



Joint Programme 2022 Annual Progress Report

SDG Financing Portfolio - Component 1

Cover page

UNCT/MCO: Tunisia

Reporting Period: 1 January - 31 December 2022

JP title: Mobilizing Public-Private, Innovative and Alternative Financing as Levers SDG Financing Architecture for Tunisia

Stakeholder partner: National Government;Sub-national Governments;IFIs/DFIs;Private sector;

Thematic SDG Areas: Decent jobs & universal social protection;Climate action & energy transformation;Transforming education;SDG localization;

PUNOs: UNDP, UNICEF

Top- up received as part of DEM: No

Total estimated expenditures: US\$ \$ 455,687.6

Total estimated commitments (including expenditures): US\$ \$ 648,028.4

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)

Resident Coordinator: Peral, Arnaud

Resident Coordinator Email: arnaud.peral@un.org

Executive Summary

In partnership with national partners and the World Bank, series of workshops were implemented by UNICEF to enhance the capacity and skills of key stakeholders, the Ministry of Finance and all line ministries, on SDGs and social budget allocations based on the tagging (SDGs, Gender and Human Capital) of all budget lines and to build the capacity of the national partners how to generate tables and graphs using the tools developed online. The workshops were an opportunity to develop the capacity of stakeholders to use the BOOST tool, the state budget database established by the Ministry of Finance with the support of the World Bank.

A series of budget briefs on sectors that have a direct bearing on the well-being of children were elaborated in order to analyze the composition, allocation and efficiency of sector budgets and help to inform policy decisions. The developed budget briefs aim at supporting the Ministry of Finance in the development of several strategies for the financing of the SDGs, children and women and serve as a tool to mobilize adequate public and private financing at the national and decentralized levels, to promote development financing to effectively increase the

coverage of essential social services and to ensure the relevance, efficiency and equity of child- and gender-sensitive investments in favor of the SDGs.

Through the SDG Investor Map launched by UNDP, a high-level multistakeholder dialogue was engaged on unlocking private financing for the SDGs, the obstacles for private impact investment, and what measures should be taken, and by whom, to enable impact investment in Tunisia. In addition, the Minister of Economy and Planning confirmed the usefulness map as the Ministry will be using it for the 2023-2025 National Development Plan. The Development Finance Assessment, including a fiscal space analysis, an SDG costing and risks and mitigation assessment, was presented to the national partners and a capacity-building program was started, to ensure appropriation and durability of the assessment and methodology. The DFA sparked discussions between all relevant actors, including the IMF, and emphasized the need for coordination between ministries. An INFF Roadmap was also presented, providing initiatives and measures to enlarge the financing resources for the SDGs and national development. Both the roadmap and DFA gathered the interest of the ministries as they gave their feedback and underlined the usefulness of this comprehensive overview, especially as it considered the current Tunisian context (subsidy reforms, important debt, rising inflation).

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)

During the reporting period, UNICEF finalized with national partners and the World Bank series of workshops for enhancing the capacity and skills of key stakeholders, the Ministry of Finance and all line ministries, on SDGs and social budget allocations based on the tagging (SDGs, Gender and Human Capital) of all budget lines and to build the capacity of the national partners how to generate tables and graphs using the tools developed online. The workshops were an opportunity to develop the capacity of stakeholders to use the BOOST tool, the state budget database established by the Ministry of Finance with the support of the World Bank; and to present results and trends of state budget allocations and expenditures disaggregated according to their contribution to the achievement of the SDGs, human capital development and gender equity and women's empowerment. The five budget briefs analyzing and reporting on national budget allocation with human capital and child lenses were finalized, disseminated and are publicly available on UNICEF and the Ministry of Finance websites. The two reports analyzing and reporting on the SDGs and gender equality budget allocation were disseminated in February 2022. The budget briefs were officially endorsed and published by the Ministry of Finance and were shared with the IFIs and the UNCT. UNICEF Tunisia Country Office supported the elaboration of budget briefs on sectors that have a direct bearing on the well-being of children in order to analyze the composition, allocation and efficiency of sector budgets and help to inform policy decisions. The developed budget briefs are aimed at supporting the Ministry of Finance in the development of several strategies for the financing of the SDGs, children and women. They will serve as a tool to mobilize adequate public and private financing at the national and decentralized levels, to promote development financing to effectively increase the coverage of essential social services and to ensure the relevance, efficiency and equity of child- and gender-sensitive investments in favor of the SDGs. A second phase of technical support to the Ministry of Finance for Gender and Child sensitive budgeting has been launched during the reporting period. The objective of this second phase is to institutionalize with all relevant line ministries the gender and child-sensitive budget planning and reporting.

