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Economic and Social Commission for Western Asia (ESCWA)

National Workshop on Social Expenditure Monitor of Tunisia: Tool to Support Budgeting and Fiscal Policy Reforms

Online meeting, December 20, 2021

Tunis time (GMT + 1) 10:00hrs to 13:00 hrs

INFORMATION NOTE

I. BACKGROUND

The Economic and Social Commission for Western Asia (ESCWA) has prepared a project that will monitor social expenditure to serve as an effective tool for identifying amount of social expenditure, its percentage of total public expenditure as well as percentage of GDP. This project, upon completion, will facilitate the study of social expenditure's reflections on the sustainability of the state's budget and its impact on sustainable development plans and indicators to rethink social priorities and suggest policy recommendations when necessary.

Given the importance of this project, entitled **Social Expenditure Monitor (SEM)**, a pilot project has been selected in Tunisia and Jordan for later dissemination to Arab countries. Over the past two years of engaging with Tunisia counterparts (Ministry of Economy and planning coordinated by ATCT with active participation of representatives from Ministry of Finance, Ministry of Social Affairs, Ministry of Health, Ministry of Education, Ministry of Women, Family, children and Seniors, other line ministries representatives), a database on SEM has been developed. The SEM data is at the national level and is extracted from online published portals of the Tunisian Ministry of Finance and other public national sources. A workshop will be organized in Tunisia in December 2021 by ESCWA to showcase the data portal prepared within the Tunisian context, discuss policy relevance of SEM for effective budgeting and planning, and agree on a future plan.

The SEM aims to propose possible methodologies and tools to support budgeting and public finance management for a resilient recovery from the pandemic and progressing SDGs in case of Tunisia. In times of crisis, whether in form of a pandemic, war or weather catastrophe, the SEM allows the activation of better social "counter-cyclical" tool whereby it serves as a tool to inform decisions to counter a boom or a recession through transfers, fiscal measures and multiple programs.

II. GENERAL FRAMEWORK OF SOCIAL EXPENDITURE MONITOR PROJECT

In addition to the low growth rate accompanied with public finance deficit and indebtedness, and the high level of unemployment, one of the major challenges that impede the tightening of social and economic policies in the Arab countries is the challenge of managing and monitoring social spending, despite the large and steady rise for its share in the state budgets, which includes what countries spend on health, education, direct subsidies, and cash support for needy families, as well as pensions and social insurance. Social spending is a key entry point for approaching the concept of social justice, and a radical review of social spending programmes is needed in line with the top scorer of sustainable development.

In this context, the 17 Sustainable Development Goals with their 169 targets, are aligned with the indicators of the overall framework of the ESCWA Social Expenditure Monitor.

Maximizing human well-being through access to quality services and social protection, including areas where the 2030 Sustainable Development Plan aiming to achieve universal access to services without harming the overall balances of the state budget, is a higher goal of this SEM tool.

At the regional level, Tunisia's declaration on social justice in the Arab region at the ESCWA's 28th session held in Tunisia, September 15-18, 2014 is a confirmation of the commitment to social justice as a fundamental value in Arab and Islamic culture, and a fundamental pillar for building safe, cohesive and prosperous societies.

Also, during the sixth session of the Executive Committee held in Marrakech on June 14-15, 2019, support for the Social Expenditure Monitor project was announced to help governments formulate social spending policies to achieve the Sustainable Development Goals while maintaining public finance balances and budgetary sustainability.

In this context, the Economic and Social Commission for Western Asia (ESCWA) has provided support to Member States by establishing a framework for monitoring social expenditures, as an integrated tool to support macro-financial policies and rationalize the elements and objectives of sustainable development in accordance with national contexts through a pilot project in Jordan and Tunisia that started in 2019.

This monitor adopts a comprehensive measure of public social spending in seven dimensions and 52 indicators:

Dimensions	Indicators
Education	8 main indicators
Health and Nutrition	8 main indicators
Housing, connectivity, and community amenities	9 main indicators
Labour Market intervention and employment generation	6 main indicators
Social protection, subsidies, and support to farm	9 main indicators
Art, Culture and Sports	6 main indicators
Environmental protection	6 main indicators

All these areas and indicators are aligned with the sustainable development goals and targets. The SEM aims to rationalize spending elements and supports the achievement of various objectives, including improving the efficiency and effectiveness of budgetary programmes and improving ways to drive economic and social growth.

III. FOCUS STAGE OF SOCIAL EXPENDITURE MONITOR

The adoption of the monitoring framework and its link to financial reforms involve several stages:

Phase I: Agreement on the dimensions and indicators of a framework for social expenditure in the national context.

Phase II: Data collection and analysis in accordance with the agreed framework, standardization of government statistical reports and financial statistics, DDGs metadata and national account statistics.

