

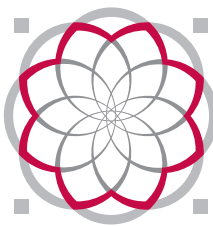
Implementation of the

2030 AGENDA:

opportunities and challenges

in TUNISIA

Tunisian Observatory of Economy



annd

Arab NGO Network for Development
شبكة المنظمات العربية غير الحكومية للتنمية

UNDEF

The United Nations
Democracy Fund



FNUD

Fonds des
Nations Unies
pour la démocratie

Opinions expressed in this report do not necessarily represent those of UNDEF

©2017

CONTEXT ANALYSIS

Agenda 2030 or Sustainable Development Goals (SDG)¹ follows the Millennium development goals (MDG)² that are objectives set by the United Nations Organization (UN) and signed by the 189 countries that were members then³. As the Millennium goals came to an end in 2015, Agenda 2030, also called Agenda post-2015, was set and signed by the countries members of the UN to cover the period between 2015 and 2030. The major change is that we drifted from development goals to sustainable development goals.

The official UN final report on the MDG depicts a mixed record. Significant gaps have been noticed, especially regarding disparities between regions and countries. The main flaws listed by the 2015 report on the MDG are gender inequality, gaps between the poorest and richest households, gaps between rural and urban areas, climate change and environmental degradation that undermine the progress achieved, the fact that poor people are the most affected, conflicts that remain the biggest threat to human development, and poverty that is still touching millions of people who are still living in hunger and without access to basic services. The U.N. high-level panel submitted its report in 2013 and recognized that MDGs were least effective in reaching populations traditionally excluded from economic life. Consequently, it was agreed that the post-2015 agenda should “address both extreme poverty and pressing environmental challenges, including climate change, simultaneously” and that the new agenda should reach populations that have always been marginalized, the main objective is to address the roots of extreme poverty and not only its symptoms.

The most highlighted problem by observers regarding the MDGs was the “undemocratic and opaque process” by which they were issued⁴. Indeed, the eight goals were drafted by a restricted group of bureaucrats who represented several multilateral organizations. Moreover the MDGs represented several incoherencies that made their implementation harder and accentuated many flaws that they were

supposed to tackle. The most significant example in that way is digging the disparities between countries and regions, a flaw that had been noted by the UN itself. Indeed, the agenda sets objectives to reach regardless of countries’ different starting points, resources available, and capacity for change⁵. Along with this malfunctioning, observers noticed obstacles related to the availability and reliability of data, the “suspect”⁶ indicators based on unjustified methods, and the absence of indications on implementation, monitoring and accountability⁷.

In 2012, the United Nations along with the international civil society launched the UN High Level Panel on post-2015 which is formed of global conversations⁸ on post-2015 goals. This worldwide consultation aimed to drift from the undemocratic way in which MDG were made and to “bring the priorities of people from every corner of the world to the forefront and help build a collective vision that will be used directly by the United Nations and World Leaders to plan a new development agenda launching in 2015”⁹.

Many changes occurred regarding Agenda 2030 from eradicating extreme poverty to eradicating poverty in all its forms, the issue of inequality between countries has been addressed, differences in starting points, capacities and national priorities have been taken into consideration, and a goal about sustainable management of natural resources was added¹⁰.

Despite the effort to make Agenda 2030 more effective in reaching sustainable development and reducing inequalities, it has been considered as being “not free of contradictions”¹¹ and several flaws have been noted. The biggest challenge in that way is the unchanged development model which remains “based on economic growth and foreign investment regardless of its sources and objectives and away from the foundations of a fair and comprehensive

1 <http://www.un.org/fr/millenniumgoals/beyond2015.shtml>

2 http://www.undp.org/content/undp/fr/home/sdgoverview/mdg_goals.html

3 https://en.wikipedia.org/wiki/Millennium_Development_Goals

4 <https://www.ethicsandinternationalaffairs.org/2014/the-impending-failure-of-the-sustainable-development-goals/>

5 <https://www.ethicsandinternationalaffairs.org/2014/the-impending-failure-of-the-sustainable-development-goals/>

6 <https://www.ethicsandinternationalaffairs.org/2014/the-impending-failure-of-the-sustainable-development-goals/>

7 <https://www.ethicsandinternationalaffairs.org/2014/the-impending-failure-of-the-sustainable-development-goals/>

8 http://www.arabstates.undp.org/content/rbas/en/home/library/MDGs/Global_Conversation_Begins/

9 <http://www.beyond2015.org/world-we-want-2015-web-platform>

10 <http://www.annd.org/data/files/outcome%20doc%20WEB.pdf>

11 <https://www.reflectiongroup.org/sites/default/files/Reflection%20Group%202030%20Strategy%20Document.pdf>

*development*¹². For example, Agenda 2030 recommends public-private partnerships as a tool to provide funds for investment in infrastructure. This formula is still controversial¹³, had very bad consequences in some countries in the past and many think that they simply “do not work”¹⁴.

