Annex 1 (Joint Programme Template)

Joint SDG Fund - 1st Call on SDG Financing

**Joint Programme Document**

**A. COVER PAGE**

**1. Fund Name**: Joint SDG Fund 2020

**2. MPTFO Project Reference Number**

**3. Joint programme title** *“Mobilizing public-private, innovative and alternative financing as levers SDG financing architecture for Tunisia”*

**4. Short title** “*Tunisia: Setting-up an SDGs Financing Architecture as a key lever for the vision 2030 financing”*

**5. Country and region Tunisia, MENA Region**

**6. Resident Coordinator ad interim:** Lila Pieters, lpieters@unicef.org

**7. UN Joint programme focal point** : Ilhem Brini, ilhem.brini@un.org

**8. Government Joint Programme focal point**: Belgacem Ayed, President of the General Committee on Sectoral and Regional Development (Ministry of Development, Investment and International Cooperation): belgacem.ayed@mdci.gov.tn

**9. Short description**:

During the next two years, the Joint Programme will support the Government of Tunisia in setting-up a Financing Architecture for the 2030 Agenda and will create an enabling environment for its financing and implementation. The joint programme has three interlinked, mutually reinforcing outputs: (1) national capacity of key Tunisian institutions are improved and have the tools to optimize the national fiscal space based on evidence and estimate of investment needs for the achievement of the SDGs; (2) national capacity are enhanced to mobilize domestic public and private financing for the achievement of the SDGs at national and decentralized levels; (3) national capacity are strengthened for the mobilization of alternative sources for the financing of social sectors adaptation to the 2030 Agenda and to climate change. The joint programme includes activities at national and decentralized levels involving multiple national and international stakeholders for facilitating vertical and horizontal policy coherence, as well as South-South cooperation and best practices sharing.

**10. Keywords:**

LNOB, Partnerships, Human-Rights, Gender, Alternative and Innovative Financing, Private Sector.

**11. Overview of budget**

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| --- | --- |
| **Joint SDG Fund contribution**  | **USD 872’ 050** |
| Co-funding  | **USD 214’750** |
| **TOTAL**  | **USD 1’086’800** |

**12. Timeframe:**

|  |  |  |
| --- | --- | --- |
| **Start date** | **End date** | **Duration** (in months) |
| September 2020 | September 2022 | 24 |

The joint programme is planned for 24 months, leaving space for preparatory and exit phases with national institutions to sustain handover and national ownership.

**13. Gender Marker**:

The joint programme has an overall Gender Marker Score of 2.

**14. Participating UN Organizations (PUNO) and Partners:**

**National authorities**

Ministry of Development, Investment and International Cooperation, M. Belgacem Ayed, Head of the Committee for regional development - belgacem.ayed@tunisia.gov.tn

Ministry of Foreign Affairs, M. Wissem Moatameri, Director - w.moatameri@diplomatie.gov.tn

Ministry of Social Affairs, M. Maha Mezrioui , Director of Studies, Planning and Programming maha.mezrioui@social.gov.tn

Ministry of Finance- M. Zouhair Atallah , Director General, Chief of Staff - Zouhair.atallah@finance.gov.tn

Ministry of Local Affairs M. Karim Sahnoun, International cooperation Director : karim.sahnoun@affaireslocales . gov.tn

**PUNO**

United Nations Development Programme, UNDP- M. Steve Utterwulghe, Resident Representative Steve.utterwulghe@undp.org

United Nations Children Fund, UNICEF- Ms. Lila Pieters, Representative -

 lpieters@unicef.org

**Civil society organizations**

UGTT Union Générale tunisienne du travail- M. Nourredine Taboubi, Presiden secretariat.general@ugtt.tn

**Private sector: Business Organization**

UTICA- Ms. Sheherazade Berhouma, Director of Cooperation s.belaiba@utica.org.tn

CONECT- Ms. Douja Gharbi, Vice President, conect@conect.org.tn

Business Call to Action - Ms. Luciana Trindade de Aguiar , Director- luciana.aguiar@undp.org

Data Pop Alliance- M. Emmanuel Letouzé, Head - eletouze@datapopalliance.org

**International Financial Institutions**

WorldBank- M. Antonius (Tony) Verheijen, Director- averheijen@worldbank.org

IMF- M. Jérôme Vacher, Resident Representative- RR-TUN@imf.org

**Other partners**

IsDB: Islamic Development Bank - Ismail mohamed - abuomarmmsh@gmail.com

Mourakiboun- M. Mohamed Marzouk, Director - img@planet.tn

Al Bawsala- M. Selim Kharrat, Director selim.kharrat @albawsala.com/ contact@albawsala.com

Search for Common ground - Ms. Hilde Deman , Rerepsentative hdeman@sfcg.org

Cawtar- Ms Soukeina Bouraoui, Director - cawtar@cawtar.org

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| --- | --- | --- |
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| Ministry of Foreign Affairs | M. Wissem Moatameri, Director  | w.moatameri@diplomatie.gov.tn  |
| Ministry of Social Affairs | M. Maha Mezrioui, Director of Studies, Planning and Programming  | maha.mezrioui@social.gov.tn  |
| Ministry of Finance | M. Zouhair Atallah, Director General, Chief of Staff | Zouhair.atallah@finance.gov.tn  |
| Ministry of Local Affairs | M. Karim Sahnoun, International cooperation Director |  |

**SIGNATURE PAGE**

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| --- | --- |
| **Resident Coordinator ai: Lila Pieters***Date and Signature**09/03/2020* | **National Coordinating Authority** *MDICI**Date:09/03/2020**Signature and seal:* |
| **Participating UN Organization** (lead/convening)*Name of PUNO:* UNDP Name of Representative: Steve Utterwulghe, Resident Representative*Date:09/03/2020**Signature and seal* |
| **Participating UN Organization***Name of PUNO:* UNICEFName of Representative:Lila Pieters, Resident Representative*Date:**Signature and seal* |

**B. STRATEGIC FRAMEWORK**

**1. Call for Concept Notes**: SDG Financing (2/2019) – **Component 1**

**2. Programme Outcome [pre-selected]**

Additional financing leveraged to accelerate SDG achievement (Joint SDG Fund Outcome 2)

**3. UNDAF Outcomes and Outputs**

3.1 Outcomes

O1: The Government adopts a new administrative organization at the regional and local levels, responding to the aspirations of Tunisians for a model of democratic governance based on citizen participation and accountability.

O2: The Government implements a new model of economic and social development that is equitable, inclusive, sustainable and resilient, generating wealth and employment.

O3: Public authorities develop, monitor and evaluate evidence-based and equity-based social reforms in a participatory manner.

O4: Regional actors efficiently manage and exploit regional resources in an optimal, sustainable and inclusive manner.

3.2 Outputs

Output 1: The establishment of a model of democratic governance based on citizen participation and accountability and the adoption of an institutional architecture designed to establish local democracy.

* Output 2: Support national planning with technical support for the elaboration of the current National Development Plan (NDP) 2016-2020 (strategic, regional and sectoral volumes) and its strategic orientation note.

**4. SDG Targets directly addressed by the Joint Programme**

 3.1 List of goals and targets

- Goal 5: Gender Equality: 5.1

- Goal 10: Reduced Inequalities: 10 b, 10b1

- Goal 16: Peace, Justice and Strong Institutions 16.6

- Goal 17: Partnerships for the Goals: 17.9

3.2 Expected SDG

A key pillar of the Joint Programme is setting-up an Integrated National Financing Framework supporting the up-coming National Development Plan (2021-2025) and Financial Strategies currently in elaboration, guided by the 2015 Addis Ababa Action Agenda and in line with the Agenda 2030. As such, the framework marks the next step necessary for Tunisia in achieving the SDGs following their integration in national and municipal (6) planning and will bridge the gap between the long-term aspirations for sustainable development and the necessary investments and reforms for SDG financing while ensuring an enabling environment for addressing synergies and trade-offs among different flows. The Joint Programme (JP) reflects and builds on the stakeholders’ vision for an inclusive and sustainable development with a particular focus on strengthening innovative and alternative financing solutions rooted in evidence-based approaches to policy and planning, enabling a government framework that will provide evidence on the situation of the fiscal space for financing the SDGs, and finally the elaboration of a financing strategy based on the situation of the public finance and the contribution notably from the private sector to be used for priority-setting linked to strategic objectives. Without prior efforts in financing the SDGs, Tunisia will be marking a turning point in accelerating SDG impact through a whole-of-government optimized and efficient financial mobilization, allocations and spending supporting an inclusive and equitable economic growth, resilience to environmental change and emphasizing a focus on leaving no one behind by reducing inequalities, providing adequate and inclusive social services.

**5. Relevant objective(s) from the national SDG framework**

The Joint Programme is based on the five main pillars of the on-going National Development Plan for 2016-2020 that currently serves as the national SDG Framework, namely : a/ Strengthen good governance and reforms; b/ Transition from a low-cost economy to an economic and innovative hub; c/ Improve human development and social inclusion; d/ The Achievement of the region's ambitions; e/ The green economy as a pillar of sustainable development. The JP impacts objectives a, b, c and d

The NDP is available on the platform of the Ministry of Development, Investment and International Cooperation (<http://www.mdici.gov.tn/services/publications/>).

**6. Brief overview of the Theory of Change of the Joint programme**

***If*** by 2022, the key Tunisian institutions have improved capacity and tools to optimize the national fiscal space based on evidence and estimate of investment needs for the achievement of the SDGs,

***And if,*** by 2022, the government of Tunisia has enhanced its capacities and tools to identify, mobilize, allocate and report on domestic public and private financing at national and decentralized levels for the achievement of the SDGs,

***And if,*** by 2022, the government of Tunisia has strengthened its capacities and tools to identify, mobilize, allocate and report on innovative and alternative financing for the achievement of the SDGs,

***And if,*** evidences and supporting assessments, models and implementations strategies are based on gender sensitive data,

***Then***, by 2022, Tunisia has an enabling environment and an operationalized strategic Integrated National Financing Framework in line with its National Development Plan (2021-2025) as well as the necessary productive capacities and tools to identify, mobilize, allocate and report public, private, alternative and innovative financing for the achievement of the SDGs for an inclusive economic growth and sustainable development.

**7. Trans-boundary and/or regional issues**

**C. Joint Programme description**

**1. Baseline and Situation Analysis**

**1.1 Problem statement (max 2 pages)**

In spite of its significant progress in advancing towards the achievement of the objectives of the democratic transition, as recently manifested in the successful organization of presidential and legislative elections and the set-up of a new multiparty government, Tunisia still faces many challenges that do not allow these gains to be fully consolidated.

