



# Joint Programme 2022 Annual Progress Report

## SDG Financing Portfolio - Component 1

### Cover page

**UNCT/MCO:** Egypt

**Reporting Period:** 1 January - 31 December 2022

**JP title:** "UN Joint SDG Fund Support to Egypt Integrated SDGs Financing"

**Stakeholder partner:** National Government;Sub-national Governments;Civil Society Organizations;Private sector;

**Thematic SDG Areas:** Decent jobs & universal social protection;

**PUNOs:** UNCTAD, UNDP, UNICEF, ILO

**Top- up received as part of DEM:** No

**Total estimated expenditures:** US\$ \$ 891,437.1

**Total estimated commitments** (including expenditures): US\$ \$ 904,287.3

**Gender Marker:** Gender-sensitive (for example, the JP acknowledged and aimed to address gender to enhance the policy/programme, such as undertaking gender analysis to ensure policies/programmes do no harm)

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### Executive Summary

The two most important achievements of the Joint Programme (JP) are a) the identification of synergies between the different SDG costing methodologies across the UN entities and b) national capacity strengthening to ensure a conducive environment is established at the onset of launching the Integrated National Financing Framework (INFF).

In addition, Gender Responsive Budgeting (GRB) was promoted across 30 line ministries through Heads of Equal Opportunities Units. A gender impact assessment of "Haya Karima" national programme, which targets low-income communities at the village level, that are in particularly vulnerable situations, was also developed. Through the technical assistance of UN Women to Ministry of Finance (MOF), provisions on GRB were included and published in the 2023/2024 budget circular.

Partnership with MOF was particularly strengthened through UN Women and UNICEF's engagement; both on GRB and on public budget tagging. UNICEF and MOF worked toward improving fiscal transparency and youth public participation and the establishment of an internal working group to implement the tagging methodology

developed across three budgetary programmes. This is in addition to the development of a budget brief, with a focus on social sector spending, to enhance people's understanding and participation in the national budgetary process.

Meanwhile, technical work is currently in the final stage by all participating UN organizations (PUNOs) with respective partners. This includes development of expanded Development Finance Assessment (DFA), a draft guidance on methodologies to measure illicit financial flows, and an information system for conducting regular actuarial valuation of social institutions (pension funds investment policy). Finally, dialogue processes with stakeholder groups (including youth, children and women) have been initiated to create awareness and accountability about SDG-aligned-budget and financing for SDGs.

The JP has been an enabler for development financing that supports the UN system in partnering with government and private sector to align capital flows with the SDGs and mobilize finance at scale. The achievement of this was reflected in Finance Day during COP27 as national partners reaffirmed that finance is the cornerstone for fulfilling national commitments towards the just transition to a green economy, as well as encouraged the private sector as well.

## Annual Progress

### Overall JP self-assessment of 2022 progress:

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

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

The JP progressed on ensuring national ownership as MPED and PUNOs agreed that the Inter-Ministerial National Sustainable Development Committee would assume the role of the Oversight Committee of the JP. In addition, with regards to SDG costing, a costing study was carried out, including the coordination of costing methodologies and identification of synergies, including different methods of the IMF, SDSN, UNCTAD, ESCWA. The SDG Costing Guidance was also translated into Arabic to ensure its wide dissemination and usage.

#### Knowledge products:

- Development of costing estimates of selected cross-sectoral indicators across the health, education, and water & sanitation sectors, using a translog methodology.
- Development of a policy paper in partnership with Information and Decision Support Center (IDSC) on the Role of Cash Transfer Programs in Poverty Reduction, Egypt: Reform Scenarios.
- Development of a technical note with a review of the initial costing of the emergency fund to extend social protection to informal workers.

#### Capacity development of:

- The National Authority for Social Insurance (NOSI) on social sector costing and E-coaching, which includes extending social protection to informal workers. This is to support MoSS in developing the new national strategy to extend social protection to informal workers.
- 35 government officials on costing methodologies.

#### Dialogues and consultations on:

- ILO-UNCTAD-UNDP-ESCWA costing methodologies to identify several methodologies with the MPED, aiming at the development of coordinated costing knowledge products.

#### Mapping SDG Financing Flows:

- Finalized the development of the Finance Mapping Report.
- Developed a draft technical note on Investment Trends in Egypt.
- The final report of the statistical measurement of IFFs in Egypt was also drafted.

- Developed the gender impact assessment of the Haya Karima national programme.

Capacity development of:

- GoE officials/statistics office on illicit financial flows.

- GoE officials on linking program-based budgeting reform to performance and SDGs.

- 30 Heads of Equal Opportunities Units from all line ministries received a training on GRB principles and 49 potential GRB trainers were reached.

- Around 35 government officials trained on mapping financial flows and DFA methodologies.

Dialogues and consultations on:

- South-South cooperation on linking program budget, performance & SDGs, workshop and learning visit to Mexico City, with MoF delegations from Argentina, Brazil, Colombia and Mexico.