Along with the development model, other challenges regarding the implementation persist. Among them is the fact that the Agenda is not legally binding and that the governments are given only guidelines. The implementation remains dependent on the good will of the governments and their own priorities. There is also the problem of “partnerships” which is not clearly defined and the roles, responsibilities and mechanisms that are not defined either¹⁵. This could lead to “undermined responsibilities and weakened possibilities of accountability”¹⁶

In addition to the mentioned global challenges, there are also some regional challenges, specific to Arab countries and that may hinder the implementation of the SDGs. Among those challenges are instability, conflicts, immigration and displacements, demographic movements, social inequalities, economic crises, and high public indebtedness¹⁷. Those challenges are also faced by Tunisia where the high indebtedness, the lack of economic resources, and the political instability may hamper the implementation of the goals. Another challenge that will be facing developing countries in general and Tunisia in particular, is the problem of limited resources to implement the SDGs and the political instability that may hinder the continuity in the commitment to the Agenda. Indeed, the economic crisis and lack of funding sources is often mentioned to justify the incapacity of the government to invest in infrastructure and development projects.

Indeed, the adoption of Agenda 2030 by Tunisia has intervened in a particular political and economic context.

Tunisia has known for five years a transitional phase marked by the establishment of a new political model characterized by a new distribution of powers. In January 2014, the elected constitutional assembly

in 2011 in charge of writing a new constitution has adopted the constitution which established the second republic. The adoption of the new constitution followed by legislative and presidential elections in October and November 2014 closed the first phase of the political transition. Written in a consensual spirit, this new constitution lays the foundations of a democratic state. It guarantees the rights and freedoms of Tunisians, strengthens the separation of powers, institutes decentralization and participatory democracy principles, and introduces institutional and citizenship mechanisms of control. Tunisia has thus passed from a phase of transition towards the establishment of new institutions, new political bodies, and the implementation of principles and new rules of the constitution, through a set of different reforms and especially governance reform, implementation of decentralization and municipal elections with a different distribution of power between the center and peripheries. Moreover, Tunisia is going through the implementation of constitutional bodies created by the new constitution to deal with the main dysfunctions resulting from decades of dictatorship such as the Independent High Authority for Elections (ISIE), the Human Rights Instance, the Instance for Good Governance and the fight against Corruption, the instance for sustainable development and protection of future Generations. Tunisia has regained and is consolidating to some extent a political stability through mediation and dialogue in which civil society played a major role. Regarding economic aspects, since the outbreak of the revolution, these last five years are marked by the intervention of various International Financial Institutions, particularly within the framework of the Deauville Partnership. A broad economic reform plan has been put in place to support the Tunisian economy, with the IMF and the World Bank working alongside with other actors (EIB, AfDB, IDB, G7, Gulf countries ...). Significant loans and grants have been granted to Tunisia in return for major neoliberal reforms. In the framework of the Deauville partnership, after a Stand-By Agreement agreed with the IMF in June 2013, Tunisia entered into a second agreement with the IMF in April 2016 (Extended Credit Facility, EFF) over four years (2016-2019).

However, although several economic reforms have been launched, the socio-economic situation does not appear to be improving. Protests and social movements have strongly marked the transitional period, expressing dissatisfaction among the population claiming employment,

12 <http://www.annd.org/data/file/files/outcome%20doc%20WEB.pdf>

13 <http://economie-tunisie.org/fr/observatoire/analyseeconomics/projet-loi-ppp-tunisie>

14 <https://sustainabledevelopment.un.org/content/documents/2288desaworkingpaper148.pdf>

15 <http://www.annd.org/data/file/files/outcome%20doc%20WEB.pdf>

16 <http://www.annd.org/data/file/files/outcome%20doc%20WEB.pdf>

17 <http://www.annd.org/data/file/files/outcome%20doc%20WEB.pdf>

improving public services and infrastructure, and reducing inequalities and developing policies for marginalized regions. Some broader and more politicized mobilizations have targeted issues such as corruption and mismanagement of public funds or lack of transparency in the management of natural resources. In general, political stabilization has not been accompanied by social stabilization.

On the other hand, unemployment and poverty rates have risen sharply, corruption is also on the rise and the underground economy is in continuous expansion. In parallel, the main economic indicators show a worrying increase in the debt ratio (63% of national GDP), a sharp decline in growth, a growing budget deficit, an increase of balance trade deficit, as well as disturbing fiscal imbalances. Forecasts are not optimistic in the short term, 2017 marks the end of the grace period for several credits, recruitment has been frozen in the public sector, several public banks and enterprises are in the sights. The economic situation is deteriorating strongly at the risk of compromising the fragile political balance. Tunisian civil society has enjoyed remarkable vitality over the last five years crowned by the award of the Nobel Peace Prize to the quartet of UGTT, UTICA, the League of Human Rights and the Bar Association. CSOs operate under different banners and various formats: unions, associations, think tanks, social movements, etc. They are now essential components of the political, social and economic scene and have diverse roles at different scales ranging from raising awareness, to control through participation in development, and counter power. However, this growing power of civil society remains dependent on the fragile legislative and political framework in a region where temporarily gained freedoms can be obliterated at any moment by the risk of an authoritarian return and harsh austerity policies. Regarding this context, Tunisia is then facing many challenges to address agenda 2030 goals.