There is a significant gulf, between Tunisia’s progressive legal framework and the lived experiences of rights-holders. Social injustice, inequality between the regions, and enduring discrimination undermines both equality of opportunity and outcome. Inequality is exacerbated - and the enjoyment of human rights threatened - by austerity measures and related labour market reforms on the one hand, and endemic levels of corruption on the other. Corruption is particularly corrosive since its results reflect not only in the misallocation of public funds, but also in the shrinked investments in public services, essential for the realization of rights with a disproportionate impact on the poor[[1]](#footnote-2).

Tunisia’s most pressing national crisis is reflected in the frustration and, indeed, desperation of its youth – dynamics which have the potential to reverse democratic gains, particularly in the interior regions where two thirds of Tunisia’s poor live. These challenges are compounded by high unemployment rates, declining competitiveness and low productivity principally as a result of weak economic governance; as a result, corruption, weak institutional transparency, declining business climate; and market distortions keep Tunisia back from realising its significant potential. These dynamics tend to reinforce inequality between richer, metropolitan regions with a large concentration of economic activity and poor, peripheral, rural regions – which serves as the biggest obstacle to shared prosperity. In the absence of political and economic reform, these diverse challenges could impede Tunisia from delivering the 2030 Agenda.

The Tunisian economy faced many challenges, among which is the indebtedness of the economy. This is due to the importance of the Tunisian debt service in relation to the important use of external borrowed resources which was intended to cover the growing capital needs of the Government budget and the gaps in the balance of payments. Likewise, the limited room for the State budget is among the important issues at stake, in order to meet the country's important financial needs for development, especially for the renovation and the development of infrastructure and public facilities, as well as the operating expenses and debt servicing. Between 2010 and 2018, the debt has increased by 36.6 % of GDP and more than 50% of this increase is directly linked to the depreciation of the Tunisian dinar. Compared to the 2011-2015 average, the debt doubled, in 2017. Public debt (excluding public enterprises and social security funds) rose from 40.7% of GDP in 2010 to 75% of GDP in 2019. Another worrying fact is that short-term debt tripled between 2010 and 2019, rising by +11.6 percentage points of GDP. Considering the timeline of this JP, Tunisia will be at a early-recovery stage from the sanitary crisis of the COVID-19, and the JP will come to support the government in identifying and allocating financial resources for the priority sectors in building the resilience of the country.

2020-2025 will be a period of strong pressure on Tunisia's external finances: at the current exchange rate of the dinar vis-à-vis the main international currencies, an average annual amount of 10 billion dinars will have to be repaid to creditors, i.e. three times the average for the period 2011-2015. One to two loans will be reimbursed each year, in 2021 and 2024. The years 2021 and 2024 will be quite constraining with two repayments with respectively more than 11 and 10.7 billion dinars of debt service to be reimbursed.

Tunisia is considered to be one of the most exposed countries, amongst the Mediterranean area, to climate change and the country is likely to suffer from the sharp temperature increases and the risk of a greater number of natural and humanitarian disasters linked to droughts, desertification, earthquakes, flooding and forest fires. While Tunisia has engaged in diverse international commitments related to the environment, it will need to rapidly develop a climate change resistant socio-economic strategy if it is to effectively meet its obligations to both current and future generations. At the heart of these diverse challenges across Tunisia’s political, social, economic and environmental landscape is one central observation: despite significant democratic progress, multi-faceted exclusion and multi-dimensional inequalities risk is threatening Tunisia in achieving its aspirations articulated as part of the Agenda 2030. As such, SDG 5 on Gender equality, SDG 10 on inequalities, SDG 13 on climate change, SDG 16 on peace, security and inclusion and SDG 17 on Partnership- emerge as central to achieving all the other inter-related SDGs; these key SDG ‘enablers’, therefore are key to unlocking Tunisia’s potential.

As outlined notably in Tunisia’s National Voluntary Report 2019, the current national budget situation provides limited domestic fiscal space for financing the SDGs. As noted by the IMF, the expansion of the public sector, resulting from repeated wage increases and the associated growth in the public wage bill, is one of the principal reasons for the rising budget deficit in Tunisia. This high budget deficit and the dinar’s depreciation have contributed to a rapid accumulation of debt, which now stands at 77% of GDP, leading to several challenges for Tunisia. First, interest payments on such high levels of debt now consume 10% of total central government spending. This means that less funding is available for public infrastructure, health, education, and social transfers for vulnerable populations. Second, such high debt levels reduce investor confidence (and the confidence of the population) in macroeconomic stability and negatively affect job creation. Third, the government's frequent reliance on international capital markets for its financing needs exposes the country to sudden interest rate increases and investor mood swings. For these reasons, the government has made it a priority to reduce its debt burden; but to do so in a way that is fair, conducive to growth and social equity.

In order to capitalize on Tunisia’s so-far achieved progress in reaching the SDGs and advance its sustainable development agenda, the State must have the capacities and tools to identify, integrate, mobilize and allocate resources from all available sources, public and private, domestic and international, innovative and alternative. This Joint Programme envisions to support Tunisia in operationalizing an Integrated National Financing Framework which will provide the country with an enabling environment to a strengthened integrated inclusive planning process by (output 1) ensuring the relevant Tunisian institutions have the necessary capacity and tools to optimize the national fiscal space based on evidence and estimate of investment needs for the achievement of the SDGs; to overcome existing impediments to financing through (output 2) the monitoring and reporting on current budget allocations and expenditures, whilst empowering the whole-of-government in catalyzing public-private funding at national and decentralized levels; and finally (output 3) to empower the whole-of-government in efficiently identifying, mobilizing and deploying innovative and alternative financing solutions with a focus on sustainable, climate-resilient and inclusive social services.

**1.2 SDGs and targets (max 2 pages)**

*The joint programme will primarily contribute to the following 4 SDGs and 7 targets:*

* **Goal 5: Gender equality; Targets:**

- 5.C Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels

Indicator 5.c.1: Proportion of countries with systems to track and make public allocations for gender equality and women’s empowerment

* **Goal 10: Reduced Inequalities; Targets:**

- 10.b; Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes

 Indicator 10.b.1Total resource flows for development, by recipient and donor countries and type of flow (e.g. official development assistance, foreign direct investment and other flows)

* **Goal 16: Peace, Justice, Strong Institutions; Targets:**

- 16.6 Develop effective, accountable and transparent institutions at all levels

Indicator 16.6.1: Primary government expenditures as a proportion of original

approved budget, by sector (or by budget codes or similar)

* **Goal 17: Partnership; Targets:**

- 17.9 Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South and triangular cooperation

Indicator 17.9.1: Dollar value of financial and technical assistance (including through North-South, South-South and triangular cooperation) committed to developing countries.

Currently, baseline data cannot be provided as there is no data available.

- 17.14 Enhance policy coherence for sustainable development

Indicator 17.14.1: Number of countries with mechanisms in place to enhance policy coherence of sustainable development

- 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

Indicator 17.17.1: Amount of United States dollars committed to (a) public-private partnerships and (b) civil society partnerships

*NB: The baselines, as per the Data Gap Analysis conducted in 2019, for the above-mentioned relevant indicators are not yet available at national level.*

**1.3 Stakeholder mapping and target groups (max 2 pages)**

All stakeholders involved are drivers of change, and so are the regulatory framework and the policies and strategies for the coming years, in which financing the SDGs is a streamlined concern. The proposed programme intends to empower the government, institutional entities, local authorities and key entities from the private sector and civil society to accelerate sustainable development in Tunisia. The expected outcome and achievement of the planned outputs of this JP entail multilateral partnerships across sectors.

On the government level, this JP will be operationalized with the existing National SDG governance and coordination mechanism, led by the nationally designated SDG focal points which are the Ministry of Development, Investment and International Cooperation (a Ministry in charge of national planning and acting as the coordinating body of all line Ministries), and the Ministry of Foreign Affairs. This mechanism is also comprised of representatives from national organizations and institutions, civil society, private sector and academia. To ensure a broad-based ownership across government, this will be the JP high-level steering committee and main target group, in which the Ministry of Finance will play a pivotal role as well as key local authorities, represented by the Ministry of Local Affairs.

Through this committee will be leveraged multilateral partnerships with international entities such as International Financing Institutions and members of the International Cooperation established in Tunisia, such as but not limited to:

* World Bank (Boost)
* IMF (SDG Fiscal Space Analysis)
* Business Call to Action (Private Sector Impact Lab)

These will be technical partnerships for the achievement of the expected results.

Building on the Civil Society Organizations (including NGOs) and Private Sector mapping finalized respectively end of 2019 and beginning of 2020, and the currently deployed MoUs with Financial Institutions, new key stakeholders will be included through this Joint Programme, such as but not limited to:

* CoFundy (National Crowdfuning Platform)
* Al Baraka (Private Sector Impact Lab)
* ISBD (Alternative Financing Tadamon project)

The JP will deploy a working group comprised of technical focal points from both UNICEF and UNDP and from the SDG national coordination and governance mechanism, supported by the UN inter-agency SDG Task Force (set-up in 2018 for the SDG JP) with focal points from all UN agencies in Tunisia.

Considering the focus on social sectors and climate change adaptation in output 3, a specific focus is made on the vulnerable population in Tunisia based on a recently finalized LNOB analysis targeting young women, girls and men especially in rural areas.

The JP will focus also on the local authorities' capacities development in mobilization of financial resources, including tax collection and allocation and access to borrowing and investments. the JP will promote exchange of practices on the best modalities to mobilize domestic resources (including local taxes) and ensure a better allocation of resources between national, local and regional authorities to contribute to the implementation of the SDGs.

**2. Programme Strategy**

**2.1. Overall strategy (max 2 pages)**

Despite the challenges Tunisia is facing, the country has made significant progress towards achieving the 2030 Agenda. Indeed, the country reaffirmed its commitment to achieving the SDGs, as reflected in the alignment of its 2016-2020 National Development Plan to the 2030 Agenda. The former is structured around five pillars: reforms and governance; economic hub; human development; realizing the ambitions of the regions; and a green economy. A National SDG technical committee, as governance mechanism, has been set-up and lead by the two main SDG Nationally designated focal points: Ministry of Development, Investment and International Cooperation (acting as Ministry in charge of national planning), and Ministry of Foreign Affairs and comprised of Ministerial sectoral focal points, representatives of national organizations, civil society, the private sector and academics.

