INTEGRATED SDG INSIGHTS

TUNISIA

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.

SDG MOMENT: TUNISIA

While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

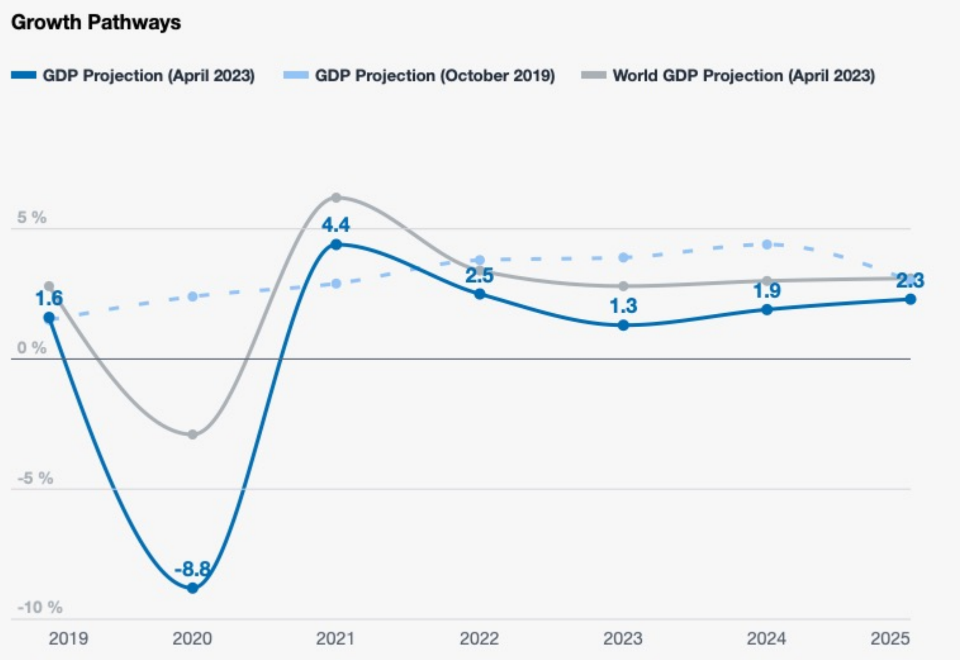
Tunisia's growth trajectory during the 2023-2025 cycle is projected to be 38% lower, on average, than that of the world and well below the country's growth trajectory projected before the pandemic.[1] Accordingly, the country's SDG policy space is restricted, and the focus is on mitigating the effects of the downturn, especially on the most vulnerable households.

This low economic expansion is not expected to exert a significant impact on poverty reduction. This brings to the fore the urgency to address key distributional challenges to accelerate poverty reduction, especially when using more stringent poverty thresholds, such as the $3.65 or $6.85. Moreover, Tunisia's economic growth continues at the same carbon emission intensity of GDP.[2]

To ensure economic inclusion of vulnerable populations, girls and women in rural areas, Tunisia has launched several economic empowerment programs and launched a multi-donor trust fund for employment and youth in partnership with the United Nations.

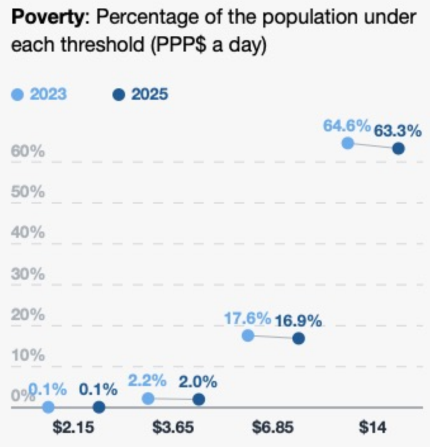
[1] The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.
[2] CO_2 emissions intensity of GDP is computed as tonnes of CO_2 per $1,000 (2017 PPP).

GDP



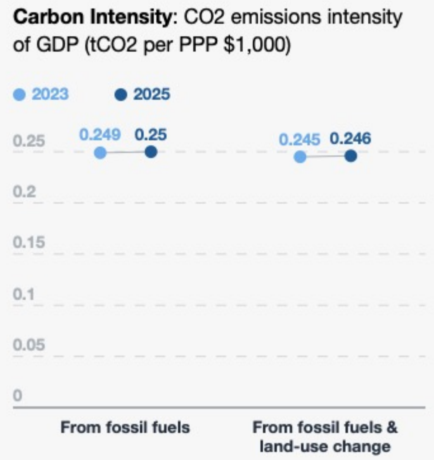
Source: IMF World Economic Outlook (WEO) (April 2023 and October 2019).