1- What is the institutional framework/ governance structure dealing with the implementation of agenda 2030 in your country (ministry, committee)?

On its website, Tunisian Ministry of Foreign Affairs¹⁸ states that after contributing in the elaboration of Agenda 2030, and now that the SDGs are ratified by Tunisia in the 25th of September 2016 in New York, Tunisia will be working on the integration of the goals in its five-year plan Development Plan.

The five-year Development Plan¹⁹ is a document of economic planning by the Ministry of Development

and International Cooperation (MDIC)²⁰, stating the development objectives for the period between 2016 and 2020.

The major actor dealing with the implementation of the plan in Tunisia is the Ministry of Development and International Cooperation MDIC. On the MDIC webpage, we can find a brief presentation of “The Tunisia we want”²¹ initiative, a concept note by the Ministry of Finance²² on the national consultation on Agenda 2030 in preparation for the contribution of Tunisia in the elaboration of the Agenda, and some other links in relation with the national consultation. The choice of the ministry in charge of the implementation of the ODD is quite questionable. In charge of the relations of Tunisia with its international partners and funders, and also to manage investments, the ministry (from its historical missions) is not the most suitable actor to implement a broad and transverse agenda as Agenda 2030. Moreover the choice of the governmental part in charge of the implementation of the ODD should not be limited to a ministry in particular. An inter-ministerial committee would have been a better choice and would allow the coordination and reinforcement of the government action for the implementation of Agenda 2030.

In addition to the choice of the MDIC for the implementation of the 2030 agenda, the relatively weak convergence between the Five-Year Development Plan on the one hand and the ODD on the other hand could make Agenda 2030 a showcase for the Tunisian government that will be used to satisfy the international community at the expense of development policies truly in line with the SDGs. Presented as an alternative development plan, the Five-Year Development Plan foresees the following reforms:

²⁰ <http://www.mdci.gov.tn/>

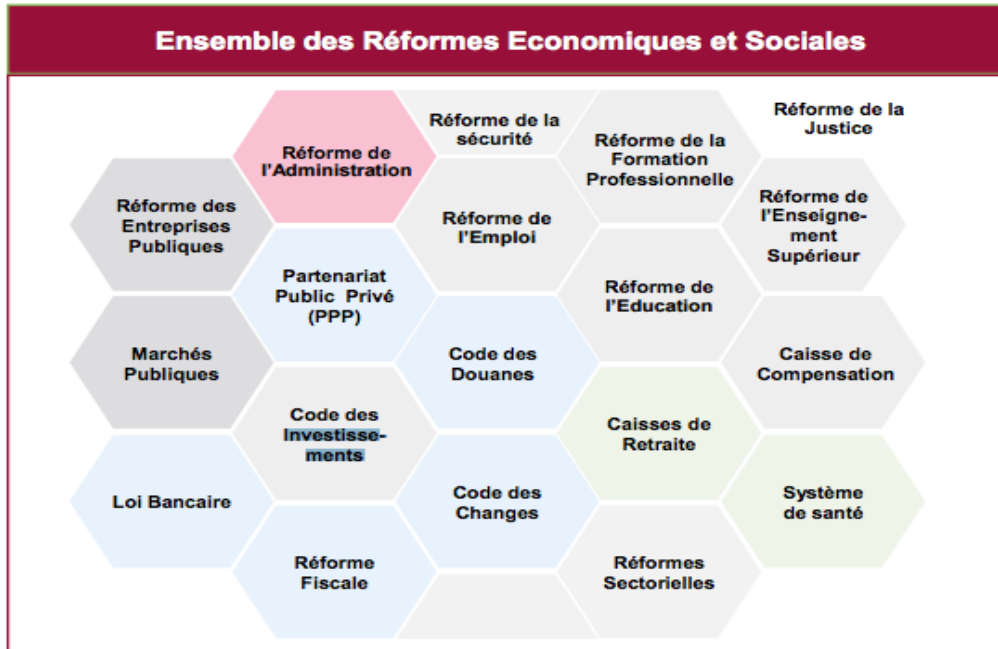
²¹ <https://tunisiawewant.wordpress.com/>

²² <http://www.mdci.gov.tn/fileadmin/odd/Note%20conceptuelle%20agenda%202015%20Fr.pdf>

¹⁸ <http://www.diplomatie.gov.tn/index.php?id=437>

¹⁹ http://www.mdci.gov.tn/images/consultant/Note_d_Orientation_2016_2020.pdf

Table 1: series of economic and social reforms introduced by MDIC in the framework of the five years plan of development



Source: MDIC

In a summary note of the Five-Year Development Plan published on its website, MDIC claims to rely on a participatory approach to the elaboration of the plan. The work of drawing up the plan took place on 31 July 2015 at the regional level and on 9 September of the same year at the sectorial level. Three phases have been followed for the finalization of the plan:

- first a diagnostic phase which was closed on 16 October 2015
- A second phase of development of the strategic vision, closed on 19 December of the same year
- And a final phase in the elaboration of the reforms, programs and projects which closed on 15 March 2016.

