



Shaping Tunisia's digital transformation and creating jobs

The cooperation in the field of digitisation creates employment and transparent and effective administration in Tunisia

Context and objective of the commitment

Tunisia can be considered a hidden champion in North Africa and on the continent, which is a real engine of the digital economy. Current data show that the digital economy is one of the strongest and fastest growing sectors in the country: it contributes more than eleven percent to the country's GDP. More than 1,600 digitally active companies have helped created over 100,000 well-paid jobs so far.

Tunisia also has a huge talent pool of young graduates with digital skills. The government intends to further exploit the potential of the digital transformation. The national strategy "Digital Tunisia 2020" is expiring and will have a similarly ambitious successor, which will also address challenges and prospects resulting from the current pandemic of COVID-19.

Since 2019, GIZ has been designing a **Digital Transformation Center in Tunisia** on behalf of the Special Initiative for Training and Employment - "Invest for Jobs" of the Federal Ministry for Economic Cooperation and Development (BMZ). The centre comprises two main pillars: The "**Digital4Jobs**" project focuses on the support of start-ups, Industry 4.0 and the digitisation of key sectors, in particular digital finance, e-commerce and health care. The second pillar of the programme, the "**Digital4Reforms**" project, focuses on GovTech, digital infrastructure and cyber security.

The current priorities of both pillars are:

Support for start-ups: In early 2018, the Tunisian cabinet adopted a new law on start-ups ("Startup Act"). It provides for tax breaks, subsidies for founders and support for patents for start-ups, thus creating a progressive framework for supporting the start-up ecosystem in Tunisia.

Industry 4.0: The restructuring of Tunisia's industry is essential to prepare the country's manufacturing enterprises to participate in the major upheavals on world markets. The Government is

therefore placing a strong emphasis on solutions for Industry 4.0 which will help companies to be competitive on global markets.

GovTech: Many of Tunisia's bureaucratic systems need to be reformed to become more efficient, inclusive, transparent and accessible. Several - albeit unstructured - projects are currently underway to digitise and digitalise public processes and institutions.

Digital infrastructure: Tunisia has a fairly good digital infrastructure. The political situation in the region, which is as safe as it is secure, could make Tunisia an important landing point for Internet cable. The town of Bizerte in the north of the country is working on the construction of a digital port, which will accommodate up to seven cables.

Cyber security: Tunisia has recently published its first cyber security strategy. Secure and robust infrastructures and the necessary skills will be of paramount importance in shaping the digital transformation.

Digitisation of various sectors: In almost all sectors, activities to manage the digital transformation are on the way. Among the most important ones: Central Bank Digital Currency, eCommerce (new framework to enable digital commerce), digital health (introduction of a digital health data system).

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is currently implementing a total of 14 projects within the framework of German Technical Cooperation and is an important partner for Tunisia in the implementation and operationalisation of its digital transformation strategy. Due to the ambitious goals of the government and the rapidly growing framework conditions, GIZ has its largest portfolio in Tunisia in the field of digital transformation.



The Digital Transformation Center Tunisia is working on contributions to a number of current Tunisian digital priorities, including the development of an Industry 4.0 programme.



Impressions of the major industry events "Expo Smart Industry" and "Tunisia Digital Summit 2019" in Tunis. (c) GIZ

Results and outlook

Digital transformation of manufacturing companies (Industry 4.0): Two Industry 4.0 Centres have been set up in Sousse and Sfax (two industrial cities) which will help at least 200 companies to implement and use Industry 4.0 solutions over the next two years. This will not only make these companies more sustainable and competitive, but will also create new jobs.

Support for job creation in the digital economy in Tunisia: Several GIZ projects have addressed activities to support business start-ups, particularly access to demand-driven business services and technologies, relevant training or access to markets. In particular, the pan-African initiative for technology-oriented entrepreneurship "Make-IT in Africa" has



trained and supported over 100 business start-ups in Tunisia. The project aims in particular to improve access to finance and markets, as well as business management skills in the digital economy.

The activities are designed to improve access to finance and markets and business skills in the digital economy. A cornerstone is the cooperation with the "Orange Digital Centre", which provides Tunisian young people and start-ups with digital skills to increase their employability.

The project also contributes to the creation of a sustainable ecosystem which facilitates digital innovation in the Tunisian economy, with a particular focus on manufacturing industry and agriculture. It raises awareness of the opportunities of digitalisation, but also of the risks of introducing digital solutions too late or too slowly. To this end, the project disseminates information on available technologies and applications, their benefits, conditions and relevant impacts.

Until 2022, the project will create projects through the **Digital4Reforms** programme to improve digital solutions for the Tunisian public and train Tunisian officials in digital management. GIZ will also help to draw up action plans in key areas such as cyber-security, intelligent mobility and artificial intelligence. A particular focus will be on the needs of the regions, youth and women.

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