This phase has been completed where feedback from SEM focal points in Tunisia and ESCWA collaborated to produce a validated SEM dataset for the years 2014-2021. Based on the published data, ESCWA has developed a digital interactive platform on SEM.

Phase III: Analysis of data on important trends and patterns and linking the data to the social development results of the Sustainable Development Goals, considering social development priorities. What policy implications can be drawn from it to inform budgeting and public finance management for a resilient recovery from the pandemic and progressing SDGs in case of Tunisia?

ESCWA and Tunisian consultants have developed a Tunisia Country Paper on SEM that is shared with Tunisian officials for review.

Phase 4: Develop macro-financial modelling tools to facilitate understanding of different scenarios to improve spending efficiency and increase economic growth, taking into account the medium-term sustainability of public finances.

This phase is in progress now where public social expenditure and its efficiency in Tunisia is being prepared in terms of achieving social-economic outcomes.

Phase 5: Building institutional capacity and human systems, tools and resources, including government officials and civil society groups, through national workshops, training courses and regional workshops to support dialogue between participating countries and exchange lessons from outside the region, such as Latin American countries.

To implement this phase, ESCWA is calling for a national workshop to launch SEM digital platform, discuss important trends and patterns of social expenditure and priorities for Tunisia, and discuss tools on efficiency and effectiveness of social expenditures toward developing capacity of government officials that can support better budgeting for social development priorities and progressing SDGs in case of Tunisia.

The last phase: planning the future project activities in close cooperation with national counterparts, in accordance with national priorities, in order to preserve the ownership of the project and improve the ability of stakeholders to update monitoring tools annually.

IV. STAGES OF COMPLETION OF SEM PROJECT:

- Regional workshops were held at the Headquarters of the Economic and Social Commission for Western Asia (ESCWA) in Beirut on June 24-25 and December 6, 2019. Following this workshop, the experts and the team expressed ideas and enrichments on this project and made observations to adapt it to national contexts as well as identify the next stages towards the establishment of this observatory. The result of these workshops was the agreement on the dimension and indicators of the SEM framework.
- National workshop on Mapping data for SEM from public budgets of Tunisia took place online during 14-15-16 July 2020 discussing indicators of SEM in Tunisia context, data compilation methodology and preliminary analysis of SEM of Tunisia; identify data gaps and explore possible disaggregation of data sources/methods
- Feedback and review of the SEM data from Tunisian focal points in line ministries, ESCWA team, and Tunisian consultants have resulted in the development of the final SEM database of SEM for the years 2014-2021. Ministry of Finance focal person for the project is engaged throughout in the project activities –budget data are provided to ESCWA and the mapping of expenditures to indicators of SEM are verified with Ministry of Finance, Ministry of Social Affairs, Ministry of Health, Ministry of Education, Ministry of Women, Family, children and Seniors and other line ministries. The consultant had met the focal points of each line ministry mentioned earlier, discussed the mapping, and adjusted the database when needed.
- The SEM Interactive Online Data Portal for Tunisia has been prepared. Several studies are in progress using the SEM data of which *Tunisia Country Paper on Social Expenditure* is one. The papers aim at improving the quality of policy recommendations in Tunisia by specifying the areas of social expenditure in need of prioritization to achieve the most improvements.

V. NEXT STAGES OF THE PROJECT

- Planning the future project activities in close cooperation with national counterparts, in accordance with national priorities, to preserve the ownership of the project and improve the ability of stakeholders to update monitoring tools annually. Future activities include capacity building workshops for national officials and update of the SEM database beyond 2021.

VI. OBJECTIVES OF THE MEETING

The primary objectives of the meeting with representatives of Tunisia are:

- Show Case Social Expenditure Monitor of Tunisia – An Interactive Data Portal
- Training on concepts and definition of social expenditure monitor
- Discuss important trends and highlights of SEM
- Discuss policy relevance of SEM for effective budgeting and planning.
- Next steps for future updates of SEM and sustainability of the SEM data portal.

VII. PARTICIPANTS

Ministries/Entities from Government of Tunisia: Ministry of Economy and Planning/Tunisian Agency for Technical Cooperation (ATCT), Ministry of Finance, Social Affairs, CRES, Agricultural Research Authority, Statistics Agency, Women, Family, Childhood and Seniors, Health, Education, Higher Education and Scientific Research, Employment, Environment, Culture, Agriculture, Equipment, Housing and Regional Development, ESCWA team, and UNCT Tunisia.

VIII. ORGANIZATION OF THE MEETING

The National Workshop on Social Expenditure Monitor of Tunisia: Tool to Support Budgeting and Fiscal Policy Reforms will take place Online on December 20, 2021, Tunis time (GMT + 1) 10:00hrs to 13:30 hrs. Discussions will be undertaken in the English language and there will be interpretation provided during the meeting.

IX. CORRESPONDENCE

For any inquiries, kindly contact the following meeting focal points:

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