Slightly fewer than 450 committees were held, including 292 regional and local commissions involving 20,000 participants and 150 sectorial and sub-sectorial committees involving 6000 participants on the sidelines of the plan development work. They aimed to involve as many citizens as possible to make the latter appropriate the proposed reforms. However, relying on a participatory approach based solely on the number of commissions or people

involved is quite simplistic. A participatory approach supposes also transparency regarding the integration of the contribution of civil society actors involved in the development of these reforms. In reality, the Five-Year Development Plan is far from unanimous in civil society and despite the importance of the issues it encompasses; it has generated little debate at a national level covered by media. Therefore, if a participatory approach has taken place, it has not been able to fulfill its objectives so that civil society and citizens take ownership of the proposed development plan and, a fortiori, the SDGs that it is supposed to integrate.

In spite of the MDIC being the main governmental actor in charge of the elaboration and the implementation of the Plan, there are several governmental and non-governmental actors that act like partners in the implementation of the five-year plan and thus, in the implementation of Agenda 2030.

On the pages 30 to 33 of the Plan, under the subtitle "Defining the roles of different actors", the plan states that there are three (3) different actors that have to be partners in the implementation of the objectives of the development plan. The first actor is the State, is said to have a strategic role in reducing disparities

and dealing with poverty, marginalization and exclusion. Thus the State is responsible for enhancing the capacity of the human resources, improvement of life conditions by providing services in the fields of education and professional training, health, public commodities and basic infrastructure. The State is also responsible for setting the territorial public policy management and providing infrastructure that will spur investment. Finally, the State is responsible for establishing partnerships with private sector as a way to add efficiency and transparency to the public policies, programs and projects.

Although the role of the State could and should be more important, the limitation of its policy space taking into account the increase of indebtedness and budget deficit notably reduce its action as described by the note of orientation of the plan. The government is thus disengaging gradually, allowing a more important role of development to private sector.

The second partner in the implementation of the plan is then the private sector. In the plan, its role is basically to invest and create jobs and wealth but also to find good positioning on national and international markets and to enhance its participation in high added value activities and sectors. It is also stated that to contribute in the private sector's success in accomplishing its role, the state should provide the necessary incentives by reforming the administration. The plan stipulates that the private sector is also responsible for developing dialogue and partnerships in order to be able to improve the professional relationships within the private institutions, and thus, to contribute to social peace. According to the plan, the third partner is the tertiary sector²³ which will be responsible for consolidating the culture of social and solidarity economy (SSE). The plan underlines the necessity of preparing the essential conditions as the legislative and institutional framework and the incentives for the SSE economy to become an integrated part in the national strategies and plans. In this context, the associative tissue is said to have a major role in accompanying the social, economic and cultural effervescence that the country is witnessing since the revolution. However, the mechanisms and concrete forms of this participation are not explained yet. Moreover the definition of what is called "the tertiary sector" and "social and solidarity economy" are not clear in the plan.

²³ Government means by tertiary sector here, civil society.

2-Which initiatives are taken to implement Agenda 2030 in your country?

So far, the major initiative that has been taken to implement Agenda 2030 in Tunisia is the involvement of SDGs in strategic planning by integrating the objectives in the five-year plan for development issued by the MDIC. A concept note of the plan was published in September, 2015²⁴.

In May 25th, 2016, the MDIC mandated an international consortium for the mission of the promotion of the development plan 2016-2020 and to assist in the organization of an international conference on investment that will be held in Tunisia in November 2016²⁵.

On the 28th of June 2016, Yassine Brahim, Minister of Development and International Cooperation at the time, presented the Plan to the Ambassadors of the UE and underlines the fact that Tunisia counts on its own capacities but also on the support of bilateral and multilateral partnerships²⁶.

It is important to place in its national context the note of strategic organization on the five-year plan 2016-2020, whose broad outlines were published by the MDCI in September 2015, in its context.

Indeed, all the economic and social reforms presented in Table 1 are in fact the reforms which are the conditionality of international financial institutional loans, and especially IMF loan, since 2011 and some of which had already been adopted as investment code, public private partnership law and the law for the independence of Central Bank and other are ongoing.

The Tunisian government has requested financial assistance from the IMF, which was granted in June 2013, a stand-by agreement (SBA). The SBA was validated by the IMF in return for economic reforms that the government has committed to undertake. Given the high repayment maturities, due to several IFI loans since 2011 whose grace period has expired in 2016-2017, the government has requested a second financial assistance from IMF in May 2016. Following

