

The training’s methodology was based on the concepts and frameworks developed by Professor Michael Porter. Michael Porter’s work laid the foundations of cluster-based economics, explaining the clustering phenomenon of companies, and the role such clusters play in creating prosperity and enhancing competitiveness in regions and cities.

These conceptual models and insights, and the related analytical tools were taught in class and applied during practical exercises. These tools form the core of the methodology and allow participants to reflect on their Field Project using a standard and systematic framework of the “10-step Exercise” of a value chain analysis.

This framework allows for a progressive and iterative analysis. This analysis will lead to a strategy formulation likely to raise the competitiveness of the studied Value Chain.
Training Implementation

Calendar

The “Value Chain Development training” was delivered over a period of seven months from April to November 2016 with the following agenda:

- 1st Training Week, CEPEX, Tunis—April 4–8;
- 2nd Training Week, CEPEX, Tunis—May 2–6;
- 3rd Training Week, CEPEX, Tunis—May 30 to June 3;
- 4th Training Week, COGITE incubator, Tunis—June 27–30;
- Conceptual Refresher Sessions, World Bank, Tunis—September 6–8;
- Phase 3 Practical Workshop, World Bank, Tunis—September 27–29;
- 5th Training Week, CEPEX, Tunis—October 11–13;
- Closing event, Hotel Sheraton, Tunis—November 14.

Tutors

To support the field project, each team was assigned a tutor who provided personalized coaching. Tutors supervised teams during in-class exercises and then provided continuous remote supervision. Tutors were available by phone and online at least once a week, providing guidance and conducting follow-up for the different steps of the field project methodology.

Three corresponding methodological notes covering different phases of each field project guided the work of the tutors and their interaction with respective teams. These notes provided detailed guidelines of tasks to be executed from the beginning to the end of the field project.

Selection of participants and composition of the teams

The World Bank has asked the public institutions to select their respective participants for the training based on a set of criteria. Candidates had to be:

a. Actively engaged in private sector support, and with a high-performance record within the institution.

b. Ready to apply the acquired knowledge and know-how in subsequent WBG-financed operations if required by the operations.

c. For a subset, based in the concerned lagging regions. Regarding the latter criterion, 35 percent of the civil servants involved in the training were posted in lagging regions.

The final participants in the training totaled 25 professionals grouped in seven teams of 3 to 5 members. Training coordinators ensured mixing the participants to balance the teams by bringing together people from different public administrations, regions, and backgrounds.

Field Projects

In parallel with the training sessions, each team conducted a field project with the objective of reinforcing the competitiveness of companies in a given local economic cluster. The objective of this 6-month exercise was to reach recommendations on how to develop a cluster. Field work combined application of change management tools used in business consulting and group psychology with a strategy formulated via the 10-step methodology previously described. Each project identified modifications to increase the competitiveness of studied value chains.

A total of seven field projects were conducted, as a couple of projects had to be merged during training. The structure of each field project followed the same three-phase pattern, with each phase covering a period of two months (Figure A2).

Due to budget and time constraints, the teams conducted their field project in a “semi-simulated” manner: they applied the methodology on a real cluster in an existing region, however, they did not involve local entrepreneurs nor did they travel to interview international experts or to observe best practices on-site. The seven field projects are listed in Table A1.
TABLE A1
The Seven Field Projects

<table>
<thead>
<tr>
<th>Project #</th>
<th>Location</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project 1</td>
<td>Grand Tunis</td>
<td>Medical Tourism</td>
</tr>
<tr>
<td>Project 2</td>
<td>North West (Governorates of Jendouba, Beja, Siliana, and Kef)</td>
<td>Olive Oil</td>
</tr>
<tr>
<td>Project 3</td>
<td>Centre West (Governorates of Sidi-Bouzid and Kairouan)</td>
<td>Chili Peppers</td>
</tr>
<tr>
<td>Project 4</td>
<td>Centre West (Governorates of Sidi-Bouzid and Kairouan)</td>
<td>Tomatoes</td>
</tr>
<tr>
<td>Project 5</td>
<td>North West (Governorates of Jendouba, Beja, Siliana, and Kef)</td>
<td>Myrtle</td>
</tr>
<tr>
<td>Project 6</td>
<td>North West (Governorates of Jendouba, Beja, Siliana, and Kef)</td>
<td>Lentisk (Mastic)</td>
</tr>
<tr>
<td>Project 7</td>
<td>Centre West (Governorates of Kasserine, Gafsa, Sidi-Bouzid, and Kairouan)</td>
<td>Alfa (Esparto grass)</td>
</tr>
</tbody>
</table>

TRAINING CAPACITY BUILDING RESULTS

Testing Participant Learning

Questionnaires: Participants took two multiple-choice questionnaire exams. One was administered at the end of the 1st Training Week (Module 1) and the other at the end of the 5th Training Week to measure individual progress and evaluate change in participants’ level of knowledge. The questionnaire included 12 questions. If the participant had less than 66 percent correct answers, then he/she received a “0″ grade; conversely if the participant had more than 66 percent correct answers, then he/she received a “1.”

Participation report: In addition, a participant performance and participation report evaluated overall individual performance. Training coordinators continuously assessed individual participation (both in frequency and quality) both during group work.
and the plenary sessions. Each participant was assessed through: a) a 1-to-10 scale for quantity of interventions during the sessions, and b) another 1-to-10 scale for quality of intervention. Quantity was assessed considering individual interventions compared to the average level of expression of the whole class. Quality was evaluated taking into account a) Participant’s capacity to share his/her ideas in a logical, succinct, and persuasive way; b) His/her ability to use concepts and tools taught; and c) Level of self-confidence demonstrated while intervening.