The DFA and fiscal space assessment are being finalized and were presented at the end of the year to all relevant actors, i.e the Ministry of Finance, Ministry of Economy and Planning, IMF and UNCT. A capacity-building program was started during the initial presentation for the Ministry of Finance in particular, in order for them to use the methodology and update the DFA in the future as a way to improve financial mobilization and planning for development based on evidence. This work, beyond constituting one of the INFF's main blocks, also offered the possibility to strengthen collaboration between UNCT and the concerned ministries, but also between UNCT and

the IMF, and between all present actors. The cross-cutting nature of this work (in terms of sectors, SDGs, or responsible national institutions) opened the way for better coordination between all actors.

A draft of the INFF Roadmap was also presented alongside the DFA to present interventions that could broaden the government's resources through the mobilization of additional funds. The roadmap aims at providing the government with realizable, coherent, and effective measures and initiatives to find additional funds.

The SDG Investor Map and Impact Investing Ecosystem Study were officially launched in presence of the Minister of Economy and Planning during a high-level event gathering national institutions, the private sector, banking and investment actors, IFIs as well as the UNCT. The SDG IM was also launched on the platform and the report was published online.

Main Challenges, adjustments and lessons:

Managing the COVID-19 crisis and the impacts of the crisis in Ukraine (health and socio-economic consequences) as well as managing the political situation in Tunisia has required a lot of time for our local and national partners.

Furthermore, 2022 has been a particularly busy period for the national partners: with negotiations with the IMF on socio-economic reforms, preparing the 2023-2025 National Development Plan and Vision 2035 which were published in early January 2023, as well as preparing the 2023 Budget Law at the end of 2022. This has made it difficult to gather all national partners, despite the work done through this JP being timely and relevant for these strategic documents.

Despite the challenging situation, UNCT has been able to sustain its commitment and engage with key national stakeholders to deliver all expected results. The JP teams should remain close to national partners to reach JP results and objectives.

SDG Acceleration

Goal 10: Reduced Inequalities

Through tracking budget allocations to Gender, the SDGs, and Children as well as through recommendations to promote and strengthen the impact investing ecosystem and an actionable, evidence-based list of investment opportunity areas that answer development challenges, the Impact Investing Ecosystem study and the SDG Investor Map, produced in collaboration with the IICPSD, contribute to the development and promotion of private investments aligned with national sustainable and inclusive development priorities.

SDG 10 is one of the focus SDGs in the Development Finance Assessment and the SDG financing needs assessment. The other SDGs contribute long-term to SDG 10 (for example SDG 1, 5, or 13), especially as the SDGs are all interconnected. The DFA enables the government to have a clear, evidence-based overview of the financing needed to reach its priority SDGs as well as the different sources of resources it can draw from. This work contributes to accelerating the realization of the SDGs through better financing.

Goal 17: Partnership

Through collaboration between UNDP CO and BCtA, partnerships with the private sector have been encouraged and strengthened. The BCtA Outreach program, which offers inclusive businesses access to the BCtA network, has been successful in Tunisia with at least 5 businesses entering the network. The Innovation Journey initiative which was launched in the last quarter of the year also acts as a promotion of public-private and civil society partnerships with the involvement of the Medenine municipality and the Arid Regions Institute (a national entity).

Through the SDG Investor Map, partnerships with and between different actors were strengthened. Primarily the UNCT/Ministry of Economy and Planning partnership through the common organization of the event and the participation of the Minister in the panel, but also with other national and international actors, and private and public actors. This was made possible through the launch event, which gathered relevant actors and enabled discussions inside and outside of the event.

With the DFA, partnerships were also strengthened with and between different national actors, i.e the Ministries of Finance and of Economy and Planning, including their different departments, but also with the IMF, which is an

important actor in the current Tunisian context and has shown interest in this report as it can complement their work.

Updates on SDG financing framework

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

Descriptions on progress by INFF building blocks

Inception Phase:An INFF Roadmap was developed at the end of the year, it is still under revision by the national partners, but the roadmap presented initiatives that could broaden the available resources through the mobilization of additional funds. The initiatives are also reviewed according to their sustainability, predictability, the scope of the opportunity, equity, feasibility, and externalities. Some of the recommendations are related to setting up thematic bonds, mobilizing Islamic finance for the SDGs, and debt restructuring.