- Capacity outreach documents co-published on public budgets.

- Webinars conducted to share best practices on extending social protection to informal workers.

- South-South knowledge sharing, regional knowledge sharing of best practices in Africa on developing Social Security Inquiry (SSI).

- Mapping of financial flows and thematic group workshop. Consultation resulted in updating of the final draft report on mapping of financial flows and buy-in from government entities in coordinating with the partner government institution in future discussions related to the financial flows and SDGs in general.

- Raising awareness about the importance of GRB in collaboration with NCW and MOF, reaching 25 representatives from civil society organizations.

- The promotion of GRB within MOF and other line ministries in coordination with MOF Heads of Departments and senior leadership that resulted in a commitment to include GRB provisions in circular and budget statements.

Piloting and Identifying Opportunities:

- Developed elements of an SDG Financing Strategy and the draft SDGs financing policy paper is currently under development.

- Developed a manual on impact measurement: with UN support, Catalyst Private Equity launched the first private closed-end Impact Investing Fund in Egypt and Middle East, Catalyst Capital Egypt Fund (CCE).

- Developed a draft procedural manual on GRB in collaboration with MOF.

### **Main Challenges, adjustments and lessons:**

The main constraints faced by JP was the delay in the start of the JP due to Government clearances. This was partially mitigated by the approval for a no cost extension by the SDG Joint Fund secretariat.

Another constraint was related to the involvement of high-level government officials in COP 27 that was hosted in Egypt, this hindered the possibility to conduct high level meetings to finalize the knowledge products under the JP.

Another challenge is coordinating support of global, regional and national UN entities on the INFF. A new UN DA project on INFF with UNDESA and UNESCWA was launched with Egypt as one of the target countries. An inter-agency technical team has been formed to coordinate for increased support to the Government.

Due to the COVID-19 situation and the lengthy process in finalizing official papers, the implementation of some activities was delayed, such as face-to-face trainings.

Translation of knowledge products was not budgeted at the beginning of the project. However, this was mitigated by the contribution of Arabic staff speakers to translate some of the documents and to revise the documents which are translated by external translators using part of the budget.

Among lessons learnt from those constraints are:

- o Close coordination with the government partner and ensure their efforts to involve and engage other

government entities from the start of the JP implementation.

- o Involvement of the private sector as a key player in the financing for development discussions, from the very beginning and building on UN system efforts on advancing the SDG impact management.
- o Climate finance as an important enabler and cross cutting among development issues in general.
- o It is worth identifying the official language of work for any project and evaluating the workload for translating and revising and considering this work in the overall budget of the project.

## SDG Acceleration

The three priority thematic SDGs the JP has contributed to during the reporting period are as follows: SDG 1, 5, 16. The Egypt Sustainable Financing Framework aims to close the financing gap to deliver Egypt’s Vision 2030, aligned with the 2030 Agenda, and includes many of the sectors under the INFF.

UNCTAD, with 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 types of IFFs that are relevant in Egypt (SDG 16). These two materials have been translated into Arabic. These documents have been shared with MPED and the expert group members on IFF. The Arabic version of the conceptual framework is published now on the UNCTAD website.

MOF endorsed the proposition to review the budget circular from a gender perspective in the decision of the Minister’s Office, which sets the normative and operational framework for the work on gender responsive budgets (SDG 5). Additionally, the budget circular for 2023/2024 includes provisions and guidelines to develop gender responsive budgets.

A 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 the global economic and financial changes (SDG 1). A training was also carried out on SSI to monitor the progress on social protection and SDG 1.

Two capacity building training were conducted on SDG public budget tagging. This was followed by the establishment of a working group to carry out the implementation of the SDG tagging methodology and linking programmes to performance indicators.

## Updates on SDG financing framework

	Assessment Diagnostics	Monitoring	Governance
Inception phase	Financing Strategy	Review	Coordination
Emerging (1-49%)	Emerging (1-49%)	Advancing (50-99%)	Emerging (1-49%)

## Descriptions on progress by INFF building blocks

**Inception Phase:**N/A

**Assessment & Diagnostics:** The diagnostic tool used under “Assessment & Diagnostics” stage is Development Finance Assessment, a final draft of DFA is currently under review and pending consultation with relevant government entities and main government partner “Ministry of Planning and Economic Development”. The SDG financing strategy depended on the analysis conducted both under DFA, SDG Costing knowledge paper along with mapping of financial flows study conducted.

**Financing Strategy:** The SDG financing strategy is still under development, a draft was developed by the expert pending consultation with the high-level government official of JP main government partner, MPED. After this consultation, a wider consultation is planned to take place with the involvement of both Ministry of Finance and Ministry of International Cooperation. Finally, the strategy document will be ready for implementation, as suggested by the expert, a Sustainable Finance working group for INFF is to be developed.