In 2018, Tunisia has reiterated its commitment to the 2030 Agenda by ratifying the Inter-UN SDG Joint Programme, led by UNDP, aiming to “Support the integration, monitoring, evaluation and reporting of the SDGs”. By 2019 and through this Joint Programme, the country adopted the MAPS approach (Mainstreaming, Acceleration and Policy Support) which resulted in the alinement of its NDP to the SDGs, as well as six Local Development Plans in six key municipalities, and to four pivotal assessments which outlined the necessary next steps Tunisia will need to undertake in achieving the SDGs and were at the base of its first National Voluntary Report presented in July 2019 at the High-Level Political Forum. The pivotal assessments include (i) " Data Gap Analysis", (ii) "Rapid Integrated Assessment" (RIA) of the National Development Plan 2016-2020 and the National Development Strategies, (iii) "Rapid integrated Assessment of the Constitution and the conventions ratified by Tunisia through the prism of human rights (RIA+)" and (iv) an "Analysis of the alignment and integration of SDGs" in all sectors. Through this Joint Programme, a reporting system for the monitoring and evaluation of the SDGs has also been set-up as well as a national SDG platform for the SDGs.

This JP envisions to empower key institutions in setting-up an enabling environment and an optimized fiscal space in implementing national planning, reforms and public policies through diversified sources and types of financing, leveraged from all partners, for a transparent, accountable and measurable achievement of the SDGs.

To do so, the JP implements a holistic and transformational interlinked and interdependent approach empowering national as well as localized key stakeholders in implementing a comprehensive integrated gender sensitive financing framework and strategy (systemic approach) supported by capacity building (behavioral approach) and the deployment of necessary tools as well as supporting and reporting mechanisms. The adopted dual approach (systemic and behavioral both at national and localized level) is grounded in the understanding that a financing strategy for the achievement of the SDGs is not an end by itself. It is a necessary milestone in Tunisia for healthy and transparent budgeted planning and regulatory frameworks attractive to a diversity of investors beyond a single planning cycle. Hence the JP focuses on setting-up an enabling environment to empower the whole-of-government in its capacity to achieve the SDGs by 2030 in line with the UNSDCF’s guiding goal of ensuring an equitable and inclusive democratic transition and building equitable institutional functions and capacities, specifically responding to outcome (2) of strengthening good governance and rule of law and outcome (3) supporting evidence-based sustained basic social services’ policies and systems.

The expected outcomes and results of this JP are closing the gaps in the so-far achieved efforts in integrating the SDGs in national (on-going National Development Plan) and local planning (9 municipalities have already elaborated sustainable city strategies that are aligned to the 2030 Agenda. The local development plans will be developed this year and will be informed by the city strategies). However, SDG integration, understood as the identification of synergies while managing trade-offs among goals and targets, calls for a broad systems approach which goes beyond a single planning cycle accompanied by parallel and complementary strategic scalable actions at different levels. To tackle this, this JP strategically leverage entry-points both at national (output 1) and localized level (output 2 and 3) identified as change catalyzers from comprehensive quantitative and qualitative analyses finalized in 2019 as well as multi-stakeholder consultations conducted to identify scope of the JP.

Paving the way for an enabling environment for the financing the SDGs, this JP marks a turning point in Tunisia as it proposes a solution approach to bridging the existing gap between the development aspirations of the country and the investment projections and allocations, identified as a quintessential next step for achieving the SDGs in the country’s first National Voluntary Report presented at the HLPF in July 2019. Indeed, SDGs’ achievement in Tunisia is conditioned by linking plans and national budget, interactions and alignment between interventions, and appropriate prioritization of SDGs targets and identification of financing for SDGs accelerators.

Hence, on a national level (output 1), this JP will empower and equip key stakeholders in operationalizing an Integrated National Financing Framework and strategy anchored in evidence-based and gender sensitive financial models (scoping phase), supported by capacity building and the necessary supporting and reporting mechanisms. By supporting Tunisia in forging strong partnerships, the country could have an enabling environment to leverage domestic and international resources (financing and alternative financing) and create the conditions to attract, allocate and manage investment for sustainable development.

The main international agreement that refers to this subject is the Addis Ababa Action Agenda (AAAA), adopted in July 2015 at the 3rd Conference on Financing for Development under the aegis of the United Nations. The AAAA is structured in several chapters, each referring to a field or lever of action. The first concerns the mobilization of domestic public resources. This is followed by private, national or international resources. It must be underlined that international aid in Tunisia can only make a small contribution to the financing of development, in Tunisia ODA represents a limited amount (2% GDP). It is important to point out, that as a developing country Tunisia adheres to the need for all developed countries to fulfil the commitments they made in the Addis Ababa Action Agenda with regard to ODA and in terms of creating the necessary conditions to mobilize their domestic resources, in particular through tax reforms. In addition, the AAAA may offer opportunities for Tunisia that can go beyond official development assistance and other conventional external financial resources. The AAAA could be a relevant framework for improving macroeconomic and fiscal policies for Tunisia in order to ensure sustainable growth.

At the infra-national level, this JP adopts an innovative and transformational approach to empower and equip local authorities and key stakeholders to identify, mobilize, allocate and monitor resources to achieve the SDGs by piloting strategic scalable actions.

Following the adoption of the new Local Communities Code (CCL) and the election of the first Municipal Councils resulting from the democratic transition in 2018, Tunisian municipalities need more than ever to equip themselves with planning and management tools that are equal to the challenges they face and the ever-growing expectations of their citizens. Focus here is made on Tunisian municipalities which have developed their sustainable city strategies aligned with the 2030 Agenda. There are three that have not yet finalized their city strategies though: Jendouba, La Soukra and Msaken, with the support of the UN, in line with the on-going Regional Development Plans (infra-national regions encompassing municipalities). This was achieved in 9 municipalities and let to the identification of specific targets and indicators to measure and monitor progress in achieving sustainable development at local level.

Capitalizing on this, and to going beyond traditional JP approaches, this JP in its output 2 and 3 will pilot key scalable interventions to building an enabling environment to leverage and manage diversified types and sources of financing for sustainable development, including financial innovation and alternative financing to complement traditional financing.

In its output 2, the JP is proposing to focus on the thematic of social sectors (led by UNICEF) and climate change (led by UNDP) as catalytic SDG accelerators which could be scaled out to other sectors during or after the JP. Identified as priority thematic in tackling disparities among regions inside Tunisia, and an upcoming priority sectors in early recovery of the COVID-19, by capitalizing on UNICEF and UNDP’s expertise and history in Tunisia. Output 3 will also pilot an innovative approach to leveraging partnerships for the financing the SDGs with a specific focus on engaging the private sector, still at an embryonic stage in Tunisia. For this purpose, the Private Sector Impact Lab (under JP output 3) is an innovative and scalable approach to promoting shared value, a common vision, common impact measurement tools and mutually reinforcing activities and interventions for a greater collective impact in achieving the SDGs. As such, the PSIL guides private sector engagement and financing of the SDGs, leverages multi sectoral partnerships, and proposes innovative tools such as a dynamic SDG Corporate Tracker (dashboard with real time private sector financial contributions to sustainable development with sufficient disaggregation to measure gender-sensitive investments and flows). As such, the dashboard is considered one of the central advocacy pillars of the PSIL for accountable, measurable (also in terms of impact) and trackable private sector investments in sustainable development Without a prior baseline in Tunisia, the PSIL is responding to a pressing need, observed notably in Tunisia’s 2019 National Voluntary Report, to engage and consolidate private sector investments in sustainable development in a manner advancing the 2030 Agenda and more specifically the country’s national development priorities or emerging development priorities. With the sanitary crisis (Covid-19), the importance of engaging proactively the private sector has gained impetus and paved the way for clear complementarities and collaboration tracks which should be capitalized on. For instance, to support the Government of Tunisia respond to the emergency the Private Sector invested 118 millions of Tunisian Dinars. The dashboard for PS engagements in development is a pivotal measurement, advocacy and monitoring tool to evaluate and track PS investments, to enhance the visibility of their impacts, while promoting accountability and optimized investment allocation. The sustainability of the PSIL, as a tool to respond to the existing and growing need to achieve the SDGs by 2030, lies in its governance mechanisms (national ownership through the National SDG Committee), the national and international partnerships leveraged (for instance, formalized partnership with BCtA), and the nature of its components modelled to the national context and expressed needs. The PSIL will be subject to user, members and partners surveys, reviews and evaluations to adjust it if needed to ensure its durability and impact.

To ensure the lead of the government, this proposal was developed jointly with the Ministry of Investment, Development and International Cooperation (MDICI), national SDG focal point in charge of coordinating all other line Ministries, and the national SDG coordination and governance committee which includes representatives from the private sector, civil society, academia etc. The proposal is building on the participating UN agencies’ programmes and relationships with SDGs Committee/Ministry of Development and the WB (BOOST) and the IMF (SDGs Fiscal Space Scenarios) on the Public Finance Management sector’s agenda. The JP valorizes existing national systems and coordination bodies that are being supported by other international partners, particularly the EU and WB, enhancing their capacity to enable coordination and share vision for the SDGs financing.

Timely, this JP is capitalizing the on-going preparation of Tunisia’s first Vision 2030 in parallel to the elaboration of the up-coming National Development Plan and its financial plan, both supported by the UN complementary to the INFF and strategy. This will guarantee the sustainability of the expected results beyond this JP.

The main value added of the UN in this JP is its to ensure complementarity and synergies in SDG oriented interventions, projects and programme between UN agencies, government and international stakeholders. As such it can ensure that this JP is not harming or duplicating the efforts but building and capitalizing on national priorities, programmes, strategies, reforms etc. The UN, with its values and neutrality, can act as mediator between partners and stakeholders to ensure a common vision, efficient collaboration and fluid communication. Another value added of the UN system, is its ability to leverage extensive national and international partnerships, expertise and existing international initiatives in financing and financial systems development, such as the UN Global Education initiative, Green climate fund, Global environment fund and the Adaptation Fund, etc.

**2.2 Theory of Change (max 2 pages+graphic)**

The central hypothesis guiding the expected change is that equipping the whole-of-government in strategically identifying, diversifying, mobilizing, allocating and reporting on a diverse set of financing will optimize evidence-based national planning and implementing processes to efficiently achieve the SDGs in a transparent and accountable manner owned and carried by the government at national and localized level.