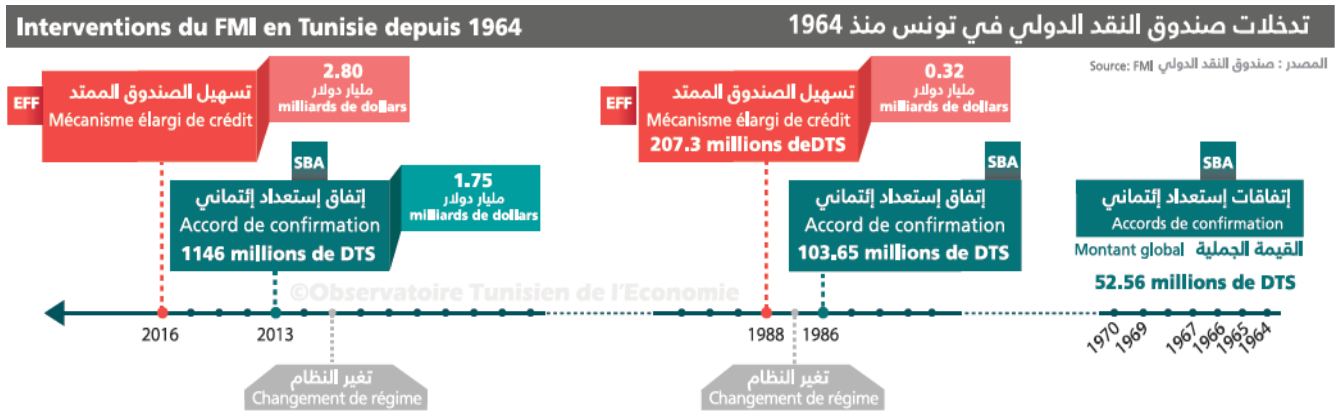
²⁴ <http://www.leaders.com.tn/article/17931-tunisie-telechargez-la-version-finale-de-la-note-d-orientation-du-plan-de-developpement-2016-2020>

²⁵ <http://www.mdc.gov.tn/index.php/2012-04-18-14-10-28/actualites/387-signature-de-l-accord-de-promotion-du-plan-quinquennal-2016-2020-et-l-organisation-de-la-conference-internationale>

²⁶ <http://www.mdc.gov.tn/index.php/2012-04-18-14-10-28/actualites/398-yassine-brahim-presente-les-objectifs-les-reformes-et-les-projets-du-plan-aux-ambassadeurs-de-l-ue>

the adoption by the Tunisian parliament of the Central Bank Independence Act, the Banking Law and the Bankruptcy Act in April 2016, the prerequisites for loan negotiations, the Extended Credit Facility (EFF) was granted by IMF. The government undertook to launch painful reforms, conditionalities in return for the EFF.

Table 2 : IMF Interventions in Tunisia since 1964



Source : Tunisian Observatory of Economy

We can summarize the principal differences between the stand-by agreement (SBA) and Extended Fund Facility (EFF) as follows:

Table 3: Difference between the agreement of confirmation (SBA) and the widened mechanism in credit (EFF)

	(stand-by agreement (SBA	(Extended Fund Facility (EFF
Problem of balance of payment	In the short term	In the medium term
Period of refunding	between 3 ¼ and 5 years	between 4½ and 10 years
Duration of pullings	between 1 and 2 ½ years	years maximum 4
Structural reforms	major and specific reforms	deep reforms and more prolonged mentoring

Source: IMF.org

The main difference is the country's request of the Extended Credit Facility (EFF) to commit itself to a structural adjustment plan with deeper and longer-term reforms, on a period of four years, i.e. from 2016 to 2020 as well as the five-year plan:

« The IMF can assist with the adjustment process under an Extended Fund Facility (EFF). Compared to assistance provided under the Stand-by Arrangement, assistance under an extended arrangement features longer program engagement—to help countries implement medium-term structural reforms—and a longer repayment period (...) Under an EFF, these commitments, including specific conditionality, are expected to have a strong focus on structural reforms to address institutional or economic weaknesses, in addition to policies that maintain macroeconomic stability²⁷».

27 The IMF's Extended Fund Facility (EFF) : <http://www.imf.org/en/About/Factsheets/Sheets/2016/08/01/20/56/Extended-Fund-Facility>

Looking more closely at the reforms undertaken by the Tunisian government through the letter of intent that has been sent to the IMF in May 2016, it is also clear that structural reforms are similar to those of the government undertakes to achieve within the framework of the five-year plan 2016–2020. The Tunisian government has also detailed the priority actions by December 2016 in the letter of intent. This includes banking law, reform of public enterprises, tax reform and, in particular, a focus on private sector reforms such as the investment code, The Law on Public-Private Partnerships, which are part of the promotion of this new legal framework of investment through the conference on investment.