**Monitoring & Review:** N/A

**Governance & Coordination:** The PUNOs and MPED have agreed that the Inter-Ministerial National Sustainable Development Committee would assume the role of the Oversight Committee of the JP. The Oversight committee focuses on main findings, strategic orientations and follow up actions. As with previous practice the Committee will be supported by technical committee where the same institutions are represented at a technical level which reviews findings and coordinates relevant sources of information and joint initiatives required under JP. List of Entities 1. Government of Egypt Ministry of Planning and Economic Development (MPED) [Co-Chair] Ministry of Finance (MoF) Ministry of International Cooperation (MoIC) Ministry of Social Solidarity (MoSS) Ministry of Environment National Council for Women (NCW) Ministry of Education and Technical Education (MoETE) Ministry of Health and Population (MoHP) Ministry of Housing, Utilities and Urban Communities (MoHUUC) Ministry of Local Development (MoLD) Ministry of Transportation (MoT) Ministry of Manpower (MoM) Central Agency for Public Mobilization and Statistics (CAPMAS) Central Bank of Egypt (CBE) 2. United Nations United Nations Resident Coordinator's Office (UNRCO) International Labour Organization (ILO) United Nations Conference on Trade and Development (UNCTAD) United Nations Development Programme (UNDP) United Nations Children's Fund (UNICEF) United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)

## Annual Reporting on Results

**JP contributions to the Joint SDG Fund's global cost of living crisis**

### **Next steps, scaling and sustainability [400 words]**

The main activities planned is to work on the finalization of knowledge products and undertake the technical committee meeting in preparation for the steering committee with high level government officials and to agree on making all data accessible for government entities to ensure complementarity.

Also, undertaking the final evaluation and conducting meetings with JP various stakeholders and to build on the lessons learned, best practices and areas for improvement to inform future interventions.

In addition to holding the consultation related to the discussion of the SDG Financing Strategy and facilitate with government partner to work on rolling out INFF by undertaking the following actions and milestones:

- Agree on INFF Strategy objectives, scope, relevance and coherence
- Validate INFF Investment Areas (relevance, comprehensiveness, coherence and prioritization)
- Agree on the role of the Sovereign Sustainable Financing Frameworks for the INFF
- Agree on the role of the Sustainable Finance Working Group (SFWG) for the INFF
- Establish Governance and Coordination Arrangements at National and Local Levels.
- Establish Monitoring and Review Process Arrangements.
- Agree on National INFF Consultation Process
- Agree on INFF Roadmap and Financing Strategy & Communications Strategy

As part of the SDG Financing strategy, particular that related to IFFs, one of the next steps regarding IFF is to get Egypt involved in the DA15 project starting this year.

## Priority Cross-cutting Issues

### Cross-cutting results/issues

As the JP included a gender-responsive budgeting component, the consideration of gender equality and women empowerment was mainstreamed. This also positioned gender equality as a priority in such an exercise with national partners, in particular MPED and MOF.

There is also emphasis on the national programme Haya Karima, which focuses on the most vulnerable communities in Egypt. This ensures that support to national budgeting efforts is responsive to those most left behind. The primary national partners recognize the importance of this in planning and execution. In addition, the JP included awareness raising sessions with civil society organizations, including advocates for disability access and inclusion.

### How did the JP apply the Gender Marker

The JP is Gender-sensitive (for example, the JP acknowledged and aimed to address gender to enhance the policy/programme, such as undertaking gender analysis to ensure policies/programmes do no harm). Evidence, data collection and analysis (e.g. gender assessments of programmes; policy briefs, costing for scale-up of social services); Policy dialogues, advocacy (e.g. direct inputs to national policies, strategies, laws, including women's and girls' rights groups in coordination mechanisms); Capacity development (e.g. training of social workers, local governments, local communities);

### Focus on LNOB cross cutting principles

Human Rights	Persons with disabilities	Youth	Environmental and social standards
No	No	No	Yes

## Strategic Partnerships, Documents and Communications

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

N/A

### Donor and Strategic events attended by JP in 2022

JP steering committee/ programme board meeting	Strategic partners/ donors event	Closing meeting/ event
Yes	Yes	No

### JP contribution to SDG Financing

Drafted a bill, strategy, and/or approved a law	Produced financing, costing, diagnostic and feasibility	Improved efficiency (cost savings) management	Improved effectiveness of (value for frameworks)	Drafted policies/regulatory frameworks	Structured financial or (public, private or	new instruments or
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increasing the fiscal analyses as a basis to programmes/scheme money; i.e. developed tools to blended) to leverage space for the policy invest or increase s social impact incentivize private additional funding focus spending on the SDGs of \$1 spent) sector investment on of spending the SDGs

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No Yes No No Yes No

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**Main capacity building activities supported by the JP that allowed people to expand their knowledge on SDG Financing and INFFs**

The main capacity building activities supported by the JP that allowed people, from public sector to expand their knowledge on SDG Financing and INFFs:

- SDG Costing
- SDG mapping of financial flows
- Illicit financial flows measurement
- Gender responsive budgeting
- SDG public budget tagging