



Joint Programme 2021 Annual Progress Report

SDG Financing Portfolio - Component 1

Cover page

UNCT/MCO: Egypt

Reporting Period: 1 January - 31 December 2021

JP title: “UN Joint SDG Fund Support to Egypt Integrated SDGs Financing”

PUNOs: UNCTAD, UNDP, UNICEF, ILO

Government partner: Ministry of Planning and Economic Development

Target SDGs: SDGs 17, 1, 3, 4, 5, 6, 11, 16

Gender Marker: 2

Approved budget: USD 924,159

Co-funding: USD 349,200

Total Disbursement by 2021: USD 924,159

Total estimated expenditures: USD 316,196 (est. Delivery rate: 34.2%)

Total estimated commitments (including expenditures): USD 533,506.9 (est. Committed rate: 57.7%)

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Executive Summary

First, the initial Steering Committee meeting was held involving the participation of four Ministers: Planning (meeting chair), Finance, International Cooperation, and Social Solidarity. Also participating were the President of the National Council for Women, the national statistics office (CAPMAS), and other relevant government officials. The meeting and its preparation included extensive consultation between the PUNOs and government to review priority areas for SDG costing, confirmation of the JP’s key activities, and finalizing the terms of reference for the Steering Committee. ‘

Second, several key strategic frameworks and other planned guidance and analyses necessary for the implementation of the JP’s key activities were completed. This includes a strategic framework developed in close consultation with government to define how Gender-Responsive Budgeting tools will support the objectives of the Ministry of Finance. The framework includes an action plan with agreed activities to be carried out along with indicators to measure progress. Meanwhile, technical work has been initiated by all PUNOs with their respective partners. This includes development of the preliminary Development Finance Assessment (DFA), a draft guidance note on

methodologies to measure illicit financial flows, and guidance for an information system for conducting regular actuarial valuation of social institutions (e.g., pension fund investment policy). Some related capacity building efforts envisaged by the JP were also delivered.

Finally, a dialogue process with stakeholder groups (including youth, children and women) has been initiated to create awareness and accountability about SDG-aligned-budget and financing for the SDGs. This JP has also initiated plans for communications and outreach across the outcome areas, including to produce Egypt-specific knowledge products and develop relevant Government capacities to answer three questions: 1) How much do the SDGs cost? 2) What are the current flows and how are they allocated? 3) What opportunities are there to increase and better allocate financing towards SDGs?

Annual Progress

Overall JP self-assessment of 2021 progress:

Satisfactory (majority of expected results achieved; 1 to 3 months delay in implementation)

Comments on self-assessment: The JP PUNOs were able to address the challenges faced by the programme, especially related to unplanned delays. Approval of the JP by the Joint SDG Fund's OSC came in June 2020. Follow up implementation was delayed due to required Government clearances—especially security clearances—that were necessary before the PUNOs could proceed with activities. These were received from government nine months from the date of the JP signature (i.e., March 2021). This delayed and slowed the implementation process, including the date of the first JP Steering Committee meeting. The meeting took place 16 months from the date of the signature in October 2021.

Nevertheless, the pace of implementation has accelerated significantly since October and approval of the no cost extension will help in catching up with commitments. Both the government and PUNOs have demonstrated strong commitment to the programme's objectives and significant milestones have already been reached despite the initial delay.

Overall progress and key developments to date (3 key JP milestones)

- 1) Governance and Coordination: Significant progress in launching governance arrangements and ensuring co-ordinated implementation took place during the past year. A launch event for the JP took place on 15 March 2021 at MPED. This was attended by the RC in person and PUNOs virtually. A Technical Committee comprised of UN and Government focal points was also established, holding its first meeting in April 2021 to support the Steering Committee and identify sectoral focal points. Significantly, the first Steering Committee meeting was held on 3 October 2021. The MPED and PUNOs also agreed that the Inter-Ministerial National Sustainable Development Committee would assume the role of the Oversight Committee of the JP.
- 2) Financial Policy Development and Assessment: On the implementation side, several policy studies, assessments and advocacy efforts progressed in all 4 outcomes:

SDG costing: • The UN inter-agency task team on Financing for Development (FfD) created a UN offer on SDG costing to synergize and coordinate the work of the UN system on FfD. • A Cross Sectoral Approach using Translog was applied to selected sectors. Translog results for indicators on health and education are being analysed and the Adapt SDG Investment Trend Monitor methodology is being applied. • A review of costing methodologies (e.g., IMF, SDSN, UNCTAD, ESCWA, UNDP) and results for Egypt has launched, aiming at the development of coordinated costing knowledge products. This will help build consensus on costing and involve consultation with sector specialists for capacity development to ensure capacity is embedded in government for regular and expanded costing exercises. • ILO conducted a training on the new ILO actuarial model for pensions. Data collection is still ongoing. • ILO conducted a technical and actuarial review of the initial costing of the emergency fund proposed by the government to extend social protection to informal workers. A technical note on improving the design of the proposed

schemes and actuarial recommendations for more accurate estimates of cost and financing options was submitted to MoSS.

