

## **Tunisia**

### **Urban Development**

Tunisia's population accounts for about 55 percent of its estimated total population of 7.8 million. The rapid increase in urbanization has been sustained by a relatively high rate of natural increase, (about 2.5 percent), the return of migrant workers from abroad, and rural-urban migration. The urban population is estimated to exceed 6.0 million by the year 2000.

The resultant high rate of urban growth which reached 4.0 percent between 1965 and 1980 has strained the public sector's ability to provide basic urban services. Public housing, which has accounted for about 20 percent of the urban housing stock, has required substantial investment and direct subsidy levels. The public sector has been unable to provide an adequate urban infrastructure to meet the growing demand for serviced land in the urban centers. Despite the slow down rate of urbanization to 3% in the 80's spontaneous, unplanned settlements have spread on land lacking both services and legal title. The problem is not limited to the major cities but is felt on a national scale in the 125 agglomerations of 5,000 or more inhabitants.

About 10 percent of Tunisia's urban population lives below poverty threshold, as defined by the World Bank (a monthly income of \$50 for a household of 5 persons. This represents a considerable improvement over the 1975 figure of 20 percent. Compared to other countries with similar characteristics, Tunisia's urban poverty appears containable.

### **Urban and Housing Conditions**

Rapid urbanization has generated a large demand for housing and led to intensive unregulated construction activity. As a result, housing stock has increased at an annual average rate of 4 percent, and conditions improved somewhat during the 80's. However, throughout the decade, the demand for housing and urban services has outpaced the public sector's ability to keep up with urban growth. Almost half of all dwellings built since 1975 have bypassed urban development regulations and were instead undertaken by the informal sector in areas lacking adequate utilities and relying on low-cost construction methods. To alleviate this problem, the supply of suitably located serviced land at prices affordable to the poorest segments of the population must be expanded.

Access to basic utilities has improved considerably in recent years in most urban areas. The electricity network covers about 97 percent of urban areas while water is distributed to about 80 percent of the urban population through house connections and another 10 percent through standpipes. Despite an ambitious and successful program, the Sanitation Bureau has been only able to provide coverage to about 55 percent of urbanized zones, due to the high cost of work and the limited capacity of the newly instituted organization. The gap between water supply and sewerage aggravates environmental problems since water consumption has increased considerably as a result

of improvements in water supply. Solid waste collection has also improved considerably in city centers. However, the supply of infrastructure at the urban periphery and in the rapidly expanding zones is inadequate and there is little coordination between the various responsible agencies.

### **Institutional Framework**

Tunisia is divided into 23 governorates under the supervision of the Ministry of Interior (MOI). At the local level, authority is vested in Municipalities. With few exceptions, the municipalities have insufficient staff, limited managerial capacities, and little control over their financial resources. They rely therefore on direct Government budgetary allocations or subsidized loans for their operating and investment budgets. Since 1975, the Fund for Municipal Finance (CPSCL), under the umbrella of the Ministry, has served as the channel for Government long-term, low-interest loans to municipalities for the financing of community facilities and infrastructure projects.

Issues related to shelter were the responsibility of various ministries but have been consolidated in the Ministry of Equipment and Housing (MOEH). The Ministry is responsible for providing all major public works, including roads and highways as well as regional planning. For shelter-related matters, MOEH is presently organized into technical departments for housing construction, upgrading and urban renewal, housing assistance, and legal matters. It is the umbrella for three major public agencies: the Public Sector Developer (SNIT) established in 1957 which is the national real estate company responsible for public housing construction; the Urban Renewal Agency (ARRU), an autonomous agency established in 1981 with broad powers to coordinate urban renewal and upgrading activities, including the provision of utilities in the project areas, and The Real Estate Agency (AFH), the principal land developer established in 1973. CNEL, an autonomous public savings and loan agency was established in 1974 under the supervision of the Ministry of Finance to mobilize domestic resources through contractual savings plans for housing loans.

Design, construction, operation, and maintenance of utility networks and services in urban areas are the responsibility of national companies attached to different Ministries: the Water Agency (SONEDE) under the Ministry of Agriculture; the Sanitation Bureau (ONAS) under the Ministry of Equipment and Housing (MOEH); and the Gas and Electric Company (STEG) under the Ministry of National Economy. Governorates and Municipalities, carry out the collection and disposal of solid waste.