Participants were classified in one of three groups depending on their overall performance:

1. **Training Champions**: Demonstrated strong motivation, willingness to learn and ultimately grew in knowledge and confidence. Ability to apply the methodology learned during the program. Built a solid basis of conceptualization and practical application that allows working on future VCD projects.

2. **Training Climbers**: These participants entered training with disadvantages in comparison to other participants: when starting, they were not always familiar with management concepts and, sometimes coming from rural areas, they did not have the French language skills of other colleagues. However, they demonstrated remarkable motivation and persistence, leading to impressive develop. Even if their overall understanding of the methodology remains a short for future VC analysis projects, their personal involvement was outstanding.

3. **Team Players**: Less proactive and showed less motivation than their colleagues. Consequently, they did not demonstrate much progress on hard or soft skills. Demonstration of their understanding of the methodology was unsatisfactory. They did, however, contribute to field-work.

Based on testing and evaluation, all participants demonstrated remarkable progress over the course of the training. Progress was reflected in the performance groups at the end of week 5: 11 participants ranked as “Training Champions” (46 percent); seven reached “Training Climbers” status (29 percent); and six were evaluated as “Team Players” (25 percent). While only 11 percent of participants who took the test during Training-Week 1 managed to pass it (i.e. scored higher than 66 percent of correct answers), after Training-Week 5, 95 percent of participants who took the test where able to pass. Tutor, instructor, and professor observations confirmed this noteworthy progress. Taken individually, each participant improved his or her knowledge on VCD theory, economic concepts, and strategic tools studied in class. Moreover, taken collectively, participants greatly improved their interaction with professors and classmates. Module after module, the participants’ level of interventions in class became more frequent and the quality of the collective debates improved. At the end of week 5, the general atmosphere in the classroom and the level of participation was much improved from what it was at the beginning of the training. In fact, participants progressively built a solid group dynamic that made learning more efficient and
more enjoyable. Participants also showed significant improvement in "soft skills" such as presentational skills, oral communication, and teamwork over the training period.

Participants’ Evaluation of the Training

A satisfaction survey sent to participants at the end of Module 5 asked them to evaluate different components of the training, including training contents and format, performances of instructors and guest speakers, as well as classroom amenities and workshop organization. The objective of this evaluation was to: a) gauge the effectiveness of training to serve as a benchmark for future similar trainings; b) prove the efficiency of training to build VCD capacity; and c) contribute to competitiveness enhancement and ultimately foster job creation.

Nineteen participants (76 percent completed the anonymous questionnaire. The rating scale for all questions submitted was 0 to 5, with 0 expressing low satisfaction and 5 expressing high satisfaction. The average rating for the overall survey was 4.26, which demonstrates a very positive perception of the training and a consistent participant satisfaction level. Results for average ratings for select components evaluated are presented below (further details of the survey can be found at [link]):

- Training organization: 4.00
- Training’s format and content: 4.19
- Training’s instructors: 4.20
- Quality of the follow-up to the participants’ work: 4.06
- Level of interaction granted to the participants: 4.21
- Participants’ improvement of VC-related knowledge: 4.59
- Participants’ overall appreciation of the training: 4.56

ENDNOTES

1 The Tunisia Third Export Development Project (2015–2021) aims to increase and diversify exports and Tunisian competitiveness. The Integrated Landscape Management Project (US$ 100m) (2017–2022) aims to improve landscape management and access to economic opportunities for targeted rural communities in northwest and center-west regions of Tunisia. The Productive Inclusion Opportunities for Young Women and Men (US$ 60m) (2018–2023) aims to improve economic opportunities for targeted disadvantaged youth in selected Tunisian governorates. The Intensification of Irrigated Agriculture (US$ 125m) (2018–2023) aims to improve irrigation and drainage services; improve institutional capacity for irrigation schemes and management and strengthen market linkages in selected areas.

2 Concept Note “Value Chain Development for Jobs in Lagging Regions” (P157321).

3 The WB does not lead sector selection and sector development in countries which it supports, instead taking on pilot cases and supporting governments to pursue their choices and objectives.

4 The training’s first two months witnessed a few changes affecting the distribution of the participants within teams. In addition to two participants dropping out of the training, the field projects dedicated to “Mushrooms” and “Cork” had to be abandoned: the clusters lacked the critical mass of economic agents and showed too many missing value chain links (no complementarity or synergies between agents).

5 The questionnaire was delivered in early November 2016, after the last training week and before the closing event held in Tunis.
This note was prepared by Michael Weber (Jobs Group) and Jade Salhab (Finance, Competitiveness and Innovation). It is based on Michael Weber and Jade Salhab. 2020. "Value Chain Development for Jobs in Lagging Regions: Let’s Work Program in Tunisia." Jobs Working Paper Issue No. 43, World Bank, Washington, DC. The note was edited and curated by Aldo Morri.

The production and publication of this report has been made possible through financial support from the World Bank's Jobs Umbrella Multi-Donor Trust Fund (MDTF), which is supported by the UK's Foreign, Commonwealth & Development Office/UK AID, the Governments of Austria, Germany, Italy, Norway, the Austrian Development Agency, and the Swedish International Development Cooperation Agency.

All Jobs Group's publications are available for free and can be accessed through the World Bank or the Jobs and Development Partnership website. Please send all queries or feedback to Jobs Group. Join the conversation on Twitter: @WBG_Jobs #Jobs4Dev.