SDG Financing Flows: • The JP launched capacity building for MoF relevant departments and representatives from MPED to map budget allocations to SDGs, along with targets and indicators to track progress and design policies. A draft SDG budget tagging methodology was presented and the first capacity building trainings took place in November. • Support was initiated for the MoF’s fiscal transparency efforts, focusing on child/social spending (health, education, social protection) and COVID spending. Ongoing support for child-sensitive budget briefs and dashboards for the government website also continued. • The development of a conceptual framework for an ex-ante gender impact assessment of Hayah Kareema was discussed with the National Council for Women. • Financing landscaping: The draft Development Finance Assessment is still under review. The next step is a planned Expanded DFA to cover disaggregation by selected SDGs/sectors, along with validation and capacity development on to regularly update the DFA. Quantification of ESG/Impact investment in Egypt and consolidation of the financing sources matrix are still ongoing. • ILO organized a webinar to share good practices on mainstreaming social protection data, including for social protection expenditures and coverage, in national statistical systems. Government representatives from different African countries including Egypt attended the webinar to promote South-South cooperation. • Illicit Financial Flows: UNCTAD continued support for increased state revenues using its UNCTAD Methodological Guidelines to measure Tax and Commercial IFFs. This support on statistical measurement of IFFs was endorsed by Government. An online kick-off workshop and a validation workshop took place in September/November. The first Expert Group meeting came in December to start the pilot and measurement phase.

Changes made to JP: The changes made to Egypt’s JP reflect a revised work plan to address the request for a no cost extension. This is necessary to fulfil the expected results of the programme partnership with the Government of Egypt, which expressed its willingness and commitment to collaborate and accelerate implementation. Changes also reflect the addition of the environment sector to the priority areas of the government for support.

Furthermore, the pace of delivery of activities and ability to convene multiple stakeholders was impacted by COVID restrictions, including for travel. This has been reflected in the new revised work plan to some extent, including a new timeline for implementation by PUNOs.

Main Challenges: The changes made to Egypt’s JP reflect a revised work plan to address the request for a no cost extension. This is necessary to fulfil the expected results of the programme partnership with the Government of Egypt, which expressed its willingness and commitment to collaborate and accelerate implementation. Changes also reflect the addition of the environment sector to the priority areas of the government for support.

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Updates on SDG financing framework

	Assessment		Monitoring	Governance
Inception phase	Diagnostics	Financing Strategy	Review	Coordination
Emerging (1-49%)	Emerging (1-49%)	Planned (0%)	N/A	N/A

Descriptions on progress by INFF building blocks

Inception Phase: NA

Assessment & Diagnostics: NA. This area remains in its early stages.

However, a draft DFA is currently under review. SDG/Sector costing is also ongoing and nearing the final stage along with the preparation of a complementary capacity building exercise with relevant government entities.

Financing Strategy: NA

Monitoring & Review: NA

Governance & Coordination: NA

Priority Cross-cutting Issues

How did the JP adapt to the COVID-19 context

The JP is aligned with the UN's Global Framework for Socio-Economic Response to COVID-19, in particular pillar four on 'Macroeconomic Response and Multilateral Collaboration'. UN Egypt has also launched a local UN Socio Economic Response and Recovery Plan to guide its COVID response. Financing the SDGs is featured under the priority: "Covid-19 and the SDGs".

"Making the SDGs resilient" is also a priority of the Government in tackling COVID-19. The Government is in the process of updating Egypt Vision 2030 to take into consideration COVID-19. The JP will support financing aligned with this revision, especially in priority sectors identified.

How did the JP apply the Gender Marker

JP outputs 1.3, 2.3, and 3.3 are dedicated to gender budgeting and achieved their envisaged initial results during the inception phase. Gender responsive budgeting activities are also a key priority of the programme, with significant impacts for gender mainstreaming both in the programme and more broadly for Government budgeting and planning processes.

Estimated % of overall disbursed funds spend on gender: 0%

Alignment with cross-cutting UN issues (e.g. human rights, decent work, inclusion, LNOB)

The PUNOs will emphasize alignment of the JP with human rights, decent work and inclusion over the next implementation period. They will report details in the next reporting update.

How did the JP work to build ownership and buy-in of key stakeholders

The involvement of the four key Ministers (Planning, Finance, Social Solidarity and International Cooperation) in the Steering Committee, along with other prominent government officials, ensured the buy-in of the government and its relevant entities. The Executive Director for Egypt at the International Monetary Fund (IMF) and the UN Special Envoy for Financing the 2030 Sustainable Development Agenda also participated, illustrating a commitment and willingness of high-ranking government officials to support the JP's critical activities related to building an SDG financing strategy. Government buy-in is also illustrated by the participation of the technical committee members from relevant government entities.