### **Government Housing Policies**

Until the mid-1970s, the Government's response to urban housing needs consisted mainly of slum clearance and subsidized public housing to rehouse displaced families. SNIT, the main operator for the construction of public housing, rapidly became an important agency. Its standards initially were high and bore little relationship to its clients' financial ability or willingness to pay. Although,

it has become more responsive to market demand and started building at lower cost and standards, the magnitude of the housing problem continued to grow. The Government in response created the Saving and Loan Agency (CNEL) in 1973 to mobilize savings for housing as well as the Real Estate Agency (AFH) in 1974 to provide serviced land. However, the new agencies were subsidized and did not address the fundamental problem of providing infrastructure in the proliferating large informal settlements on the urban fringes.

In the late 70's and throughout the eighties, policies promoting upgrading instead of demolition were adopted together with programs for developing low-cost sites and services projects, and recovering the cost of infrastructure and improvements provided directly from beneficiaries.

During the 80's, an ambitious program was launched to reduce regional and social disparities. 160,000 units were to be developed putting great pressure on both the public and private sectors. The emphasis was placed on upgrading existing settlements through provision of basic infrastructure and guiding future development through the provision of small serviced plots. The recession of the late 80's forced a growing reliance on private initiative for housing investment, by mobilizing domestic resources and utilizing the potential of the informal housing sector. Reducing public investment also entailed lowering subsidies, building standards, instituting full-cost pricing and recovery and more efficient coordination and provision of services.

The Ministry of Interior, through its Directorate of Local Collectivities, is concentrating its efforts on municipal tasks and is promoting decentralization. Investments for upgrading programs are channelled through the Fund for Municipal Finance. The Ministry of Equipment and Housing (MOEH), with its dual responsibilities for shelter and infrastructure, is in a better position to coordinate the two subsectors and thus is concentrating on providing major infrastructure works, in support of urban expansion and regional development, through its various agencies ARRU, SNIT, and AFH.

Regional delegations have been created in each governorate and are responsible for administration and accounts, urban planning, housing, roads and bridges, buildings, and research studies.

### **Tunis: Urban Context**

With an estimated population of 1.5 million, or a fifth of Tunisia's inhabitants, the Greater Tunis Region as an economic center draws migrants from both rural areas and provincial cities. About 50% of its average annual rate of growth of 4.7% is attributable to migration and it is currently growing by some 56,000 people yearly. Its built-up area has doubled in size in the last ten years and some 450 hectares of land are urbanized yearly, mainly in illegal, informal settlements on the agricultural fringe. Two public agencies play an active role in the development: the AFI is

responsible for the construction of industrial estates and the AFH for housing interventions, ranging from turnkey projects to the sale of serviced sites.

The urban landscape is articulated strongly by the Lac de Tunis, a large body of brackish water that separates central Tunis from its dense residential and industrial suburbs to the northeast and southeast. Central Tunis proper is composed of several elements. The medina, the traditional islamic city of Tunis, the colonial city built at the turn of the century by the French, and the modern central business district occupy the strip of land along the Lac of Tunis; the urban core is in turn surrounded by vast areas of government housing projects interspersed with informal settlements.

Approximately 70,000 people live in the medina, and an additional 95,000 in its two older suburbs, Bab Souika and Bab Djezira. With an area of 87 hectares, the medina has the highest population density in the greater Tunis region. Its 15,000 families are crowded into 11,500 dwellings whose median size is less than two rooms; spot densities reach 1,000 persons per hectare. While some of its neighborhoods are socially stable and lived in by families who have owned their house for generations, most of the residents are low-income migrants living in over crowded tenements owned by absentee landlords (oukalas). The lower medina, next to the French colonial city, is a little more than a slum, as are Bab Souika and Bab Djezira. These conditions stand in sharp contrast with the main east-west commercial street of the medina, lined with small and prosperous stores and crowded by tourists.

Finally, the medina is far from static. It has undergone extensive change and is still evolving. Although it contains a significant number of historical buildings, other structures are relatively new or have been remodelled to meet changing needs.

### **The Site: The Hafsia District**

Since 1954, the lower part of the Central Medina, with a total area of about 30 hectares, has been designated as a historical zone for preservation and renovation. Hafsia, with an overall area of 13.5 hectares forms part of this lower section of the Medina, and a population of about 4,000 persons, had already started to desert the more affluent inhabitants for the newer areas in the colonial city since the turn of the century. In 1928 the French authorities declared it a health hazard. A large number of buildings were expropriated and demolished in the 1930's. The site experienced further destruction as a result of bomb damage during World War II. After the war, public housing blocks were constructed and other facilities added after independence in the 50's. A new wave of demolitions occurred during the 60's leaving a large vacant central space surrounded by low income housing in a very poor state. The neighborhood is characterized by the deterioration of its buildings and infrastructure and by overcrowding with a density of about 360 persons per hectare. About 70% of these households are connected to the water supply system, almost all are connected to the power supply network and an old sewerage network which is rapidly deteriorating and frequently overflows.