Therefore,

***If*** by 2022, the key Tunisian institutions have improved their capacities and tools to optimize the national fiscal space based on evidence and estimate of investment needs for the achievement of the SDGs,

***And if,*** by 2022, the government of Tunisia has enhanced its capacities and tools to identify, mobilize, allocate and report on domestic public and private financing at national and decentralized levels for the achievement of the SDGs,

***And if,*** by 2022, the government of Tunisia has strengthened its capacities and tools to identify, mobilize, allocate and report on innovative and alternative financing for the achievement of the SDGs,

***And if,*** evidences and supporting assessments, models and implementations strategies are based on gender sensitive data,

***Then***, by 2022, Tunisia has an enabling environment and an operationalized strategic Integrated National Financing Framework in line with its National Development Plan (2020-2025) as well as the necessary productive capacities and tools to identify, mobilize, allocate and report public, private and alternative and innovative financing for the achievement of the SDGs for an inclusive economic growth and sustainable development.

This ToC builds on the so-far achieved progress of Tunisia in mainstreaming and integrating the SDGs in national and localized planning. All outputs and indicative activities outlined in the JP proposal represent necessary context specific steps and strategic leverage entry-points both at national (output 1) and localized level (output 2 and 3) as identified change catalyzers, resulting from comprehensive, gender sensitive, quantitative and qualitative analyses as well as multi-stakeholder consultations with key entities conducted in 2019, quintessential milestone to achieving and accelerating SDGs. Case studies and lessons learned from similar experiences in other countries have also nourished the approach of this JP.

The JP seeks to bridge the existing gaps between the development aspirations of the country and the necessary investments to reach them in line with the Agenda 2030 to ultimately leverage domestic and international public, private, innovative and alternative financing for the achievement of the SDGs by paving the way for an enabling environment, through an operationalized strategic INFF in line with the NDP, designed to empower the government with the necessary productive capacities and tools to identify, diversify, mobilize, allocate and monitor public, private, alternative and innovative financing at national and localized level (outcome) for the achievement of the SDGs.

To maximize the impact and results of the JP in the envisioned ToC, and in complement to the traditional focus on the key national stakeholders via the existing national SDGs governance and coordination mechanism, the ToC acknowledges a decentralized approach targeting local authorities in pre-identified municipalities (9 in 2019) which have aligned their Local Development Plans (LDP) to the SDGs. As such, the JP is paving the way to leveraging local financing through local authorities, ensuring that change efforts are strategic, harmonized and decentralized. In this logic, the JP is aiming to tackle two root causes to infra-national disparities marking Tunisia’s development (pointed as priorities for regional development in the VNR). Indeed, by capitalizing on UNICEF and UNDP’s expertise and history in both these pivotal thematic in Tunisia, innovative financing mechanisms will be explored and piloted for social sectors and climate change. The impact and lessons learned stemming from innovating financing mechanisms for these SDG accelerators for Tunisia could be scaled-out during or after the JP.

The ToC is promoting diversified types and sources of financing for the SDGs by seizing the potential of financial innovations, new technologies, digitalization and alternative financing as to the accelerate innovative and digital financing mechanisms. This is capitalized in the JP notably through the dynamic dashboard of financial flows and the Private Sector Impact Lab (PSIL). The former’s rationale is to support whole-of-society transparency, up-to-date data and accountability by setting up a digital innovative tracking dashboard which will be attached to the recently released SDGs national platform. The rationale behind the PSIL is to focus on optimizing and capitalizing specifically on the engagement and contributions of the Private Sector.

Underpinning the ToC is the main assumption that the government will have the necessary capacity and willingness to provide the required data and information. The primary risk entailed is the fluctuating willingness and commitment of the Tunisian government marked by frequent government reshufflings and turnovers. Considering the recently elected government (executive and legislative bodies), this risk is rather likely and may impact the timely achievement of the expected change. The secondary assumption is that the necessary funds will be mobilized to achieve all expected results.

As mitigation measures, the JP is capitalizing on the existing SDG national coordination and governance mechanisms and will leverage new and multi-lateral partnerships. The government will lead the implementation of the JP in close collaboration with the JP task technical team which will deploy continuous communication and dialogue ensuring efficient exchange of knowledge and opportunities. Further, through the scoping phase of the INFF, extensive and in-depth evidence-based assessments and studies will be conducted and disseminated generating reliable evidence notably in identifying binding constraints to supporting policy action prioritization.

An in-depth risk assessment will be conducted during the scoping phase outlining the potential impact of major risks on financing needs or availability; identifying potential gaps; and outlining to what extend the identified risks are incorporated in national planning and financing.

Further, financial setbacks will also be mitigated through the above-mentioned measures and will be accompanied by set of specific measures which include the facilitated cost-sharing processes through the existing SDG Joint Programme ratified by all UN agencies in Tunisia to rapidly engage inter-UN funds. Existing national and international partnerships will be leveraged should the necessary funding not be received. Technical focal points in the partner PUNOs will be mobilized to limit whenever possible the externalization of certain services and products.

**Risks:**

- Limited data and evidences

- Political and socio- economic instabilities/ fragility

**IMPACT:** Resilient, inclusive and accountable strong public institutions in Tunisia promoting the socio-economic and political empowerment of its society as to leave no one behind, operate in an enabling environment allowing for all to achieve the SDGs by 2030.

**Strategic Interventions**

Multi-sectoral collaboration and coordination: Planning, Finance and social sectors

**Assumptions:**

* Implementation of SDGs is adequately resourced
* Enabling environment for attract multiple source of finance for development is ensured.
* Best practices and knowledge from other contexts are identified and adapted

***Outcome 1:*** By 2022, Tunisia has an enabling environment and an operationalized strategic Integrated National Financing Framework in line with its National Development Plan (2020-2025) as well as the necessary productive capacities and tools to identify, diversify, mobilize and allocate public, private and alternative and innovative financing for the achievement of the SDGs for an inclusive and sustainable growth

**SDGs**

Assessment of fiscal transfer to decentralized level

Reporting to VNR 2021 the public and private financial contribution to the SDGs

Cost and financing sources for Climate change adaptation of social sectors

Budget monitoring and reporting of SDGs sensitive allocations

A national fiscal space analysis based on evidence

Capacity building of local municipalities

**Output 1.1:**

The key identified Tunisian institutions have improved capacity and tools to optimize the national fiscal space based on evidence and estimate of investment needs for the achievement of the SDGs.

**Output 1.2:**

The government of Tunisia has enhanced its capacities and mechanisms to mobilize and monitor public and private financing at national and decentralized levels for the achievement of the SDGs.

**Output 1.3:**

The government of Tunisia has strengthened its capacities and tools to mobilize and to monitor innovative and alternative financing for the achievement of the SDGs.

**2.3 Expected results by outcome and outputs**

This programme will ultimately contribute to support Tunisian Government to translate the policy and strategy 2030 intent into targeted harmonized national actions through an integrated national financing framework and strategy to enable a whole-of-society and whole-of-government engagement and contribution to Tunisia’s achievement of the SDGs ensuring an inclusive economic growth respectful of the environment followed through by strong accountable governance. The JP expects that by 2022, Tunisia develop an enabling environment and an operationalized strategic Integrated National Financing Framework in line with its National Development Plan (2020-2025) as well as the necessary productive capacities and supporting and reporting tools to identify, diversify, mobilize and allocate public, private and alternative and innovative financing for the achievement of the SDGs for an inclusive and sustainable growth.

The JP aims to optimize domestic resource (public, private) mobilization and enhance the composition, effectiveness and efficiency of public spending. It will support Tunisian government to assess the efficiency and effectiveness of social spending through different tools budget analyses, expenditure tracking using the World Bank budgetary database (BOOST) already existing in the Ministry of Finance. By strengthening the capacity of national body for planning and budgeting tracking and for the national budgetary frameworks, the joint-programme will make public spending on SDGs, Gender and on social services more efficient and effective for vulnerable and fragile groups. Indeed, a common factor driving multidimensional poverty and deprivations is the lack of adequate, equitable and/or effective allocation and utilization of public financial resources, as well the absence of private sector initiatives aligned to the SDGs priorities. With overall domestic financing increasing in Tunisia, the near- and longer-term outlook is equally promising. However, the regional fragile context is likely to continue, economic impacts of the COVID-19 on fiscal resources, which are expected to translate into dramatic decrease in domestic revenue, will require a solid budgetary framework to allocate resources adequately with equity and for the most fragile groups of the population. Finally, even when social spending increases in real terms at the national level, socioeconomically disadvantaged areas do not always benefit because of the high marginal cost of interventions. Further progress in SDGs outcomes, especially for fragile population, requires greater efforts by government of Tunisia to tackle public financial management-related barriers and bottlenecks in national and subnational budgeting processes to ensure that investments are pro-poor and achieving value for money. It is through the government budget that political commitments to citizens are delivered, hence the rationale for increased evidence through tracking and reporting on SDGs, gender and social sectors spending. Consequently, there is a strong case for influencing national budget processes to ensure that national budget across all levels reflect SDGs’ investment needs. These products, based on national budget allocation and expenditures, will be instrumental in informing and influencing national discourse on budget allocations, budget execution and spending towards more inclusive and equitable outcomes that enhance population wellbeing. Such disclosure will support efforts to put in place a national financing framework to channel civil society organizations and private sector actors financing to the SDGs that identifies and prioritizes areas for investments.

This outcome encompasses all main building blocks to operationalize an INFF and its strategy, including the necessary evidence-based scoping phase with i). assessments and diagnostics which have not yet been done in Tunisia; ii). Financing strategy in partnership with multi sectoral stakeholders; iii). Monitoring, review and accountability through the generated evidence and suggested monitoring, reporting and evaluation tools and capacity building; iv). accountable governance and coordination promoted and coordinated through the national SDG committee, accompanied by capacity building and equipped with innovative digital monitoring and innovation tools. Each of these pillars will be achieved through the following outputs reflecting the needs and priorities of the Tunisian context:

Output 1.1 The key Tunisian institutions have improved capacity and tools to optimize the national fiscal space based on gender sensitive evidence and estimation of investment needs for the achievement of the SDGs. The vision here is to support the key identified institutions, comprising the existing national SDG committee which will be reinforced by new strategic partnerships with key multi sectoral entities (responding to block iv of the expected outcome) in collecting, generating and analyzing the necessary evidence to preparing and operationalizing an INFF and strategy for an optimized and accountable financial allocation and spending for the achievement of the SDG-aligned national development priorities on the sectors for women, youth, children and vulnerable groups. As such, the financial framework and strategy will be gender-sensitive and reflective of the country’s vulnerable population. The targeted entities will benefit from capacity building conducted in partnership with national and international expertise to operationalize the INFF and implement the financing strategy. Through enhancing the capacity and skills of key stakeholders on SDG's and social budget allocation and as well on SDGs-sensitive expenditure management, the JP will allow the Tunisian government to mobilize public and private financing at national and decentralized levels.