Table 2. Tunisia: Proposed Prior Actions and Structural Benchmarks

Prior actions	Objective	
Approval, by banks' boards, of the updated business plans for all three public banks.	<i>Financial sector stability</i>	
Adoption, by the Assembly, of the People's Representatives (ARP), of the CBT law, the banking law, and the bankruptcy law in line with good international practices.	<i>Ensure financial sector stability, modernize monetary regimes, and support inclusive growth and job creation</i>	
Adoption, by the Council of Ministers, of the comprehensive tax reform strategy, in line with the principles of fairness and efficiency agreed with IMF staff.	<i>Fiscal sustainability and fairness</i>	
Proposed structural benchmarks	Objective	Date
I. Financial sector reform		
Approval, by the board of Directors of public banks (STB, BH, and BNA), of performance contracts in line with their new restructuring plans.	<i>Financial sector stability</i>	Jun-16
Increase of the cap on lending rates to, at least, the 2009 level.	<i>Financial sector stability</i>	Dec-16
Systematic use, by the supervisors, of the new manual on risk-based supervision.	<i>Financial sector stability</i>	Dec-16
Inspection of the seven largest private banks in line with the best standards and with IMF Technical Assistance as agreed with the CBT.	<i>Financial sector stability</i>	Mar-17
II. Budget Policy and Reforms of Public Institutions		
Approval, by the Council of Ministers, of a comprehensive strategy on civil service reform.	<i>Fiscal sustainability and fairness</i>	Sep-16
Signature of performance contracts for the five largest public enterprises.	<i>Better monitoring of fiscal risks</i>	Sep-16
Completion of the functional review of four ministries (Health, Education, Finance, and Infrastructure).	<i>Fiscal sustainability and quality public services</i>	Dec-16
Publication, in the official journal, of the organic budget law.	<i>Fiscal sustainability and fairness</i>	Dec-16
Establishment of a Large Taxpayers Unit to include formal responsibility for the major tax and enforcement functions (return processing, taxpayer advisory services, and audit).	<i>Fiscal sustainability and fairness</i>	Dec-16
Adoption of a medium-term debt strategy.	<i>Debt sustainability and deepening of financial markets</i>	Dec-16
III. Sectoral reforms/private sector development		
Adoption of the implementation decrees for the new law on competition, law on PPPs, and new investment code.	<i>Inclusive growth and job creation</i>	Sep-16
Creation of an independent, high anti-corruption authority.	<i>Good governance and fairness</i>	Dec-16

Source: Tunisia letter of intent to IMF, May 2016²⁸

²⁸ Idem

Therefore, in the context of the current economic transition, the Tunisian government is in the process of implementing the structural adjustment reforms imposed by the EFF through the five-year plan.

In May 25th, 2016, the MDCI mandated an international consortium for the mission of the promotion of the development plan 2016-2020 and to assist in the organization of an international conference on investment that will be held in Tunisia in November 2016.

Far from the communication and media propaganda that accompanied the conference "Tunisia 2020", the main part of the amounts promised during the conference benefits the public sector with 46.2% compared to 30.34% for the private sector and 23.44% for PPPs. 93.85% of the amount planned for the public sector is financed by loans from the international donors with the conditionality to follow IMF adjustment plan. This was confirmed by the minister of MDCI, Fadhel Abdelkefi, during the conference. These promises are conditioned by EFF reforms. On the other hand, the marginalized regions account for only 24% of investment projects, compared with 76% for the east coast²⁹. It comes out from it clearly that the inequalities between regions will continue to worsen.

The Five-Year Development plan fully ensures the continuity of the neoliberal policies and austerity measures which have triggered the revolution and whose results in the countries are far from reaching SDGs.

3-Structural obstacles? Are there interregional challenges of socioeconomic policy approaches in your country?

One of the major structural obstacles to the implementation of SDGs in national policies in Tunisia is the reduction of the policy space of the government in the definition and the development of public policies and economic policies due to international aid³⁰.

Tunisia is not exempt from this phenomenon of reduction of policy space over its economic choices

29 <http://nawaat.org/portail/2016/11/30/%D8%A7%D9%84%D9%86%D8%AF%D9%88%D8%A9-%D8%A7%D9%84%D8%AF%D9%88%D9%84%D9%8A%D8%A9-%D9%84%D9%84%D8%A5%D8%B3%D8%AA%D8%AB%D9%85%D8%A7%D8%B1-%D8%AA%D9%88%D9%86%D8%B3-2020-%D8%A7%D9%84%D8%A3%D8%B1%D9%82/>

30 Jihen Chandoul, le partenariat de Deauville à l'origine des politiques économiques en Tunisie, septembre 2015 <http://www.economie-tunisie.org/fr/observatoire/analyseconomics/actes-conference-partenariat-deauville-politiques-economiques-tunisie>

and this trend has already been observable in 1986 with the IMF's first structural adjustment plan, and since then it has been further strengthened in 2011 through the Deauville partnership.

The Deauville partnership, of which we hear very little, is a cornerstone of economic policies in Tunisia throughout the transition period since May 2011. It responds to the same historical logic and trend that began already since the last structural Adjustment Plan in 1986 which aims to strengthen and deepen the liberalization of the Tunisian economy.

The Deauville partnership is a cartel of various donors formed in May 2011 to face the revolutions in the Arab countries and thus coordinate their actions and interests in terms of reforms and conditionality. It emerged at the G8 summit in Deauville on 26 and 27 May 2011. At that meeting, the G8 countries decided to respond to the Arab countries in revolution by this partnership, which consists of a cartel of the G8 countries, Turkey and the Gulf countries as well as international financial institutions to massively facilitate access to loans (project loans and budget support) to Arab countries in transition (Tunisia, Morocco, Jordan, Yemen, Egypt) in return for the establishment of a set of neoliberal reforms and institutional reforms in their countries³¹.

These loans are highly conditioned and are related, among other things, to the following five pillars:

- Reforms of the institutional environment and governance
- Capacity building and civil society development
- Reforms in education / vocational training
- Economic policies (fiscal policies, exchange rate policies, monetary policies, trade and investment policies)
- Regional integration (free trade agreement)

31 This cartel brings together France, the United States, Russia, Japan, Germany, Canada, Italy, Great Britain, the European Union, Saudi Arabia, Qatar, Turkey, Kuwait and the United Arab Emirates. A large number of international institutions, namely the African Development Bank (AfDB), the Arab Fund for Economic and Social Development (FADES), the Arab Monetary Fund (FMA), the European Bank for Reconstruction and Development (EBRD) European Investment Bank (EIB), Islamic Development Bank (IIB), International Finance Corporation (IFC) (member of the World Bank), International Monetary Fund (IMF), OPEC Fund for International Development Economic Development (OECD), World Bank (WB).

