Tunisia is a constitutional republic with a two-tier system of local government, composed of 24 regional councils and 264 municipalities. The regional councils are not yet fully self-governing regions but consultative entities attached to the 24 State “deconcentrated regions” called “governorates” which are themselves subdivided into 264 delegations. Governors in the deconcentrated system (walis) are appointed by the central government, and are at the same time presidents of the regional councils. While governors do not have voting rights in regional councils, in practice their advice tends to be systematically followed.

Following the 2011 January Revolution, a new Constitution came into force in Tunisia in January 2014, opening a decentralisation agenda (article 14, Chapter VII) with a strong commitment towards the empowerment of SNGs. Today, the decentralisation process is recognised as a fundamental basis for the organisation and distribution of power. It aims to increase political, administrative and financial competences for elected local and regional governments in order that they become proactive players in planning, implementing and delivering infrastructure and services at regional and local levels. A draft bill on decentralisation and local elections is being discussed.

**Main subnational governments responsibilities.** To date, regional councils have very few responsibilities. They elaborate regional development and coordinate national programmes that are decided at ministerial level. Municipalities also have limited responsibilities. They are responsible for some administrative services, construction and road maintenance, street cleaning and lightning, waste collection, drainage, environmental protection, urban parks, some cultural and sports facilities, food markets, etc.

Tunisia is a centralised state with SNGs playing a minor role in the economy and the provision of public services. Moreover, there has been a downward trend in the relative weight of municipal expenditure between 2002 and 2012. SNGs also have a minor role in investment although investment represents half of their budget and 30% of public investment. In fact, SNGs are more “paying agents”, investing on behalf ministries and specialised agencies under their supervision (“tutelle” structure).
Municipal solid waste and street networks (both construction and maintenance) account for nearly 80% of total municipal spending (recurrent and capital). Little spending in the area of social protection is decentralised.

In order to finance local investments, municipalities can contract loans from Municipal Development Fund (Caisse des Prêts et de Soutien aux Collectivités Locales, CPSCL), a separate entity under the authority of the Ministry of the Interior and the Ministry of Finance which provides SNGs with access to credit but also to central government funding for financing municipal investments (loans and capital grants). Investments projects are analysed from a financial perspective by central authorities before approval.

The financial state of numerous municipalities is considered to of concern, with high levels of outstanding debt resulting both from the loans contracted from the CPSCL and for non-payments to suppliers. 30 municipalities are in a chronic state of over-indebtedness.