Output 1.2 The government of Tunisia has enhanced capacities and tools to mobilize domestic public and private financing for the achievement of the SDGs

Through enhancing the capacity and skills of key stakeholders on SDG's and social budget allocation and as well on SDGs-sensitive expenditure management, the JP will allow the Tunisian government to develop different strategies to mobilize public and private financing at national and decentralized levels. The JP aims to increase domestic resource mobilization and enhance the composition, effectiveness and efficiency of public spending. It will support Tunisian government to assess the efficiency and effectiveness of social spending through different tools budget analyses, expenditure tracking using the World Bank budgetary database (BOOST) already existing in the Ministry of Finance. By strengthening the capacity of national body for planning and budgeting tracking and for the national budgetary frameworks, the joint-programme will make public spending on SDGs, Gender and on social services more efficient and effective for vulnerable and fragile groups. Indeed, a common factor driving multidimensional poverty and deprivations is the lack of adequate, equitable and/or effective allocation and utilization of public financial resources, as well the absence of private sector initiatives aligned to the SDGs priorities. With overall domestic financing increasing in Tunisia, the near- and longer-term outlook is equally promising. However, the regional fragile context is likely to continue, economic impacts of the COVID-19 on fiscal resources, which are expected to translate into dramatic decrease in domestic revenue, will require a solid budgetary framework to allocate resources adequately with equity and for the most fragile groups of the population. Finally, even when social spending increases in real terms at the national level, socioeconomically disadvantaged areas do not always benefit because of the high marginal cost of interventions. Further progress in SDGs outcomes, especially for fragile population, requires greater efforts by government of Tunisia to tackle public financial management-related barriers and bottlenecks in national and subnational budgeting processes to ensure that investments are pro-poor and achieving value for money. It is through the government budget that political commitments to citizens are delivered, hence the rationale for increased evidence through tracking and reporting on SDGs, gender and social sectors spending. Consequently, there is a strong case for influencing national budget processes to ensure that national budget across all levels reflect SDGs’ investment needs. These products, based on national budget allocation and expenditures, will be instrumental in informing and influencing national discourse on budget allocations, budget execution and spending towards more inclusive and equitable outcomes that enhance population wellbeing. Such disclosure will support efforts to put in place a national financing framework to channel civil society organizations and private sector actors financing to the SDGs that identifies and prioritizes areas for investments.

Output 1.3 The government of Tunisia has strengthened its capacities and tools to mobilize innovative and alternative financing for the achievement of the SDGs

Generating evidence about the economic, social and individual benefits of inclusion and increasing the mobilization of financial resources to future challenges and for the benefit to the most fragile communities in policy dialogue is key to maintain the importance of a continued focus on the SDGs financing. Generating timely, reliable evidence on the SDGs, climate change and social cohesion in Tunisia is crucial for the JP and Government to maintain attention, understand, propose new policy directions and plan according to evidence-based priorities. It enables the JP partners to advocate for the adaptation and endorsement of the adequate priorities thereby enabling the Government to implement appropriate programmes based on evidence. Thus, as a result it is important to include key activities for the generation of crucial evidences at national levels as well as infra-national, build the national and local capacity to generate such evidence and advocate for the institutionalization of such capacity to routinely produce the evidence. By supporting a desk review of evidence regarding the social cost of lack of investment in some social sectors (Youth/ employment/social inclusion), the JP will provide a set of evidences that could be used to advocate for more public resources for social sectors. In partnership with World Bank, IMF, EU and other regional entities, the programme will define global objectives, common approaches and best practices for protecting, increasing and improving social investments toward achieving SDGs. This new defined framework will help Tunisia to mobilize development and private partners to support an increase in the quantity and quality of financing for social protection, including to achieve social protection floor and universal health coverage. A similar strategy based on evidence will be implemented for climate change adaptation of the social sectors in Tunisia. Based on solid evidence, the JP will support Tunisian institutions to build on south-south cooperation and experiences sharing to build its national capacities to access innovative and transformative financing mechanisms for climate-change adaptation

Engaging the private sector in achieving sustainable development, should be donne in a manner that promotes shared value, a common vision, common impact measurement tools and mutually reinforcing activities and interventions for a greater collective impact in achieving the SDGs. To do this end, the Private Sector Impact Lab is an innovative and scalable approach to guiding, promoting and supporting private sector engagement and financing of the SDGs. This is a scalable pilot lab which will result in an advisory board comprised of private sector representatives to support their engagement in policy dialogue for sustainable development through the national SDG committee. It will also provide, through national and international partnerships, evidences on the impact of the engagement and contributions to the SDG, promote existing local solutions to Inclusive Business through a partnership with Business Call to Action, continuous strategic communication to mainstream this engagement and valorise its impact through an SDG Corporate tracker monitoring real time private sector financial contributions to sustainable development with sufficient disaggregation to measure gender-sensitive investments and flows prized by a nationally-development SDG Impact Seal. The tracker will feed disaggregated data of the financial flows (traditional financial contributions and alternative financing contributions such as crowdfunding) into the national monitoring dashboard (part of output 1 also nourished with local data planned in output 2).

**2.4 Budget and value for money (max 2 pages)**

The concept and design of this JP capitalize on the lessons learned, best practices and measured results and impact of the SDG Joint Programme, relative to SDG Integration, Planning and Monitoring, operationalized during the past years. The necessary next steps in supporting the country in achieving the SDGs, as explicited in this JP, are drawn from several recent assessments including the NVR, DGA, RIA and RIA+; regular political and socio-economic analyses; comprehensive literature review and case studies analyses of similar efforts across other countries. It also builds on a large set of multi-partners consultations from the government, civil society, private sector and academia to citizens in different locations across the country. As such this JP is efficiently capturing, whenever possible, synergies and capitalizing on existing activities from across sectors and stakeholders to ensure a harmonized approach to advancing the country’s efforts in achieving the SDGs.

An important budget is dedicated to the necessary specific assessments, diagnostics and studies pertaining to the necessary scoping phase to develop an INFF and strategy, based on the market pricing, since there is no such specific baseline in Tunisia. Nonetheless, whenever possible, existing sources of knowledge will be utilized, national expertise will be valorized, and multi-sectoral partnerships will be leveraged to adapt the existing or create the necessary. This JP places an important focus on consultative participative processes (focus groups, workshops), continuous communication with a focus on social media blogging to reduce, as much as possible, the costs of traditional communication supporting materials, and digital surveying from existing national and international platforms (for example the national SDG platform which has an instant forum, the National Statistical Institute’s digital nation-wide survey platform, UNDP’s youth forum, MyWorld survey, UNICEF’s mobile survey application etc). All the above-mentioned platforms provide disaggregated data enabling a gender-focused targeted-outreach and reporting.

Also, multi-sectoral partnerships will be leveraged all throughout this JP to capitalize on existing tools and knowledge (example: IMF SDG investment needs and fiscal space tools etc) in order to promote synergies (World Bank is currently deploying the BOOST project supporting to reform the budget monitoring and reporting, which is integrated in this JP’s framework) and to reduce creation-costs (example: UNDP Tunisia is piloting the operationalization of the Alternative Financing Tadamon platform with the Islamic Bank for Development).

The JP will leverage, in complement to the planned budget, additional complementary funds whenever necessary from strategic partnerships especially from the Private Sector. For instance, the outputs pertaining to Alternative and Private Sector financing will be piloted through an existing regional MoU with Al Baraka in its engagement in support of the SDGs, which is currently in negotiation at country-level).

This JP endeavors to reach an optimum balance between the 3 + 1 “E” (Economy, Efficiency, Effectiveness + Equity) in its monitoring and evaluation process:

* *Economy*: understood as being a function of quality of inputs in their selection, delivery and feedback upon receipt, each expense in this JP will be disaggregated in the workplan accompanied by a procurement plan based on the realities of the market and in respect with competitive pricing and procedures as applied by the UN Procurement Department. Periodic financial reporting and extracting will be done throughout the programme life cycle;
* *Efficiency*: hereby taken in its notion of tracking how the variations of inputs, determined by cost drivers and risks, affect output target delivery. As such, the JP will ensure the quality of outputs through detailed service and/or product specifications and competitive procurement processes. The timely delivery will be ensured by periodic narrative and financial reporting, as well continuous communication. Further, the risk analysis is informed and focused on doing no harm by covering key threats, providing an assessment of the risk level, and mitigating efforts;
* *Effectiveness*: hereby understood as the extent to which the intended outcomes deliver the desired outputs from expected activities. The JP is grounded in a comprehensive understanding of the context and built on best practices, lessons learned, partnerships and participatory processes. It also capitalizes on existing relevant activities and optimize synergies between them by ensuring a common vision. Further, through the PSIL (SDG Corporate tracker as dynamic dashboard to measure and track private sector contributions to the SDGs) and the national dashboard (to measure and track financing the SDGs from a variety of financial sources, including alternative financing), will further leverage accountability, transparency and reporting of the effectiveness of the JP implementation. The JP valorizes national expertise and participating UN agencies’ staff time and support;
* *Equity*: in line with the overarching commitment to leaving no one behind by ensuring the inclusion and participation of women and vulnerable groups, the JP sets out disaggregated targets and indicators for an evidence-based monitoring. All participatory processes (focus groups, workshops, survey etc) will ensure the inclusion of women and vulnerable groups and will be documented for reporting. Further, considering the expected results of this JP, all supporting materials (assessments, tools, trainings, platforms etc) will be capitalizing on existing disaggregated data or provide the necessary tools and capacities to generate it.

The VfM assessment will be detailed in the costed work plan and accompanied by a procurement plan following the rules of the UN procurement processes. As such, it will ensure competitive processes and prices.

The joint programme will cost a total of USD 1.087 million. This comprises USD 0.872 million from the Joint SDG Fund and USD 0.215 million as matched funds from the PUNOs. The matched funds from the PUNOs are derived from the continuing work through the UNICEF and UNDP Programmes in Tunisia in social policies and public finance management at central and decentralized levels. Their activities are part of the UNDAF and are leveraging activities which have significant overlap in objectives and implementation with the Joint SDG Programme. It is therefore deemed critical that the Joint SDG Fund contributions are used to enhance existing work in supporting the Tunisian Government to establish an INFF.