Assessment & Diagnostics: With regards to public expenditure analysis, all reports analyzing the budget allocations to the SDGs, Gender and Children are now public and available on the Ministry of Finance website. Thanks to the SDG Fund, UNICEF supported a series of research initiatives, including support for the Ministry of Finance for the development of budget briefs on sectors that have a direct bearing on children’s wellbeing in order to analyze the composition, allocation and efficiency of sector budgets and help inform policy decisions.

<http://www.gbo.tn/fr/note-danalyse-centree-sur-les-enfants-periode-2010-2021>
<http://www.gbo.tn/sites/default/files/2022-http://www.gbo.tn/fr/note-danalyse-centree-sur-les-depenses-de-leducation-au-profit-des-enfants>

<http://www.gbo.tn/fr/note-danalyse-centree-sur-les-depenses-de-sante-au-profit-des-enfants>

<http://www.gbo.tn/fr/note-danalyse-centree-sur-les-depenses-de-audhygiene-et-dassainissement-wash>

<http://www.gbo.tn/fr/note-danalyse-centree-sur-les-depenses-de-protection-sociale-au-profit-des-enfants>

<http://www.gbo.tn/fr/note-danalyse-des-depenses-publiques-centrees-sur-le-genre> Several diagnostics, all part of the Development Finance Assessment have been carried out throughout 2022 resulting in: - A financing needs assessment for SDGs 1, 3, 4, 5, 6, 8, 9, and 13 as identified by the national partners that includes an overview of the current SDG spending and an SDG costing to reach the objective; - A fiscal space assessment; - A financing landscape assessment looking at global public and private financing trends, public financing in Tunisia, and private financing; - Risks and mitigation assessment; - An overview of the public systems for SDG Financing. The report is still being finalized and will be a base for the financing strategy.

Financing Strategy: The work on the financing strategy has just started in December 2022 with the same team that elaborated the DFA report. The strategy will be based on the evidence and recommendations in the DFA report and will draw from the reports analyzing the budget allocations to the SDGs, Gender, and Children. Indeed, the work with the Ministry of Finance on results-based budgeting, with a focus on SDGs, Women and Children, which was finalized in 2022, can be integrated in the financing strategy. Beyond the financing strategy, the technical support to analyze the national budget with a SDGs, Gender and children lenses led to a technical support to tag all budget lines in order to revise the nomenclature used for the budget classification. Such achievement will support the Ministry of Finance to elaborate SDGs focus MTEF.

Monitoring & Review: - Monitoring and review processes were considered in the preparation of the DFA as well as the INFF roadmap (more particularly monitoring as the documents looked at responsibility within the ministries depending on the initiatives and SDGs). - SDGs, Gender, and Children budget tagging achieved in 2022 and the capacity building on such tagging are significant tools and processes to monitor long-term the financial flows towards the SDGs and related objectives.

Governance & Coordination: - In the INFF roadmap, each initiative has an attributed Ministry as the main responsible actor for the implementation and monitoring of the initiative, to assure governance as well as

coordination between all Ministries. - Following the JP Steering Committee in January 2022, it was decided with the national partners to embed the INFF oversight body into the SDG national committee, to assure coherence and durability as well as alignment on SDGs. - Despite contextual difficulties, coordination meetings and discussions were organized between the JP and the national partner, namely the Ministry of Economy and Planification, to move forward with the implementation of the project.

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 five budget briefs analyzing and reporting on national budget allocation with a human capital and child lenses being finalized and publicly available and the two reports analyzing and reporting on the SDGs and gender equality budget allocation are now used for evidence-based discussion and utilized to inform the budget lines classification and nomenclature in order to track and monitor future national budget planning and budget execution. The reports and analysis related to climate change adaptation costs analysis as well as for the support for a desk review of evidence regarding the social cost of investment and lack thereof in accelerator social sectors will inform long-term strategic decisions regarding financing needs to achieve the SDGs.

The Financing Strategy will be elaborated, based on the DFA carried out this year, and will mark the end of the INFF-building process. To guarantee its sustainability, several capacity-building workshops (on both the DFA, the Financing Strategy and the INFF in general) will be held, assuring that the INFF and its constituting blocks are all understood and appropriated by the national counterparts.

The JP aims at capitalizing on the momentum gained through the SDG Investor Map with both the national public actors and the private actors, through training for national and local actors on SDG Financing, Impact Measurement and Management and other related themes. It is also planned to work on a few recommendations from the SDG Investor Map and the Impact Investing Ecosystem studies in partnership with the Ministry of Economy and Planning such as the setting up of a National Advisory Board.