PEOPLE



Source: Projections based on binned distributions ($0.10-bins, 2017 PPP) reconstructed from the World Bank's Poverty and Inequality Platform through the pip: Stata Module.

PLANET



Source: Projections based on GDP data from the IMF WEO Database (April 2023), and on CO2 emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).

SDG TRENDS

Understanding how Tunisia performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows UN Stats standards and methodology, and is aligned with country profiles.

***Trends in detail**:*
https://data.undp.org/sdg-push-diagnostic/TUN/sdg-trends

SDG PRIORITIES

Tunisia's national priorities analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.

Key documents for analysis:

1. National Reform Programme 2022 (weighted double)
2. Development Plan 2023-2025 (weighted double)
3. Budget 2023
4. 2021 National Survey of Household Budget, Consumption and Living Standards
5. SDG Investor Map 2022
6. NDC 2021
7. Energy Strategy for 2035
8. National low carbon strategy 2050

Priorities in detail:
https://data.undp.org/sdg-push-diagnostic/TUN/current-priorities

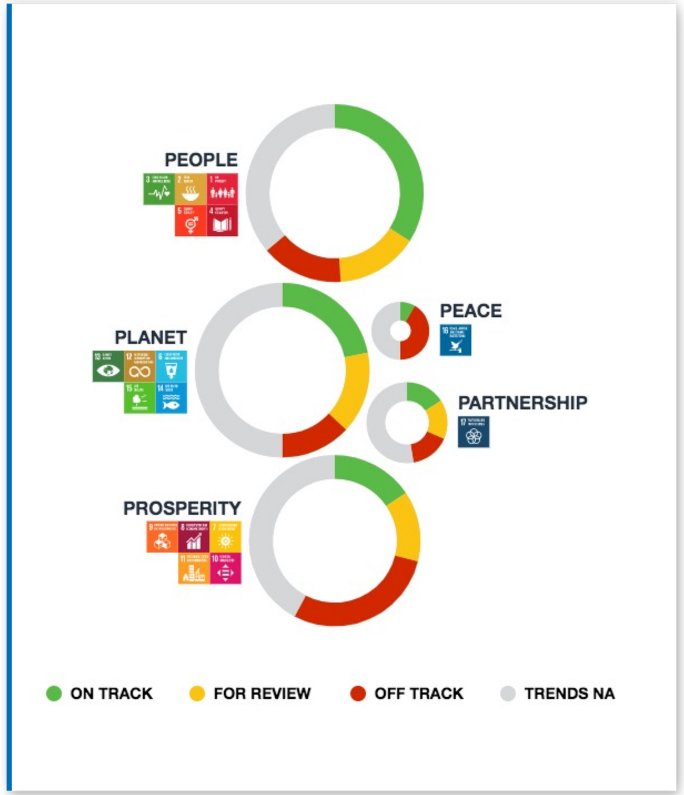
SDG INTERLINKAGES

SDG Interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Tunisia to achieve the 2030 Agenda and navigate trade-offs.

Based on a global framework for interlinkages, Tunisia's SDG progress is color coded at the target level.

Building from national priorities, the following pathways reflect policy investments with the most potential to accelerate the SDGs for Tunisia:

- Target 1.3: Implement social protection systems
- Target 1.5: Build resilience to environmental, economic and social disasters
- Target 8.2: Diversify, innovate and upgrade for economic productivity
- Target 9.5: Enhance research and upgrade industrial technologies
- Target 10.2: Promote universal social, economic and political inclusion
- Target 16.6: Develop effective, accountable and transparent institutions



ACCELERATION PATHWAYS

SYNERGIES

TRADE-OFFS

SDG INTERLINKAGES

1.3: Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable

Tunisia has implemented various measures to support different sectors and vulnerable populations, but the social protection system still lacks an unemployment benefit scheme and significant inequalities remain. In 2013, a new social contract was signed outlining the necessary reforms for social protection and social justice.

While the current social protection system covers all socio-professional categories in the public and formal private sectors, it excludes informal sector workers who make up around 37 percent of the workforce. Additionally, the system fails to adequately represent poor and illiterate women and girls, including those in rural areas, as well as children.

The absence of appropriate and universal social protection system perpetuates poverty, foster unemployment and informal work, and reduces resilience. However, by investing in a comprehensive and expanded social protection system, the government can mitigate these risks and prioritize reducing poverty, unemployment, and informal work while enhancing overall resilience.

Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/TUN/synergies-and-tradeoffs

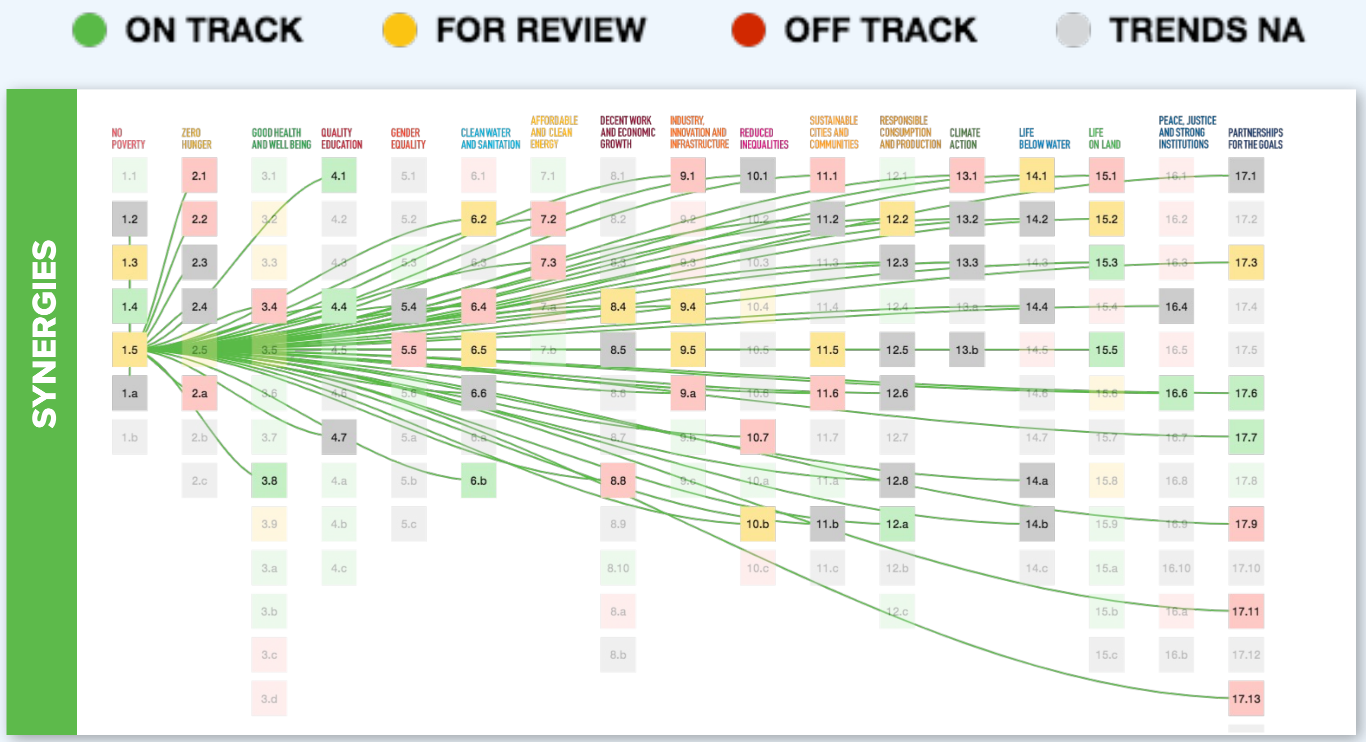
SDG INTERLINKAGES

1.5: By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

Tunisia's poor management of natural resources and environment hampers wealth and sustainability, worsened by climate change, increasing vulnerabilities and undermining progress. This mismanagement prevents Tunisia from adequately addressing water and land resource challenges and increases the likelihood of instability and conflict as resources become scarcer.

Despite Tunisia's commitment to international agreements like the Paris Agenda and its efforts to enhance resilience to climate change through Nationally Determined Contributions, ineffective resource management exacerbates inequality and threatens economic growth. The negative impacts are disproportionately borne by the poorest, most marginalized, and vulnerable populations, particularly those in the interior regions who heavily rely on the land.

Investing in resilience-building for the poor can mitigate the risk of poverty, reduce unemployment and informal labor, and minimize conflict. It presents an opportunity for long-term development that emphasizes sustainability, social equity, innovation, and the rights of future generations to natural resources and ecosystems.



Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/TUN/synergies-and-tradeoffs

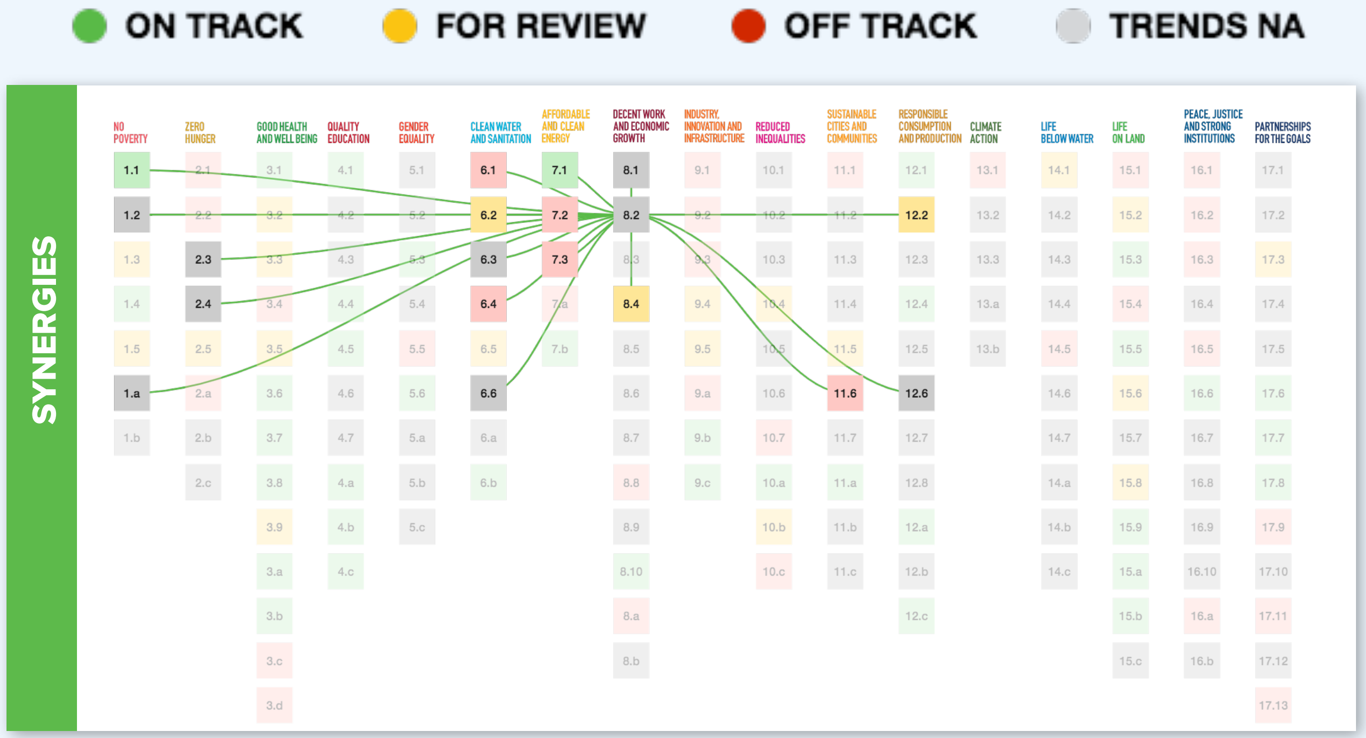
SDG INTERLINKAGES

8.2: Achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labor-intensive sectors

Tunisia has been experiencing social and economic challenges, for more than 10 years, with a very tight fiscal space, and weak economic growth, unable to allow for a strong economic recovery based on a investment push and job creation. The pandemic and the war in Ukraine have exacerbated these challenges, with a greater impact on vulnerable populations.

Nevertheless, Tunisia has been committed for several years to unlocking the potential of the private sector and improving the business climate, to enhance the competitiveness and productivity of the Tunisian economy, mainly through the implementation of a series of emergency measures in favor of private investment.

In the medium term, and within the framework of its NDP 2023-2025, the Tunisian government is committed to strengthening the competitiveness and diversification of the economy, as well as to promoting the knowledge-based economy as a key driver of innovation and creativity, focusing on emerging sectors with high potential of growth, start-ups, and investment in technological infrastructure, to improve Tunisia's positioning on international markets and value chains.



Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/TUN/synergies-and-tradeoffs