The budget breakdown per UNSDG categories (see annex 4.1) confirms the strategic approach of the Joint Programme for Tunisia. The largest shares of the budget are allocated to contractual services, staff and personnel, and transfers and grants to counterparts, government agencies notably. The system strengthening, and programme development approach adopted by the Joint Programme call for mobilization of technical expertise within the participating UN agencies or through the mobilization of technical assistance through contractual services managed by UN agency experts. Transfers to government counterparts have as main purpose to facilitate the required consultations and building up of technical expertise and skills among public finance and decentralization stakeholders in government positions notably.

The allocation by SDG target (see annex 4.2) is calculated over the total Joint Programme budget, i.e. inclusive of the participating UN agencies’ contributions. The overlap and interactions between targets (as outlined in the ToC and the programme narrative) make a precision allocation of the budget to each of our selected SDG targets a complex exercise. Following internal assessment, we estimated that about two third of the systems strengthening and programme development support provided under this Joint Programme can be allocated to SDG 16, target 16.6 and SDG 17, targets 17.9, 17.14 and 17.17 for building strong institutions and partnerships. To underline the significance of achieving gender equality in SDGs Financing and related outcomes, we have allocated the budget that can be qualified as directly gender-responsive (in line with the gender market matrix), i.e. 11%, to SDG 5, target 5.c. Finally, the policy work and evidence generation for budget allocation and financing to reduce inequalities justifies the allocation of 22% of the total budget to SDG 10, targets 10.2 and 10.4.

**2.5 Partnerships and stakeholder engagement (max 2 pages)**

The JP will be under the leadership of the Ministry of Investment, development and international cooperation and the SDGs national committee. This JP will be operationalized through the National SDG coordination and governance committee constituted in 2019 and led by the national SDG focal points which are the Ministry of Development, Investment and International Cooperation (a Ministry in charge of national planning and acting as the coordinating body of all line Ministries, including the Ministry of Finance), and the Ministry of Foreign Affairs. This committee is also comprised of representatives from national organizations and institutions, civil society, private sector and academia. As such, it is the implementing body of this JP to not only ensure an anchored ownership but also government leadership. Considering the scope of this JP, the main lead implementing governmental partners are the Ministry of Development, Investment and International Cooperation and the Ministry of Finance. Indeed, the Ministry of Finance under its Directorate for Public-Private Partnerships, is responsible of the development of appropriate tax, accounting, financial and competition legislation for the public-private partnerships and strengthening international and regional cooperation in the field of public-private partnership, key to deploying a comprehensive financing mechanism for Tunisia’s development priorities aligned to the SDGs. Another key governmental partner and member of the national SDG coordination and governance mechanism is the Ministry of Local Affairs responsible for local planning. A supporting technical task force (UNICEF, UNDP) will be deployed and supported by the existing inter-UN SDG Task force (set-up by all UN agencies in the framework of the existing SDG Joint Programme for Planning and Reporting on the SDGs).

The national Institute of Statistics ( <http://www.ins.tn/>) (INS), the Tunisian Institute of Competitiveness and Quantitative studies (<http://www.itceq.tn/>) both in coordination with the MDICI will be the main counterpart for the technical implementation of activities. ITCEQ will be responsible to develop a nationally adapted General Equilibrium Model for the SDGs achievement in Tunisia that will allow the development of scenarios of financing the SDGs.

UNDP and UNICEF will be the direct implementers of the JP with the support of the RCO and in close consultations with the agencies and UNCT.

More specifically, UNDP, as lead to the on-going SDG Inter-UN JP, will leverage its extensive national and international partnerships, national and local entry points and SDG expertise. Indeed, UNDP has led the implementation of the SDG inter-UN JP which resulted in operationalizing a monitoring and evaluation system for the SDGs; a national SDG platform; in conducting a Data Gap Analysis, Rapid Integrated Assessment, RIA+ on Human-Rights ratified conventions, and the alignment of the existing public strategies, policies and plans to the SDGs; in supporting the elaboration of the first National Voluntary Report presented at the HLPF in July 2019; in supporting the alignment of 9 Local Development Plans to the SDGs. UNDP is also implementing an integrated SDG16+ based portfolio of projects that foresees a series of specific interventions aimed at supporting national and sub-national efforts on SDG16+ based planning, monitoring and reporting including through the set-up of a multi-stakeholder and multi-level country support platform.

For UNICEF, this joint programme builds upon existing strategies already undertaken based upon the Country Programme Document 2020-2024 aiming to support Tunisian institutions to generate evidences and to engage on Public Finance for Children (PF4C) for better understanding the needs and perspectives of children in Tunisia. Based upon the priorities outlined by nationally generated evidences UNICEF supports national authorities to accordingly plan and allocate national budget. This joint programme’s proposal builds upon the framework in the UNICEF Tunisia CPD.

Another strategic contribution is that of the World Bank’s BOOST project and database <http://boost.worldbank.org/fr/country/tunisia> with a mapping of public expenditures related to SDGs targets with the objective of promoting accountability, transparency and efficiency of public spending across the country.

The JP is also leveraging a partnership with IMF in the framework of its SDGs Fiscal Space Scenarios based on the Public Finance Management sector’s agenda. The IMF team in Tunisia is already in advanced discussions with the Tunisian Government on this matter.

The JP in partnership with IMF will develop SDGs Fiscal Space Scenarios based on the Public Finance Management sector’s agenda. The IMF team in Tunisia is already in advanced discussions with the Tunisian Government to support the SDGs costing analysis.

Currently, UNDP Tunisia is actively leveraging private sector engagement and contributions to the SDGs building on existing agreements (example: Al Baraka) which will input into the JP activities and expected results (example: the operationalization of a crowdfunding platform in Tunisia in collaboration with the Islamic Bank for Development currently on-going will feed into knowledge and expertise in alternative financing mechanisms). Through the PSIL and its operationalization, UNDP will leverage (technically and if needed financially) existing international partnerships with for instance with Business Call to Action and the Global Compact Network, notably, as well as national partnerships through the private and public enterprise unions and networks (for instance Conect, UTTICA etc).

. UNDP will also, specifically in output 2 leverage existing collaborations with the financial sector to enhance their engagement to work in the field of Climate change in Tunisia and then play a decisive role in supporting the energy transition and the implementation of the Nationally Determined Contribution (NDC). In order to do this, some actions are under development to insure the integration of green finance into financing strategies at the national level with the following steps: I). Capacity building of financial sector in the areas of climate change and green finance; II). The operationalization of the Energy Transition Fund; III). Considering the climate dimension in investment decisions financed by the financial sector; IV). Integrating carbon pricing into innovative financing mechanisms; and V).

The establishment of a cooperation programme between the financial sector and the energy sector.

The implicated UN agencies will act as facilitator, neutral and credible agents, with a multi-disciplinary expertise as per international norms (2 UN agencies implicated). They have a trust-based relationship with national partners. This JP is enshrined in the continuity of programs and projects previously implemented and notably the SDG Joint Programme and national strategies. The JP will also build upon the UNDP Accelerator Lab network of expertise acting worldwide and in the region. UNCT is also preparing the new UNSCDF for 2021-2025 and is piloting in the region the work.

**3. Programme implementation**

**3.1 Governance and implementation arrangements (max 3 pages)**

Since 2019, the United Nations reform is putting the SDG’s on the core of the role of UNCT and RCO with a reinvigorated role to support the 2030 agenda, promote external partnerships and oversee joint resources mobilization to achieve these universal goals. The RCO aims to play a neutral coordination role and lead the initiatives in collaboration with government institutions and different stakeholders to facilitate discussions and make the resource mobilization harmonized and accessible to UNCT which collaborate to leverage the achievements of common goals. The Proposed JP aims to support the establishment of a National Integrated Financing Framework of the 2030 National Strategy aligned to the SDGS and will be under the leadership of the UNCT, the Ministry of Investment, development and international cooperation and the SDGs national committee.

This JP will be operationalized with the existing National SDG governance and coordination mechanism created in 2019, led by the nationally designated SDG focal points which are the Ministry of Development, Investment and International Cooperation, and the Ministry of Foreign Affairs. This mechanism is also composed of representatives from national organizations and institutions, civil society, private sector and academia. To ensure a broad-based ownership across government, there will be the JP high-level steering committee and main target group, in which the Ministry of Finance will play a pivotal role as well as key local authorities, represented by the Ministry of Local Affairs. This steering committee will be representing UN Agencies, the 2 representatives of PUNO (UNDP and UNICEF) with the RCO which is the Joint Programme coordination focal point.

In addition, a working group will be deployed, composed by several technical focal points from both, UNDP and UNICEF and from the SDG national coordination and governance mechanism (government), supported by the UN inter-agency SDG Task Force (set-up in 2018 for the SDG JP) with focal points from all UN agencies in Tunisia. This working group will be in charge of the monitoring and evaluation of the JP.

This approach will adapt two monitoring and management groups for the needs of the JP, (i) steering committee to make essential decisions to the program, and (ii) the working group for operational and technical decisions throughout the execution, which is, in our point of view, the best approach to take.

Indeed, this approach guarantees the most massive ownership and involvement of the government, through the leadership of Ministry of Development, Investment and International Cooperation and Ministry of foreign affairs as major stakeholders within the steering committee, supported by the national coordination and governance mechanism. In addition to this, it allows the largest involvement of UNCT without creating a parallel structure, since the working group for this JP relies in large part on the SDG national coordination and governance mechanism, supported by the already existing UN inter-agency SDG Task Force. That will allow to capitalize on the previous experience of the committee members in implementing such projects and lessons learned about the topic.

In terms of responsibilities, they are well compartmentalized. The steering committee will be responsible of taking the strategic decisions, which are required for the reforms that will be undertaken. For this purpose, with regard to actions with a tax impact, the presence of the Ministry of Finance at the Steering committee will facilitate this duty. Also, having Ministry of International Development and Ministry of foreign affairs at the steering committee will allow, through their catalytic role, to engage other ministerial departments to make strategic decisions that require a high degree of seniority and involvement. As the RCO is the privileged interlocutor of both Ministries, having a representative on the Steering Committee, with the help of representatives of PUNO (UNDP and UNICEF), will allow to bring to the attention of the steering committee on the major issues that need to be discussed and arbitrated, throughout the lifecycle of this JP.