Annual Reporting on Results

Results achieved in promoting the priority thematic SDG agendas

The three priority thematic SDGs the JP has contributed to during the reporting period are as follows: SDG 16, 5, and 1.

SDG 16. UNCTAD and UNODC drafted a conceptual framework for the statistical measurement of illicit financial flows (IFFs). UNCTAD published draft Methodological Guidelines to measure tax and commercial IFFs in May 2021, and UNODC continues to refine their methodological guidelines for criminal IFFs. These will all serve as a basis for assessing IFFs and improving the capacity to identify and measure flows in Egypt. This will be a significant contribution and increase available development resources that can be directed to the SDGs.

SDG 5. Ministry of Finance endorsed the proposition supported by UN Women to review the budget circular from a gender perspective in the decision of the Minister's Office. This sets the normative and operational framework for the work on gender responsive budgets. Furthermore, UN Women provided training on GRB and programme-based budgeting to 108 government officials from 6 ministries.

SDG 1. ILO provided training on pension policy and management for national officials from MoSS and MoF. The aim of the training is to strengthen the capacity of the main actors involved in the pension sector to provide consulting, design, management, and supervision of the national pension systems to better manage it in the context of global economic and financial changes. This represents an important contribution to strengthened social protection in Egypt.

JP contributions to the Joint SDG Fund's global results (especially around Outcome 2 & Output 4)

It is too early in the implementation stage to yet specify the contribution to the Fund's global indicators. Confirming targets for the Fund's global indicators will require consultation with government partners. This will be an activity during the next implementation period.

Progress against JP-specific outcomes

- 1) Governance and Coordination: The PUNOs and the Ministry of Planning (MPED) confirmed the JP key activities and held a launch event on 15 March at MPED with the presence of the RC in person and the virtual participation of the JP PUNOs. A technical committee consisting of UN and Government focal points was also established and held its first meeting in April to prepare and support the Steering Committee and to identify sectoral focal points for the main outcomes of the project. The first Steering Committee meeting was held on 3 October.
- 2) JP Programme Management: The MPED and PUNOs have agreed that the Inter-Ministerial National Sustainable Development Committee would assume the role of the Oversight Committee of the JP.
- 3) Financial Policy Development and Financial Advocacy Activities: As detailed, development of policy studies and advocacy initiatives have progressed for all four outcomes: SDG costing, mapping SDG financing flows, piloting and identifying opportunities, and capacity building in the relevant outcome areas.

Progress against JP-specific outputs

SDGs costing: • The Cross Sectoral Approach using Translog applied to selected sectors. • Compare and review of methodologies (IMF, SDSN, UNCTAD, ESCWA, UNDP) and results for Egypt. • ILO conducted a training on the new ILO actuarial model for pensions. • ILO conducted a technical and actuarial review of the initial costing of the emergency fund proposed by the government to extend social protection to informal workers.

Mapping SDG Financing Flows: • Capacity building for MoF relevant departments, and representatives from MPED to map budget allocations to SDGs, targets and indicators to track progress and design policies and financing mechanisms. A draft SDG budget tagging methodology was presented and first capacity building trainings took place in November. • Support to MoF fiscal transparency efforts, focusing on child/social spending (health, education, social protection) and COVID spending, in addition to the ongoing support for child-sensitive budget briefs and dashboards on website. • Financing landscaping: Draft Development Finance Assessment is still under review and planned Expanded DFA to cover disaggregation by selected SDGs/sectors. Validation consultation and capacity development on DFA methodologies along with quantification of ESG/Impact investment in Egypt are also ongoing.

Consolidation of financing sources matrix underway. • ILO organized a webinar to share good practices on mainstreaming social protection data, including on social protection expenditures and coverage, in national statistical systems. Government representatives from different African countries including Egypt attended the webinar to promote south-south cooperation and dialogue. • Illicit Financial Flows: Supporting increased state revenues for SDG financing, using UNCTAD Methodological Guidelines to measure Tax and Commercial IFFs, provide support to Egypt on the statistical measurement of illicit financial flows, through guidance/methodologies developed and endorsed, in addition to coordinate, support and perform different tasks in Egypt, the online kick-off workshop and validation workshop took place on September and November along with first expert meeting on December for identified relevant national agencies to start the pilot on measuring IFFs then to ensure that government agencies responded well on the self-assessment questionnaire; and that the national Expert Group on statistical measurement of IFFs in Egypt, are ready to launch the IFF measurement phase and processing the calculations to get the first results later in the project's course. Piloting and Identifying Opportunities: • UN Women supported the integration of a gender budget statement in the frameworks of the Ministry of Finance, which included guidance on gender-responsive budget allocations integrated in the budget call circular FY2022/2023 and technical support to review the budget templates from a gender lens to ensure alignment with the budget circular. • UN Women organized 4 workshops in November-December 2021 to strengthen the technical capacities of staff from the ministries of Finance, Education, Social Solidarity, Local Development, and Health in addition to the National Council for Women on the conceptual tools on gender responsive and programme-based budgets and their practical applications throughout the budget process. One hundred and eight government officials (63F/45M) now have a deeper understanding of GRB tools and how to integrate a gender lens throughout their budget processes. Conducted by three experts, the training covered various topics on gender analysis, gender mainstreaming, program based budgets, costs units and GRB tools. • A technical task force was established, led by MoF, to coordinate the work on advancing GRB. • Capacity building for youth to participate into the budget through activations and gamified activities, a budget game with MoF was developed and tested. Currently, an online platform for capacitated youth is to be developed t