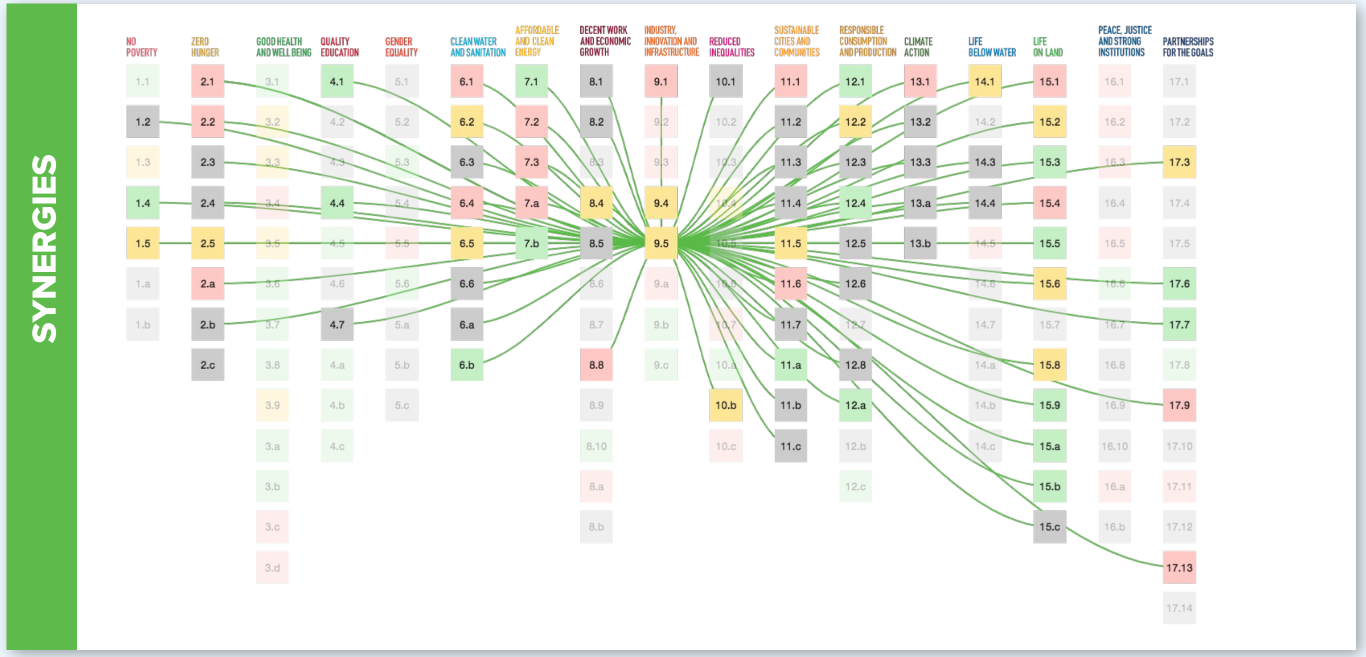
SDG INTERLINKAGES

9.5: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending

Tunisian industry is characterized by a weak integration into global value chains and low technological content The country's exports are concentrated on a small number of products with limited added value. In addition, inadequate infrastructure in rural areas exacerbates inequality and poverty.

However, by investing in high value-added economic opportunities, Tunisia can improve livelihoods, reduce unemployment rates and strengthen the resilience of its economy. Such investments would contribute to the development of a more robust and competitive industrial sector, enabling Tunisia to better integrate into global markets and improve its overall economic performance.

ON TRACK FOR REVIEW OFF TRACK TRENDS NA



Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/TUN/synergies-and-tradeoffs

SDG INTERLINKAGES

10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

The profile of poor households has not fundamentally changed in the last 5 years. Tunisia faces increasing exclusion, regional disparities, and marginalization of the youth and other vulnerable groups who are critical actors of change. Youth participation in politics is declining, and inability of the development process and the governance system to integrate youth and provide opportunities for their contribution to economic and social growth.

Promoting equal opportunities through empowerment of all allows increased innovation in sectors, reduces inequalities and reduces unemployment. Tunisia would also benefit from investing in data capacity as the lack of systematically collected and disaggregated data prevents assessing the inclusion of all.

Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/TUN/synergies-and-tradeoffs

SDG INTERLINKAGES

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

Tunisia has progressed in setting up new democratic institutions and independent bodies as well as the strengthening of its legislative framework. Major achievements have been made since 2011. Public authorities have taken significant steps in the transitional justice process and in reforming the judicial and security sectors to enhance rule of law, accountability, the transparency of institutions and processes and to enshrine human rights principles. For instance, satisfaction with government services rises at 75%[1].
Weak democratic control and oversight engenders the persistence of corrosive practices such as corruption, nepotism and discrimination.

Addressing transparency is crucial for Tunisia to ensure its growth is sustainable and inclusive .

Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/TUN/synergies-and-tradeoffs

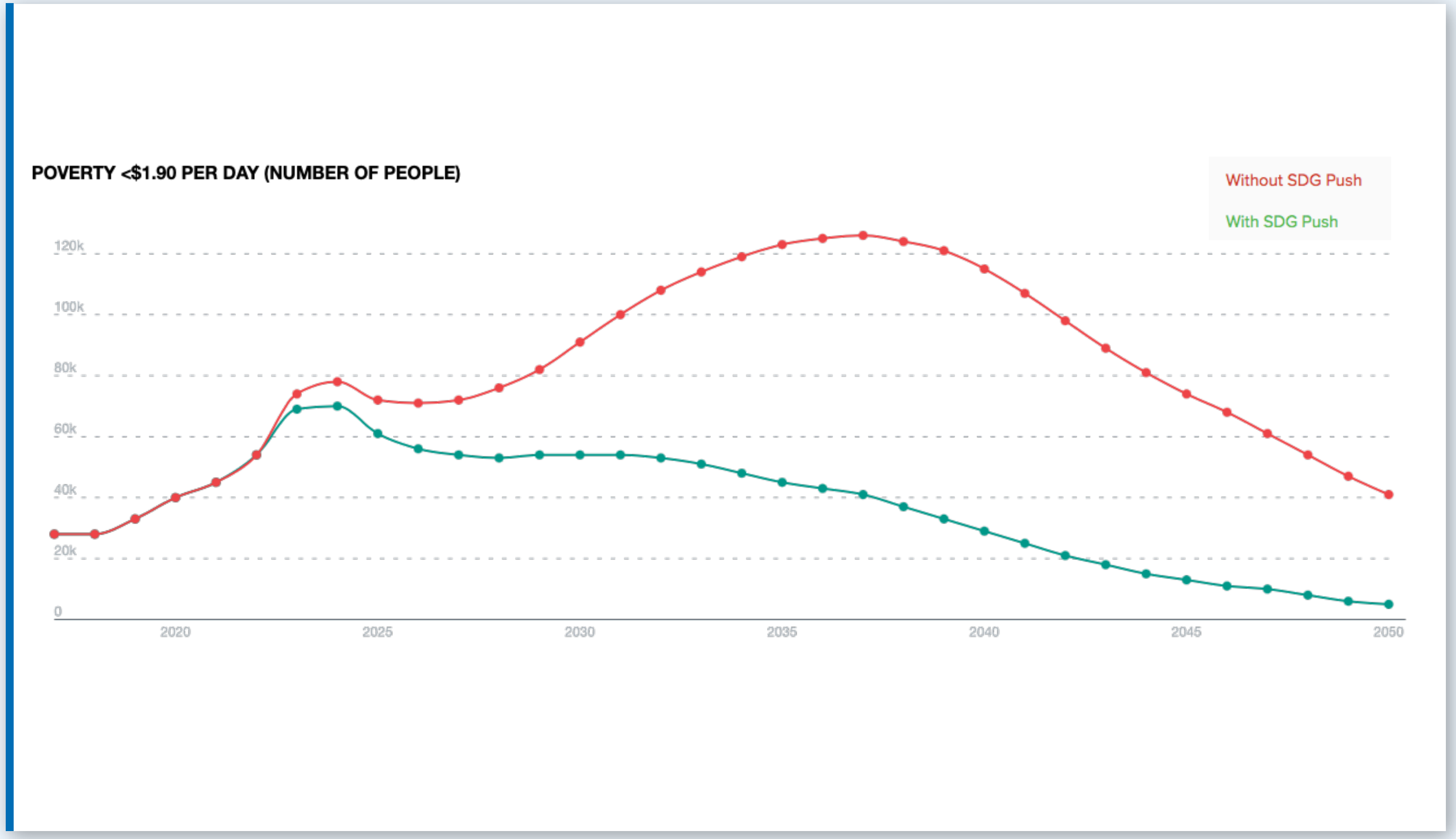
FUTURES SCENARIOS

Achieving the SDGs is possible.

The ‘SDG Push’ is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, Green Economy and Digital Disruption. It uses national data to explore the impact on human development in 2030 and to 2050 across key SDG indicators.

Incorporating ‘SDG Push’ accelerators into development interventions in Tunisia can increase economic growth, reduce the number of people living in poverty over time and guarantee a sustainable development.

People living in poverty	By 2030	By 2050
Without the SDG Push	91,000	41,000
With the SDG Push	54,000	5,000



Explore SDG Futures Scenarios at:
https://data.undp.org/sdg-push-diagnostic/TUN/future-scenarios