The working group, will play the role of the day-to-day management entity of the JP, based on the SDG national coordination and governance mechanism, supported by the UN inter-agency SDG Task Force. The Working Group will also report to UNCT through the production of periodic monitoring and evaluation reports (quarterly and annual) and the monitoring of resources mobilizations. The working group will also submit to the steering committee the major issues that will require its strategic intervention.

The Working Group, which includes technical representatives from INS and the Ministry of Finance, will be accounted to provide info and reports on progress for achieving the SDGs and the financial resources mobilized to achieve the 2030 agenda Will receive agency support whenever needed in monitoring, reporting and evaluating (UNDP) especially for financial transactions (UNDP, UNICEF).

**3.2 Monitoring, reporting, and evaluation**

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. Each PUNO will provide the Convening/Lead Agent with the following narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat:

* Annual narrative progress reports, to be provided no later than. one (1) month (31 January) after the end of the calendar year, and must include the result matrix, updated risk log, and anticipated expenditures and results for the next 12-month funding period;
* Mid-term progress review report to be submitted halfway through the implementation of Joint Programme[[2]](#footnote-3); and
* Final consolidated narrative report, after the completion of the joint programme, to be provided no later than two (2) months after the operational closure of the activities of the joint programme.

The Convening/Lead Agent will compile the narrative reports of PUNOs and submit a consolidated report to the Joint SDG Fund Secretariat, through the Resident Coordinator.

The Resident Coordinator will be required to monitor the implementation of the joint programme, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. As a minimum, joint programmes will prepare, and submit to the Joint SDG Fund Secretariat, 6-month monitoring updates. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat. Joint programme will allocate resources for monitoring and evaluation in the budget.

Data for all indicators of the results framework will be shared with the Fund Secretariat on a regular basis, in order to allow the Fund Secretariat to aggregate results at the global level and integrate findings into reporting on progress of the Joint SDG Fund.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting done throughout the year.

PUNOs at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

* Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
* A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

In addition, regular updates on financial delivery might need to be provided, per request of the Fund Secretariat.

After competition of a joint programmes, a final, independent and gender-responsive[[3]](#footnote-4) evaluation will be organized by the Resident Coordinator. The cost needs to be budgeted, and in case there are no remaining funds at the end of the joint programme, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

The joint programme will be subjected to a joint final independent evaluation. It will be managed jointly by PUNOs as per established process for independent evaluations, including the use of a joint evaluation steering group and dedicated evaluation managers not involved in the implementation of the joint programme. The evaluations will follow the United Nations Evaluation Group’s (UNEG) Norms and Standards for Evaluation in the UN System, using the guidance on [Joint Evaluation and relevant UNDG guidance on evaluations](http://www.uneval.org/document/detail/1620). The management and implementation of the joint evaluation will have due regard to the evaluation policies of PUNOs to ensure the requirements of those policies are met and the evaluation is conducted with use of appropriate guidance from PUNOs on joint evaluation. The evaluation process will be participative and will involve all relevant programme’s stakeholders and partners. Evaluation results will be disseminated amongst government, development partners, civil society, and other stakeholders. A joint management response will be produced upon completion of the evaluation process and made publicly available on the evaluation platforms or similar of PUNOs.

**3.3 Accountability, financial management, and public disclosure**

The Joint Programme will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for the Joint Programme through the AA. Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding with the AA.

Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Participating Organizations recovered through programme support costs will be 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Funding by the Joint SDG Fund will be provided on annual basis, upon successful performance of the joint programme.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund.

PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Each PUNO will take appropriate measures to publicize the Joint SDG Fund and give due credit to the other PUNOs. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, PUNOs, the Administrative Agent, and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating Organization and partners in all external communications related to the Joint SDG Fund.

**3.4 Legal context**

Agency Name: Resident Coordinator Office

Agreement title: United Nations Development Assistance Framework, UNDAF (2015-2020)

Agreement Date: March, 2014

Agency Name: UNICEF

Agreement title: The draft Country Programme Document for Tunisia (E/ICEF/2014/P/L.8) was presented to the Executive Board for discussion and comments at its 2014 annual session (3-6 June 2014).  The document was subsequently revised, and this final version was approved at the 2014 second regular session of the Executive Board on 11 September 2014.

Agreement Date: September 2014

Agency Name: UNDP

Agreement Title: The draft Country Programme Document for Tunisia (DP/DCP/TUN/2) was presented to the Executive Board for discussion and comments at its 2014 annual session (23-27 June 2014) and a final version was approved at the 2014 second regular session of the Executive Board on September 2014.

Agreement Date: September 2014

**D. ANNEXES of the Joint Programme template**

**Annex 1. List of related initiatives**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Name of initiative/project** | **Key expected results** | **Links to the joint programme** | **Lead organization** | **Other partners** | **Budget and funding source** | **Contract person**(name and email) |
| Tunisia Joint SDGs Programme | Result 1: By the end of 2020, the Government adopts a long-term development vision integrating the different dimensions of sustainable development.Result 2: By the end of 2020, the Governement sets up an institutional framework for the coordination and a mechanism for monitoring and evaluating the SDGs according to international experiencesResult 3: The Government implements a framework for reporting and communication on the implementation of the SDGs at the national and regional level. | Key partners (at national, regional and local levels) have the technical knowledge and capacity to adapt SDGs to national priorities and integrate them into national strategies, including the costing and the financing.  | RCO, UNDP  | All UN agencies present in the country  | 2 MUSD | Nabil.ben-nacef@one.un.org Aida.robbana@undp.org  |
| The public finance study as component of Situation Analysis of children in Tunisia | The public finance study as component of Situation Analysis of children in Tunisia |

|  |
| --- |
| Budgeting for the social sectors that serve children's well-being, such as education, health and social welfare |

 | Unicef | Ministry of Social Affairs/ Ministry of Finances | 60.000 US$ | sbouzekri@unicef.org |
| Fiscal space for the implementation of social protection floor in Tunisia |

|  |
| --- |
| Different scenarios for financing the implementation of SPF in Tunisia developed |

 |

|  |
| --- |
| Fiscal space options are developed as component of the public policies for better social protection. |

 | UNICEF/ILO | Ministry of Social Affairs/ Ministry of Finance | 150.000US$ | sbouzekri@unicef.org |
|  Study on the situation of LNOBs in the country  | o Identification of the populations left out and their main needs; of the main causes of vulnerability and marginalization and ways to strengthen resilience and improve the living conditions of these populations; of public policies, strategies and plans implemented to improve their conditions. | Public policies, strategies and plans to be put in place for the marginalized and vulnerable populations and how to finance them | UNDP  | OHCHR UNICEF, UNFPA, FAO, UNwomen, UNHabitat, WFP with the support of RCO | 42.800 US  | Maya.dimitrova@undp.org  |
| National SDGs Portal  | Disseminate complex data and indicators on SDGs, disaggregated bycharacteristics (age, gender, residence, income and other), at the national and local levels. | Strengthening national statistical systems to store, analyse, share and disseminate information | UNDP  | National Institute of Statistics  |  | Maya.dimitrova@undp.orgAida.robbana@undp.org  |

**Annex 2. Results Framework**

**2.1. Targets for Joint SDG Fund Results Framework**

*Set targets in the tables below, if relevant*

**Joint SDG Fund Outcome 2:** Additional financing leveraged to accelerate SDG achievement

*(set the targets, if relevant)*

|  |  |
| --- | --- |
| **Indicators** | **Targets** |
| 2020 | 2021 |
| 2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope[[4]](#footnote-5)  | nb | nb |
| 2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale[[5]](#footnote-6)  | nb | nb |

NB: The ratio calculations will take place with the Ministry of Finance and the Ministry of Development, Investment and International Cooperation, as soon as the steering committee is set-up.

**Joint SDG Fund Output 4:** Integrated financing strategies for accelerating SDG progress implemented

|  |  |
| --- | --- |
| **Indicators** | **Targets** |
| 2020 | 2021 |
| 4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful) |  | 2 |
| 4.2: #of integrated financing strategies that have been implemented with partners in lead[[6]](#footnote-7) |  | 2 |
| 4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational | 5 | 10 |

**Joint SDG Fund Operational Performance Indicators**

Level of coherence of UN in implementing programme country[[7]](#footnote-8)

* Reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other joint programmes in the country in question
* Annual % of financial delivery
* Joint programme operationally closed within original end date
* Joint programme financially closed 18 months after their operational closure
* Joint programme facilitated engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)
* Joint programme included addressing inequalities (QCPR) and the principle of “Leaving No One Behind”
* Joint programme featured gender results at the outcome level
* Joint programme undertook or draw upon relevant human rights analysis, and have developed or implemented a strategy to address human rights issues
* Joint programme planned for and can demonstrate positive results/effects for youth
* Joint programme considered the needs of persons with disabilities
* Joint programme made use of risk analysis in programme planning
* Joint programme conducted do-no-harm / due diligence and were designed to take into consideration opportunities in the areas of the environment and climate change

**2.2. Joint programme Results framework**



**Annex 3. Gender marker matrix**

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator** | **Score** | **Findings and Explanation** | **Evidence or Means of Verification** |
| *N°* | *Formulation* |
| 1.1 | Context analysis integrate gender analysis | **2** | Context analysis includes data disaggregation including gender | Data analysis of target population |
| 1.2 | Gender Equality mainstreamed in proposed outputs | **2** | Outputs look at the specific needs of different groups including by gender and age | M&E data report |
| 1.3 | Programme output indicators measure changes on gender equality | **1** | Indicators disaggregate data by specific groups, including by gender | M&E data report |
| 2.1 | PUNO collaborate and engage with Government on gender equality and the empowerment of women | **2** | Detailed in government plans and the project document  | JP report |
| 2.2 | PUNO collaborate and engages with women’s/gender equality CSOs | **1** | JP document details consultations with CSOs and decentralized authorities during implementation  | JP report |
| 3.1 | Program proposes a gender-responsive budget | **2** | Budget includes investment needs assessment of specific groups | budget |
| **Total scoring** | **2.1** |  |

**Annex 4. Budget and Work Plan**

**4.1 Budget per UNSDG categories**

The budget breakdown per UNSDG categories (see annex 4.1) confirms the strategic approach of the Joint Programme for Tunisia. The largest shares of the budget are allocated to contractual services, staff and personnel, and transfers and grants to counterparts, government agencies notably. The system strengthening, and programme development approach adopted by the Joint Programme call for mobilization of technical expertise within the participating UN agencies or through the mobilization of technical assistance through contractual services managed by UN agency experts. Transfers to government counterparts have as main purpose to facilitate the required consultations and building up of technical expertise and skills among public finance and decentralization stakeholders in government positions notably.