A first attempt by the Municipality of Tunis to build some apartment and commercial buildings

in the central portion of Hafsia in the mid 1970s has been reasonably successful. The decaying conditions of the area led to the choice of Hafsia as the priority area for revitalization in the Medina. In addition the Hafsia contains 2.2 hectares of empty land suitable for development.

### **The Hafsia Revitalization Project**

The objective of the project sponsored by the World Bank is to revitalize and renovate the area, and demonstrate the feasibility of upgrading medinas without displacing populations and by involving the private sector in the development process.

The specific objectives are:

1. To revitalize the economic base with a look to the future while promoting employment opportunities for its present residents.
2. To upgrade the urban environment with minimum disruption of social cohesion and community life.
3. To structure a replicable self-financing, revitalization process given the lack of public resources. In other words, components of the proposal whose capital cost are not likely to be fully recovered (eg., housing for poorer households, infrastructure improvements, new community facilities) will have to be cross-subsidized by other revenue producing components.
4. To reverse development trends destructive to the character of the medina.

The revitalization program comprises the following:

1. Improvement of infrastructure including roads, water supply, sewerage, electricity, telecommunications, and gas networks throughout the area.
2. Construction of some commercial buildings and housing units on part of the vacant land by the municipality to set standards and patterns for development of the whole area.
3. Sale of the remaining serviced land by the municipality to developers who would build small hotels, dwellings and commercial buildings. Profit from the sales would be used to supplement the funds needed for upgrading of the low income sections of Hafsia.

4. Upgrading of about 47,000 square meters of housing in low income areas and construction of about 135 new houses on infill plots and additional floors on existing buildings where possible. About 610 of the 620 families affected by the dedensification program of Hafsia would be rehoused in the same area; the rest would be compensated and offered plots in other project sites in the Tunis area. A public relations program would explain the upgrading concept and encourage participation in the projects.

Profit from the above sales of serviced plots would be channeled to a special account to finance upgrading. The construction in Hafsia would consist of:

### **Phase I**

#### **Part A (Municipality constructed with Bank financing)**

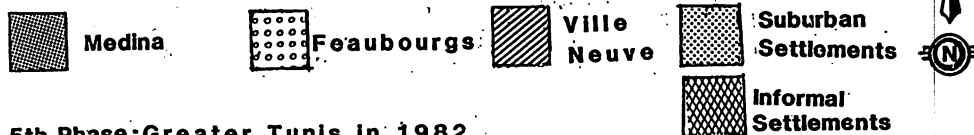
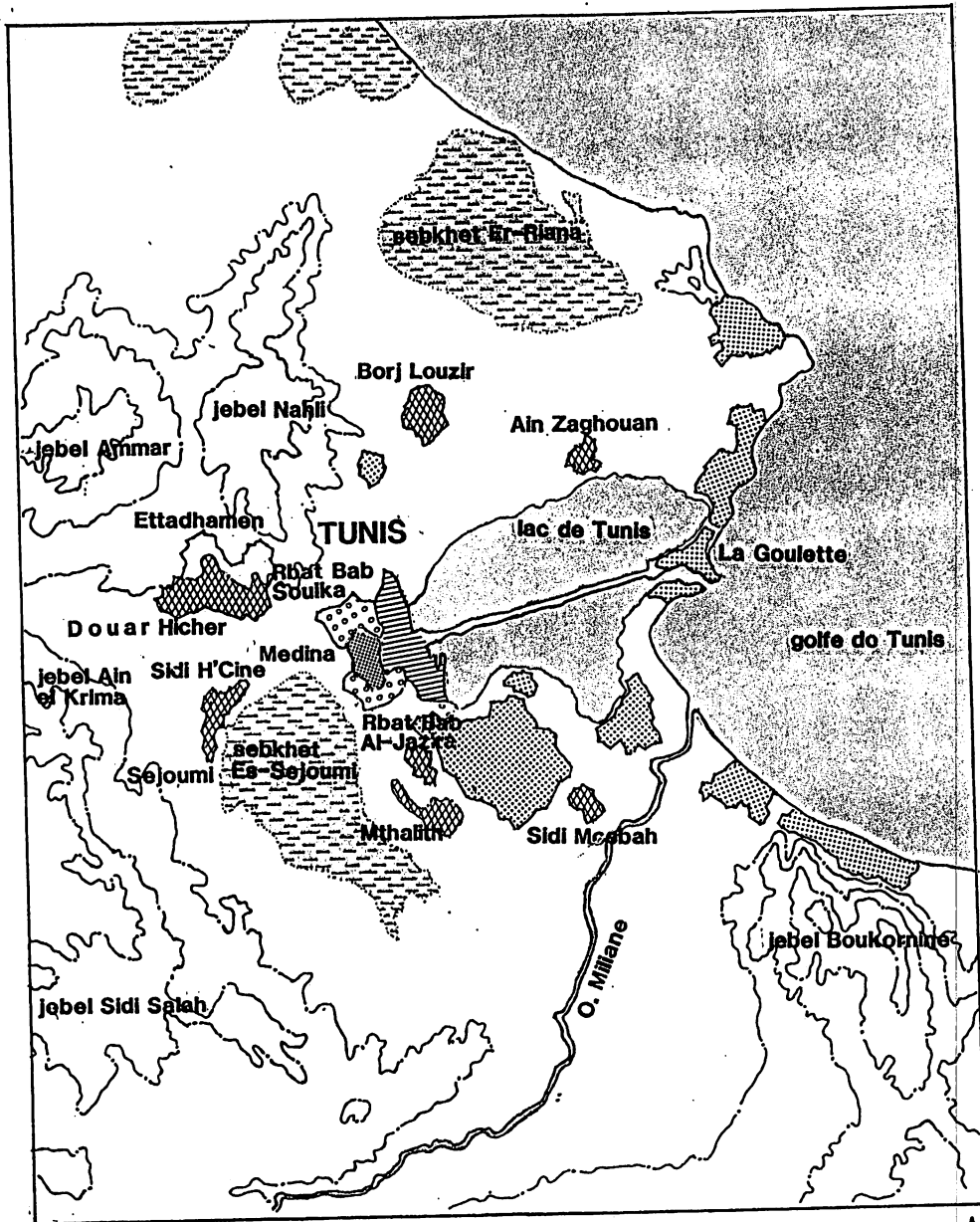
1. about 9,000 square meters of new housing;
2. about 300 square meters of new floors on top of existing shops;
3. about 700 square meters of new shops;
4. about 330 square meters for a second hand clothing market;

#### **Part B (on serviced land sold to developers)**

1. two hotels of 1,560 square meters and 730 square meters respectively;
2. a bath house (hammam) with an area of 325 square meters;
3. an office building with about 4,000 square meters of built-up area;
4. a child care center of about 2,000 square meters;
5. a mosque;

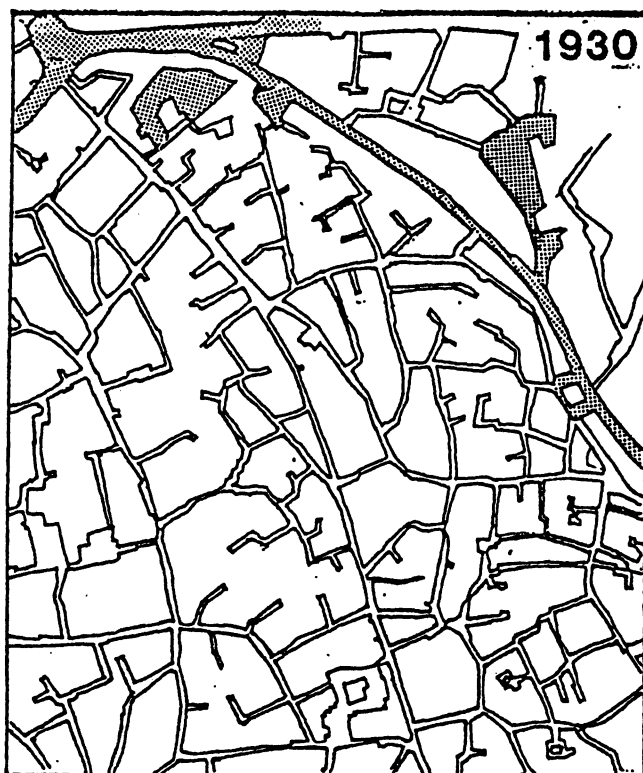
### **Phase II (on serviced land sold to developers)**

1. about 1,000 square meters of new housing;
2. 160 square meters of new floors above shops;
3. three apartment buildings with an overall area of about 2,630 square meters;
4. a third hotel of 735 square meters;
5. shops with an area of about 170 square meters.