FINANCE & STIMULUS

Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

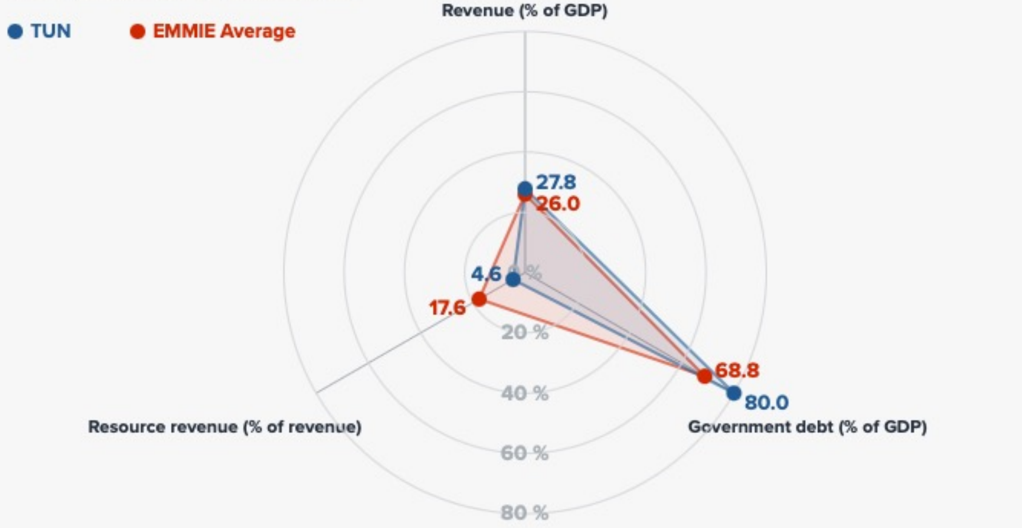
The radar diagram shows low frequency data points linked to government revenue and debt as a proportion of GDP as well as the natural resource share of total revenue. The financial indicator graphs show external debt servicing relative to revenue as well as the sovereign credit rating.

Tunisia's gross government debt is expected at 80% of GDP in 2023, which is 11.2 percentage points (pp) above the 68.8% for the group of emerging market and middle-income economies (EMMIE), and the country is battling a debt crisis since 2022. With expected 27.8% of GDP this year, Tunisia collects 1.8 percentage points (pp) more than the average EMMIE country with 26%. Natural resources account for 4.6% of the country's revenue.

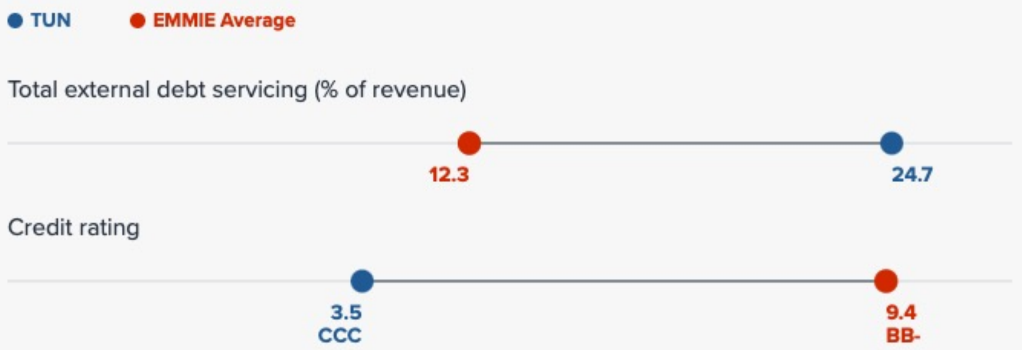
Tunisia's external debt servicing this year is expected to be as high as 24.7% of revenue and thus double the EMMIE average of 12.3%. The country's credit rating is in the 'default' category and the country has lost access to international financial markets, with issued bonds trading at deep discounts.

Tunisia is using an Integrated National Financing Framework to address key fiscal and financial constraints and build a more sustainable financial architecture at the national level. Priority reforms have been identified in the areas of tax policies, rationalization of public spending (including energy subsidies), foreign investments (including FDI) and private sector investments (including public-private partnerships), business environment, as well as the area of innovative financing, including green finance, sustainable bonds and impact monitoring and measurement.

LOW-FREQUENCY INDICATORS



FINANCIAL INDICATORS



Notes: External debt covers public and publicly guaranteed debt. The EMMIE average of resource revenue (% of revenue) includes the 60 countries that reported data for that indicator. The credit rating shows the numerical average of S&P's, Moodys', and FITCH's ratings, expressed in S&P's scale in brackets.

Sources: UNU-WIDER GRD (resource revenue, data from 2019), IMF WEO April 2023 (debt and revenue, forecasts for 2023), IDS (external debt, data from 2023), S&P, Moodys and FITCH (credit ratings, data from 2023).