JP contributions to strengthening UN coherence, partnerships and reducing duplications of efforts

The Egypt JP is an important instrument for strengthening UN system coherence. First, the JP's design and inception created better understanding of different approaches and activities between PUNOs, resident and non-resident. Notably, the JP represents a partnership between 5 UN entities and has led to closer multi-agency collaboration in the financing space than before. The programme has benefitted from the different mandates and areas of expertise and has created a stronger and more coherent UN support platform. Meanwhile, the JP has also spurred collaboration beyond the PUNOs, leading to a larger joint FfD Task Team to support alignment of all UN entity financing activities under a single umbrella.

The JP has also made an instrumental contribution to the new CCA and UNSDCF, including through the programme's initial work on the development financing mapping helping inform the SDG financing landscape analysis.

Strategic Partnerships, Documents and Communications

How did the JP facilitate collaboration with diverse stakeholders in the SDG financing space

Under outputs 3.4 and 4.4, a partnership was formed with a private equity investment fund in preparation of roll out of impact measurement tool and facilitation of impact investment transactions. Further systematic outreach and partnership with civil society and private sector entities are planned in the next phase. The PUNOs will report further details in the next reporting period.

Did the JP secured additional financing (co-funding/co-financing) from the following stakeholders:

Government	Donors & IFIs	Private Sector	PUNOs	Other Partners
No	No	No	No	No

Comments on additional financing secured: Under outputs 3.4 and 4.4, a partnership was formed with a private equity investment fund in preparation of roll out of impact measurement tool and facilitation of impact investment transactions. Further systematic outreach and partnership with civil society and private sector entities are planned in the next phase. The PUNOs will report further details in the next reporting period.

JP organized events in 2021

JP Launch Event	Annual Donor Event	Partners Event
Yes in 2021	No	No

Number of strategic documents produced by the JP: 0

Number of strategic documents contributed by the JP: 0

Number of communication materials produced: 5

2022 Plans & Way Forward

JP priority activities & expected results for 2022

JP overall: ? 2 Steering Committee/2 Technical Committee meetings ? Donor event in Q2

ILO ? Actuarial valuation based on the new social insurance and pension law ? Support MoSS to develop the emergency fund to extend/cost social protection for informal workers ? Capacity building on the actuarial health model for health insurance

UNCTAD ? Refine initial results of costing and draft report for discussion ? Training to apply and implement costing exercise ? IFF measurement plan with Expert Group on statistical measurement ? Training on IFF methodologies by UNCTAD, UNODC, and others ? National action plan drafted to support IFF statistics

UNDP ? Engage with private sector to develop tools to analyze and advocate for private SDG impact investment ? Consult on DFA on expansion and disaggregation ? Finalize costing knowledge product and SDG mapping of financing flows ? SDG financing policy papers prepared focusing on health and social protection ? Build capacity of institutions for mapping and financing

UNICEF ? SDG tagging completed based on programme-based budget with MoF and MPED ? Youth engagement activities on SDG tagging and fiscal transparency ? Advisory note on costing scenarios for social protection programmes

UN WOMEN ? GRB capacity development for selected ministries and sectors ? Budget literacy program and awareness raising on GRB for MPs and others ? Finalize and disseminate framework of the ex-ante gender impact assessment ? Finalize GRB templates

3 major transformative results that will be achieved by the end of the JP

3 major, transformative results that will be achieved by the end of the Egypt JP implementation include:

1. SDG costing completed as per thematic sectors agreed with Government of Egypt
2. SDG landscaping completed, including mapping of key financing flows and expanded DFA
3. Comprehensive Financing Strategy developed, including targeted financing initiatives for testing and piloting

Estimated rate of completion for each result as of 31 Dec 2021

Result.1	Result.2	Result.3
Advancing (50-99%)	Advancing (50-99%)	Emerging (1-49%)