Through this cartel phenomenon, by insisting on governance-related reforms and training of elites as well as adopting the concept of “national ownership”, there is a stronger will to control how policies are defined, designed and implemented. This new situation contributes to reducing the margin of maneuver of the developing countries and especially Tunisia. By this phenomenon of donor cartels, the abandonment of a major donor (such as the IMF or the World Bank) can mean the end of funding.

Thus, these political and economic conditionals coupled with the cartel phenomenon of donors have greatly contributed to reducing the authorities’ policy space in that they directly reduce the choices between the different types economic policies and options to be put in place according to national objectives and interests. Tunisia no longer has the possibility to negotiate between different offers of donors in front of this type of cartel in order to choose the financing least conditioned and the most conducive to the development of the country. The reduction of policy space has thus also reduced its margin of maneuver in the choice of economic policies that would favor a more just development and a reduction of inequalities and poverty.

The other major structural obstacle, other than indebtedness and IFI conditionalities, is the gradual conversion of leaders and elites to the “Washington Consensus” through the training and use of IFI technical assistance. This has led them to see only one way of making economic policies and annihilate any willingness to reflect economic policies otherwise. Technical assistance leads governments not to resort to independent national expertise, which are better able to respond to the country’s development problems.

Mitigating the perverse effects of the debt spiral necessarily involves reforming the tax system in order to increase tax revenues and limit the use of indebtedness. Massively defrauded, the Tunisian tax system is essentially based on the indirect taxes borne by all taxpayers, irrespective of their contributory faculties and on the taxation of income of the middle and popular classes. Tunisian taxation is both inequitable and inefficient. In order to increase tax revenues, the tax reform must yield a fair tax system based on tax progressivity.

In this sense, it is first imperative to increase the return on corporate income tax by increasing the

CIT rate on the one hand and by rationalizing the tax advantages granted to certain categories of companies.

It is also imperative to increase the low return of certain categories of taxpayers for income tax purposes. Apart from the only category of employees who bear the bulk of the IRPP’s return, the contribution of other categories of taxpayers, particularly those generating income from industrial and commercial profits and non-commercial profits, is derisory. In this sense, the flat-rate system must be reformed in order to isolate the “false flat-rate schemes” from the benefit of this scheme. There is also a need to reform the tax base of the liberal professions by including mechanisms to make it easier for the tax administration to control the income generated by this category of taxpayers.

These reforms must be accompanied by strengthening and modernizing the tax administration in order to combat fraud and tax evasion, which undermines the fiscal fairness that cost the State significant losses.

4- What are currently the main obstacles to achieving goals 1,8,10?

The debt spiral, the low profitability of the tax system and the maintenance of the same neo-liberal development model constitute serious obstacles to the realization of the 2030 agenda. Similarly, the achievement of the Sustainable Development Goals 1, 8 and 10 are confronted with structural obstacles:

*** Goal 1: End poverty in all its forms everywhere**

According to the National Institute of Statistics (NIS), poverty was estimated in 2010 at 15.5% and extreme poverty at 4.6%, with significant regional disparities. In the Central West region almost one-third of the population (32.3%) lives below the poverty line. The NIS noted a reduction in poverty at the national level between 2000 and 2010, but notes that this decline “did not benefit the regions of the western and south-west regions which saw their deviations from the rest of the country during this decade.

Box: Controversy on poverty statistics in Tunisia

Under the dictatorship of Ben Ali, poverty statistics were deemed biased to defend the regime's policies. In this perspective, the National Institute of Statistics (NIS) has reformed its methodology for calculating poverty in 2012 in partnership with the African Development Bank and the World Bank. Poverty figures, based on this methodology, gave a poverty rate of 15.5% in 2010 with a significant decrease in poverty between 2000 and 2010. The controversy erupted in December 2016 when the NIS published its latest figures on poverty based on its latest survey of households in 2015. While no change in methodology had been reported by the Institute, the figures it published on poverty rates were completely different from those published in 2012 with the methodology of that year. What is mainly criticized is that the 2010 poverty rate has changed from 15.5% in 2012 to 20.5% with the methodology of 2016. This new figure suggest a strong decrease of poverty rate between 2010 and 2015, while the poverty rate of 2015 (methodology 2016) corresponds to the level of poverty in 2010 (methodology 2012). Thus, the credibility of poverty statistics has been greatly reduced and the risk of manipulation of poverty data for political purposes cannot be ruled out.