**4.2 Budget per SDG targets**

The allocation by SDG target (see annex 4.2) is calculated over the total Joint Programme budget, i.e. inclusive of the participating UN agencies’ contributions. The overlap and interactions between targets (as outlined in the ToC and the programme narrative) make a precision allocation of the budget to each of our selected SDG targets a complex exercise. Following internal assessment, we estimated that about two third of the systems strengthening and programme development support provided under this Joint Programme can be allocated to SDG 16, target 16.6 and SDG 17, targets 17.9, 17.14 and 17.17 for building strong institutions and partnerships. To underline the significance of achieving gender equality in SDGs Financing and related outcomes, we have allocated the budget that can be qualified as directly gender-responsive (in line with the gender market matrix), i.e. 11%, to SDG 5, target 5.c. Finally, the policy work and evidence generation for budget allocation and financing to reduce inequalities justifies the allocation of 22% of the total budget to SDG 10, targets 10.2 and 10.4.



**4.3 Work plan**



**Annex 5. Risk Management Plan**

Tunisia’s economy has historically been one of the most dynamic and diversified of the region. The 2011 revolution – as with political instability of such magnitude in any country – had a negative effect in the short-term on these dynamics in four keyways. First, Tunisia dropped from a growth rate of on average 4.4% between 2000 and 2010 to around 1.4 per cent in 2019, well below the initial forecasts of 3.1 per cent. However, these positive developments were not enough to offset public debt, which increased by 6.5 per cent to reach 76.7 per cent of GDP – exacerbated by the depreciation of the Tunisian dinar. Fourth, a complex monetary policy that must support the economy and reduce high inflation rates: between 2016 and 2018 the dinar lost 37 per cent of its value against the euro, impacting inflation which rose from 3.7 per cent in 2016 to 7 per cent in 2018. Lastly, Tunisia suffers from a structurally deficit trade balance of -17.9 per cent of GDP in 2018 but a strong surplus of TND 18, 967 million in 2018 thanks in large part to the tourism sector. Despite this positive outlook, there are a number of challenges and internal risks related to socio-economic governance that will need to be taken into consideration and, where possible, addressed if Tunisia is to achieve its predicted growth rates or, ideally, surpass them. For example, the economy has experienced a loss of competitiveness, only partly offset by the depreciation of the Tunisian dinar; productively fell from an average of 1.37 per cent during the previous decade, to only 0.05 per cent during 2012 to 2018. Planned reform programmes – particularly the proposed review of the energy subsidy programme - are likely to cause significant social unrest with knock-on effects on productivity in important sectors, overall growth and consumption, with greatest impacts on the poorest and most vulnerable. Challenges related to public debt require tax reform and improved tax collection, and limits on the public service wage bill. And, labour market reforms will be imperative to reduce unemployment and increase access to skilled labour; 30 per cent of companies report the latter as being an important obstacle – large parts of the skilled labour work-force is absorbed by the public sector or the prospects of a better life abroad. Inequality between richer, metropolitan regions with a large concentration of economic activities and poorer, peripheral, rural regions undermines social progress and is the biggest obstacle to shared prosperity. Socio-economic inequality is exacerbated by multiple external pressures. The crisis in Libya, in particular, weighs heavily on the Tunisian economy. In addition to these multiple challenges, Tunisia benefits from diverse and promising economic opportunities. Geographically Tunisia benefits from a strategically close position to the European Union; the EU is Tunisia’s principal donor and trading partner, representing around 64 per cent of its total trade in 2017. Tunisia’s ability to adequately finance the SDGs is hampered by its classification as a low income country, with a GNI per capita of $3970 (below the US $4036 threshold to be considered a middle income country. During the Common Country analysis held end of 2019, an analysis of risks on 12 pertinent themes, including: economic stability; political stability; democratic space; justice and rule of law; natural resources and climate change; food security, agriculture and land; access to education and health services; infrastructure; internal security; migration and forced displacement; social cohesion, equality and non-discrimination; and, regional and global influences has been undertaken summarised in this table:

|  |  |
| --- | --- |
| **Themes** | **Principal risks** |
| **Economic stability**   | 1. Financial crisis
2. Sluggish growth
3. Inability to reform
 |
| **Political stability**   | 1. Poor governance
2. Inability to reform
3. Corruption
 |
| **Access to health and education services**  | 1. Unequal access to education services
2. Poor quality of education
3. Poor governance (lack of vision/approaches, etc.)
4. Unequal access to quality health services.
 |
| **Infrastructure (transport, water, electricity)**  | 1. Poor governance
2. Unsustainability of the transport/road network
3. Water imbalance and floods
 |
| **Food security, agriculture and land**   | 1. Depletion of resources and reduction of production.
2. Inability to meet demands (access and usage)), malnutrition
3. Lack of competition and inefficiencies
 |
| **Natural resources and climate change**  | 1. Climate change
2. Food insecurity
3. Energy insecurity
 |
| **Migration and forced displacement**   | 1. Lack of strategies for integration migrants and refugees (at the local and national levels)
2. Insufficient governance of migration and refugees.
3. Failure to maximise the positive potential of migration and refugees.
 |
| **Internal security and regional/global influences**  | 1. Institutional inability to prevent, manage and respond to violence.
2. Global and regional influences
3. Terrorism
 |
| **Democratic space**  | 1. Citizen participation deficit, culture and beliefs.
2. Lack of effectiveness of the constitution and related institutions.
3. Failures of the political ecosystem (parties and other stakeholders).
 |
| **Justice and rule of law**   | 1. Insufficient and inconsistent legal and institutional framework.
2. Failure to improve the quality of justice services.
3. Lack of trust in the justice is weakening rule of law.
 |
| **Social cohesion, equality, and non-discrimination.**   | 1. Inadequate economic policies.
2. Ineffectiveness of social policies
3. Lack of trust between actors, discrimination.
 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Risks** | **Risk Level:** | **Likelihood:**  | **Impact:**  | **Mitigating measures** | **Responsible Org./Person** |
| Contextual risks |
| Risks associated to Covid-19 confinement measures | Medium (8) | Possible (3) | Moderate (3) | The UNCT as well the line Ministries have the experience of teleworking during the confinement and lockdown measures taken by the Tunisia Government in April-May 2020. Building on the lessons learned during this previous lockdown period, the PUNOs will ensure that all activities planned are on track with regular virtual meetings with all implementing partners. | PUNOs |
| Political instability increases replacements and turnover in leadership, management and human resources of central institutions and local authorities creating a risk to ensure continuity of ongoing initiatives and programmes | High (9) | Possible (3) | Moderate (3) | Participatory approach with technical directorate will ensure that methodologies and tools developed by the programme are adopted and institutionalized over time. The programme staff will establish regular contacts will new leadership and decision makers to ensure common understanding of the interventions and strategic activities. | PUNOs |
| Programmatic risks |
| Programmatic risks associated to a second wave of Covid-19 might lead to demotivation of partners at national level | Medium (8) | Possible (3) | Moderate (3) | The programme will work closely with all stakeholders and will monitor closely the situation to ensure that the project activities are not impacted. In fact, in April-May Tunisia imposed a strict and early lockdown to fight the pandemic. The policy appears to have paid off with very limited number of deaths been officially recorded, for limited number of people infected. Indeed, during the strict lockdown all administration and line ministries continue their regular activities in addition to responding to the health emergencies.  | PUNOs |
| The necessary funds for the PSIL are not mobilized | Low (4)  | Possible (3)  | Moderate (3)  | PSIL builds on existing needs, partnerships and interventions and as such ensures widespread visibility through continuous digital and traditional communication, an important incentive to lever. The governance mechanism of the PSIL consolidates its national ownership is the National SDG Committee, existing partner networks (ex: CONECT, union of private and public enterprises; Global Compact Network, BCTA network, Entrepreneurship Ecosystem etc) and closely supported by the UNDP SDG dedicated unit. The existing SDG JP facilitates inter-UN cost sharing processes which will facilitate financial transactions should the funding not be received.  | PUNOs |
| Scaling-up of innovations cannot be done and integrated into a national framework due to resistance by government | Medium (8) | Unlikely (2) | Major (4) | Scaling-up and national ownership are to be realized with the support of the line ministries which are accountable to implement national strategies. Good practices at municipal level can be replicated and scaled up with strong evidence-based advocacy, the selection of municipalities with past decentralization programme supported by the UNCT will enhance the national ownership. | PUNOs |
| Potential municipalities benefiting do not see their interest in participating in innovating financing for development | High (9) | Possible (3) | Moderate (3) | UNDP will work with a facilitator who has experience in engaging different CSOs and representative of the municiaplities to plan, coordinate and take action for improving the situation. | PUNOs |
| Institutional risks |
| Social tensions in the country create polarization of the political situation and might lead to demotivation of partners at national level | High (9) | Possible (3) | Moderate (3) | The programme will work closely with all stakeholders and will monitor closely the situation to ensure that the project activities are not impacted. Tunisia is already committed to submit its 2021 VNR at the HLPF | PUNOs |
| Low priority given to issues of financing and lack of focus on the longterm perspective by central and local government | Low (4) | Unlikely (2) | Minor (2) | UNCT has already successfully supported Tunisia for its 2019 VNR report and exploring long term financing of the SDGs is already an agreedrecommendations of the HLPF  | PUNOs |
| Fiduciary risks |
| Misuse of the fund transferred to partners | Low (4) | Unlikely (2) | Minor (2) | All UN Agencies use the HACT procedures and undertake regular financial assessment and programme monitoring activities | PUNOs |

1. <https://www.iri.org/sites/default/files/tunisia_final_slides.pdf> [↑](#footnote-ref-2)
2. This will be the basis for release of funding for the second year of implementation. [↑](#footnote-ref-3)
3. [How to manage a gender responsive evaluation, Evaluation handbook](http://www.unwomen.org/en/digital-library/publications/2015/4/un-women-evaluation-handbook-how-to-manage-gender-responsive-evaluation), UN Women, 2015 [↑](#footnote-ref-4)
4. Additional resources mobilized for other/ additional sector/s or through new sources/means [↑](#footnote-ref-5)
5. Additional resources mobilized for the same multi-sectoral solution. [↑](#footnote-ref-6)
6. This will be disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners [↑](#footnote-ref-7)
7. Annual survey will provide qualitative information towards this indicator. [↑](#footnote-ref-8)