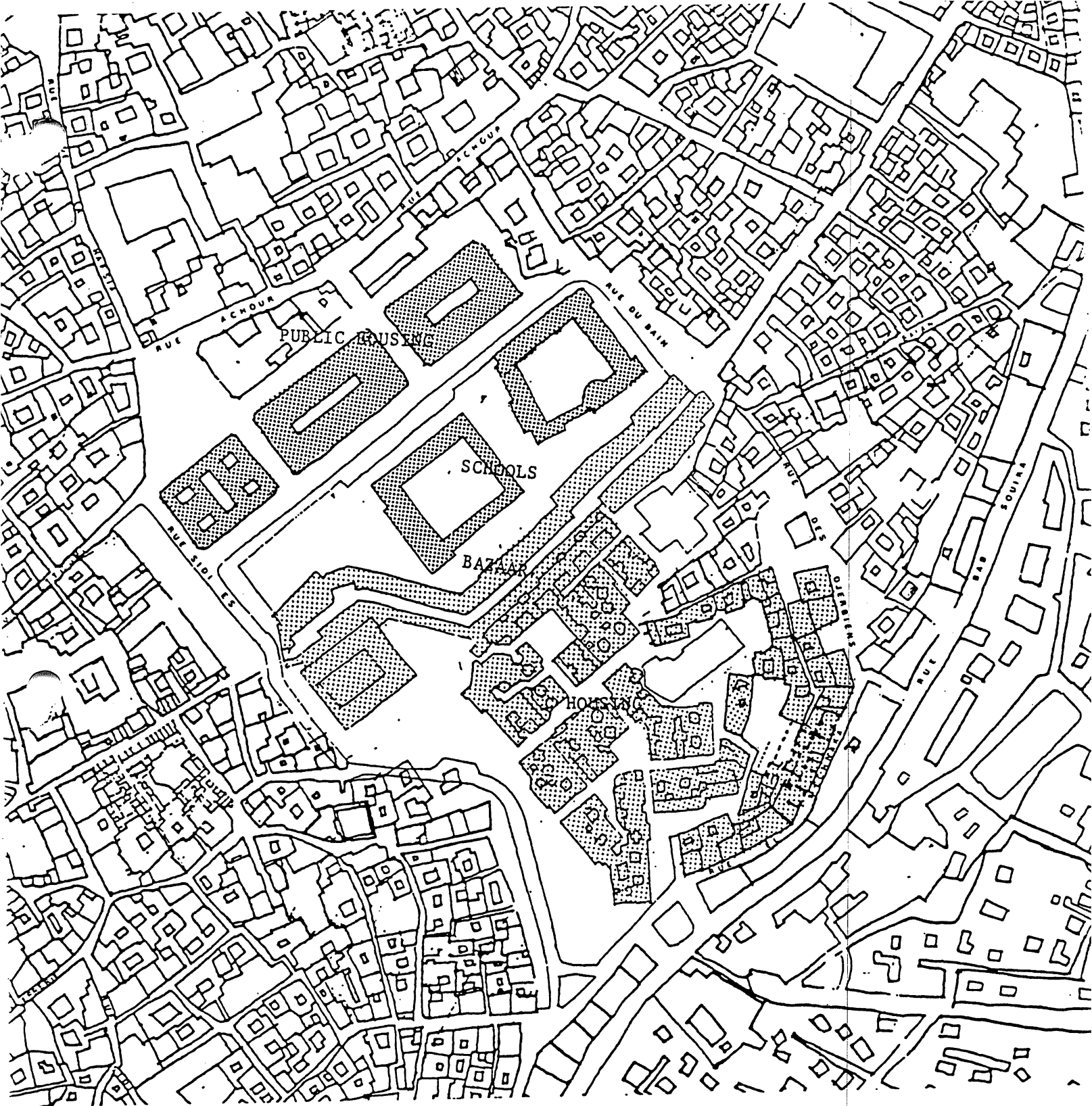
5th Phase: Greater Tunis in 1982



## DEVELOPMENT OF TUNIS REGION



## EVOLUTION OF THE HAFSIA





 PUBLIC HOUSING BLOCS -- early 50's  
 MUNICIPALITY PROJECT -- mid 70's



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# HAFSIA DISTRICT

TUNISIA  
THIRD URBAN DEVELOPMENT PROJECT  
Hafsia-in Medina