Locally, the JP will support the elaboration of the Local Development Plans, regarding the financing of these plans, through a partnership with another UNDP project (Support to decentralization and local development). It will also produce an overview of the financing landscape in three municipalities and provide capacity building to the local actors to better identify, mobilize and allocate resources for their local development.

These processes will be made in constant partnership with the relevant actors (nationally and locally) and emphasize appropriation of the methodology and data collection during the capacity-building sessions to guarantee the sustainability of the results.

Priority Cross-cutting Issues

Cross-cutting results/issues

The activities to support the development of SDGs and Gender and Child sensitive budget allocation analysis and tracker have been finalized by the Ministry of Finance with technical support from UNICEF. The capacity-building activities as well as the engagement from line ministries led to a consensus on the approach to follow in order to integrate the SDGs, child, and gender tagging in the budget framework of the State budget. The five budget briefs analyzing and reporting on national budget allocation with human capital and child lenses and the two reports analyzing and reporting on the SDGs and gender equality budget allocation are all disseminated on the Ministry of

Finance website and public goods.

Gender equality and principles of LNOB are all present in the DFA, in particular in the SDG costing assessment which addresses SDGs 1, 3, 4, 5, 6, 8, 9, and 13. This assessment aims at providing evidence-based data on how much reaching these SDGs by 2030 would cost Tunisia, and where and how the government can find the resources to that effect. For instance, the assessment for SDG 1 recommends prioritizing people with disabilities, children, seniors, unemployed people, and women, within a social security scheme.

Half of the IOAs (9 out of 18) identified in the SDG Investor Map have women as direct or indirect beneficiaries, particularly rural women, women entrepreneurs, and unemployed women, through investments in financial inclusion, education, safer and more sustainable agriculture practices as well as infrastructure (notably wastewater treatment plants).

The Inclusive Innovation Journey (in partnership with BCtA) enabled four entrepreneurs to connect with public actors needing innovative solutions to support vulnerable farmers, who were the indirect final beneficiaries of this pilot initiative. A multi-stakeholder dialogue on the Kampala Principles, whose 5th principle is to leave no one behind, was organized in February and gathered several important actors (i.e the Tunis Stock Exchange President, EU Economic Development Sector), contributing to the discussion on the private sector’s role in financing Agenda 2030.

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);

Focus on LNOB cross cutting principles

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

Strategic Partnerships, Documents and Communications

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

UNICEF activities build on the existing the BOOST tool, the state budget database established by the Ministry of Finance with the support of the World Bank. A triparty, MoF, WB and UNICEF, consensus has been reached on the approach to follow in order to integrate the SDGs, child and gender tagging on the nomenclature/classification of the State budget

The SDG Investor Map was launched in close collaboration with the Ministry of Economy and Planning, including for its organization. The Minister’s personal implication in the event as well as his feedback on the Map and the Impact Investing Ecosystem Study show great appropriation of the work and have strengthened our partnership. During Achim Steiner’s visit to Tunisia in August, a closed roundtable on financing for development was organized with the Minister of Economy and Planning, the governor of the Central Bank of Tunisia and the CEO of AfricInvest. This was a fruitful discussion, where everyone at the table agreed on the necessity to further and improve the private sector’s involvement for development and the different measures to create an enabling environment.

The work on the DFA has brought together the Ministry of Finance, the Ministry of Economy and Planning as well as the IMF and has sparked interesting discussions and interactions that put forward the use of this work, as well as the interest of our all partners in a comprehensive overview of the current financing for SDGs, the resources

needed in the next few years to reach these SDGs and accelerate sustainable development, and the different sources of financing that are available and efficient for Tunisia.

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 increasing the fiscal space for the policy focus	Produced financing, costing, diagnostic and feasibility analyses as a basis to invest or increase spending on the SDGs	Improved efficiency (cost savings) in the management of programmes/schemes	Improved effectiveness of (value for money; i.e. social impact of \$1 spent) sector investment on the SDGs	Drafted policies/regulatory frameworks or developed tools to incentivize private investment on the SDGs	Structured financial instruments or (public, private or blended) to leverage additional funding	new instruments (public, private or blended) to leverage additional funding
No	Yes	No	No	Yes	No	No

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

For the capacity building concerning the DFA, it consisted of several steps: what is an INFF, what is a DFA, how to measure SDGs cost (what tools are available, what methodologies, for which SDG), how to realize a fiscal space assessment.