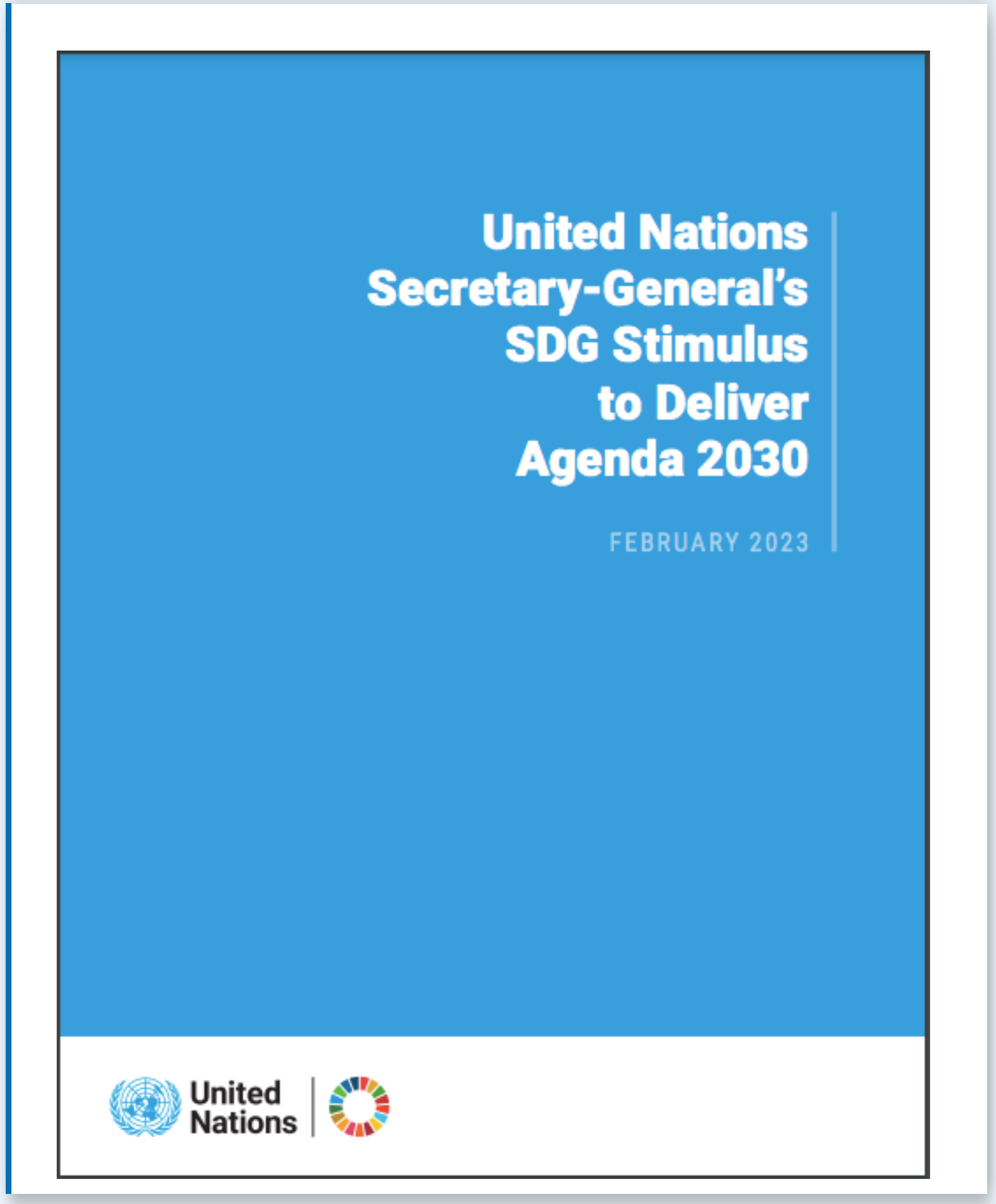
SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Given the projected fiscal and financial constraints faced by Tunisia possible financing options for the investments derived from the identified interlinkages are:

- Tax and revenue reform
- Debt for SDGs
- Climate finance
- Blended and public-private finance
- SDG Aligned business environment and investment
- Accessing financial markets and insurance
- Remittances, philanthropy and faith-based financing



METHODOLOGY

Click here to view the Methodological Note for the Integrated SDG Insights

SDG MOMENT

Methodology
Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources
Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO_2 emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).

TRENDS & PRIORITIES

Methodology
SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed
using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source
Trends utilizes official UN statistics to assess SDG progress, supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.

INTERLINKAGES

Methodology
Global target-level interlinkages are drawn from the KnowSDGs Platform by European Commission. SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source
The exercise globally considered a total of 454 documents published from 2015 to August 2022. (Miola et al., 2019 updated in 2021-2022)

FINANCE & STIMULUS

Methodology
Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source
Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).