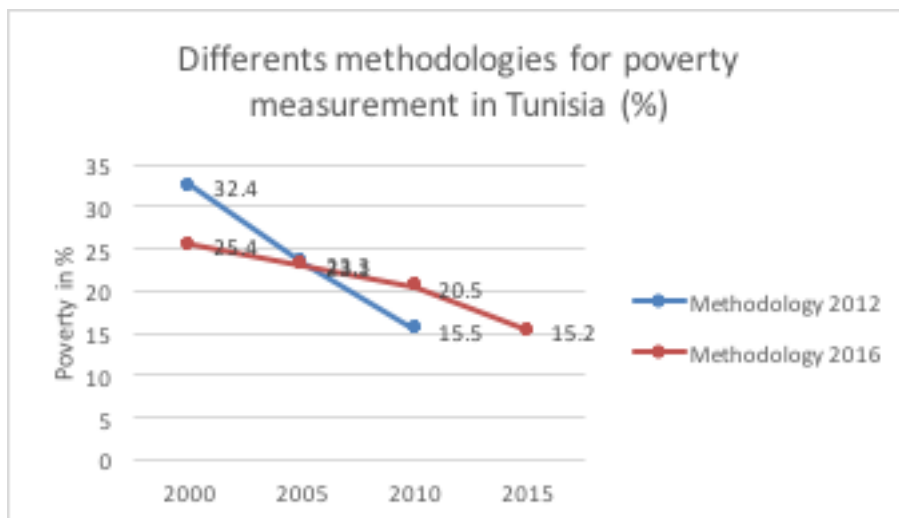


Figure 1 Differents méthodologies for poverty measurement. Source : NIS : 2012,2016.

Source: *Measurement of poverty inequality and polarization in Tunisia 2000-2010*, NIS.

To address goal 1, the government announces its intention to reform the social protection system (Article 9: page 21)

If we look at the successive letters of intent sent by the government to the IMF regarding the social protection system since 2013³², we can observe that this reform was driven by the IMF stand-by agreement first and then the IMF Extended Fund facility which pushed the government to reduce its social expenditures. Even though we noticed the government is resisting on reducing social expenditures in 2016, they committed themselves to reform the social protection system:

« We remain committed to taking additional measures to correct any deviation from our fiscal targets, including reducing current expenditures that have been a source of budget overruns in the past. Investment and social expenditures (excluding energy subsidies) will be protected and will not be constrained by our fiscal consolidation strategy »³³.

32 Letter of Intent, 24 may 2013, <https://www.imf.org/external/np/loi/2013/tun/052413.pdf>
 Letter of Intent 28 january 2014, <https://www.imf.org/external/np/loi/2014/tun/012814.pdf>
 Letter of Intent, 10 april 2014, <https://www.imf.org/external/np/loi/2014/tun/041014.pdf>
 Letter of Intent, 3 december 2014, <https://www.imf.org/external/np/loi/2014/tun/120314.pdf>
 Letter of Intent, 2 may 2016, <https://www.imf.org/external/np/loi/2016/tun/050216.pdf>

33 Letter of Intent Tunisia, may 2016, idem

Indeed, the government is committed to reform the social protection system in 2017 in reducing social expenditures through a better targeted social protection system which will support the most vulnerable.

The reform of social protection as announced by the government in its letter of intent to the IMF is highly criticized for its commitment to poverty reduction (goal 1). Indeed, setting up a system targeting the most vulnerable means that the government is committed to reducing social protection to the most vulnerable but without identifying who are the most vulnerable. In addition, a targeting system is very complex to implement in a country where the system is non-computerized and where institutional structures for census, statistics and statistical monitoring are weak. Moreover, the implementation of a targeting system is likely to be insufficient and to impoverish the middle classes whose standard of living has already decreased since the crisis of 2008 and since 2011.

-The 5-years plan mentions the right to an adequate standard of living (Article 11 page 29-35)

The right to an adequate standard of living requires, at a minimum, that everyone shall enjoy the necessary subsistence rights: adequate food and nutrition, clothing, housing and the necessary conditions of care when required.

Regarding this right mentioned in the plan, the government committed itself at the same time in reducing food and fuel subsidies. In Tunisia, the Compensation Fund that subsidizes essential foodstuffs is part of the anti-poverty mechanism. It serves as a protective mattress against the tensions that exist on international food prices. The government, under pressure from the international financial institutions (IMF, World Bank), is considering removing these subsidies and replacing them with a more targeted system of aid to the poorest. On the one hand, the reform of social protection (targeting), even if it is improved, has its limitations and cannot reach all the poor. On the other hand, the Tunisian middle class, which is the first to benefit from these subsidies, will be directly affected. What the state will gain in economics on subsidies will be lost in terms of growth under the effect of the reduction in the purchasing power of the middle classes and hence in tax revenues. The removal of subsidies will inevitably lead to an increased poverty and a deteriorated public accounts situation.

*** Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all**

One of the major causes that led to the Tunisian revolution is unemployment that is linked to structural obstacles. The lowest unemployment rate is equivalent to 13.9% since 1956. The second quarter of 2016 shows an increase in the unemployment rate, to reach 15.6% or 629600 unemployed out of an active population 4,047 million. The inadequacy of the education and vocational training system in relation to the demand of the labor market on the one hand and the inconsistency of the Tunisian development model based on low wages with the level of education of young graduates make them the main victims of unemployment. Their unemployment rate reaches 31%, bringing the number of unemployed graduates to 240,100 (3,300 more than in the first quarter of the same year).

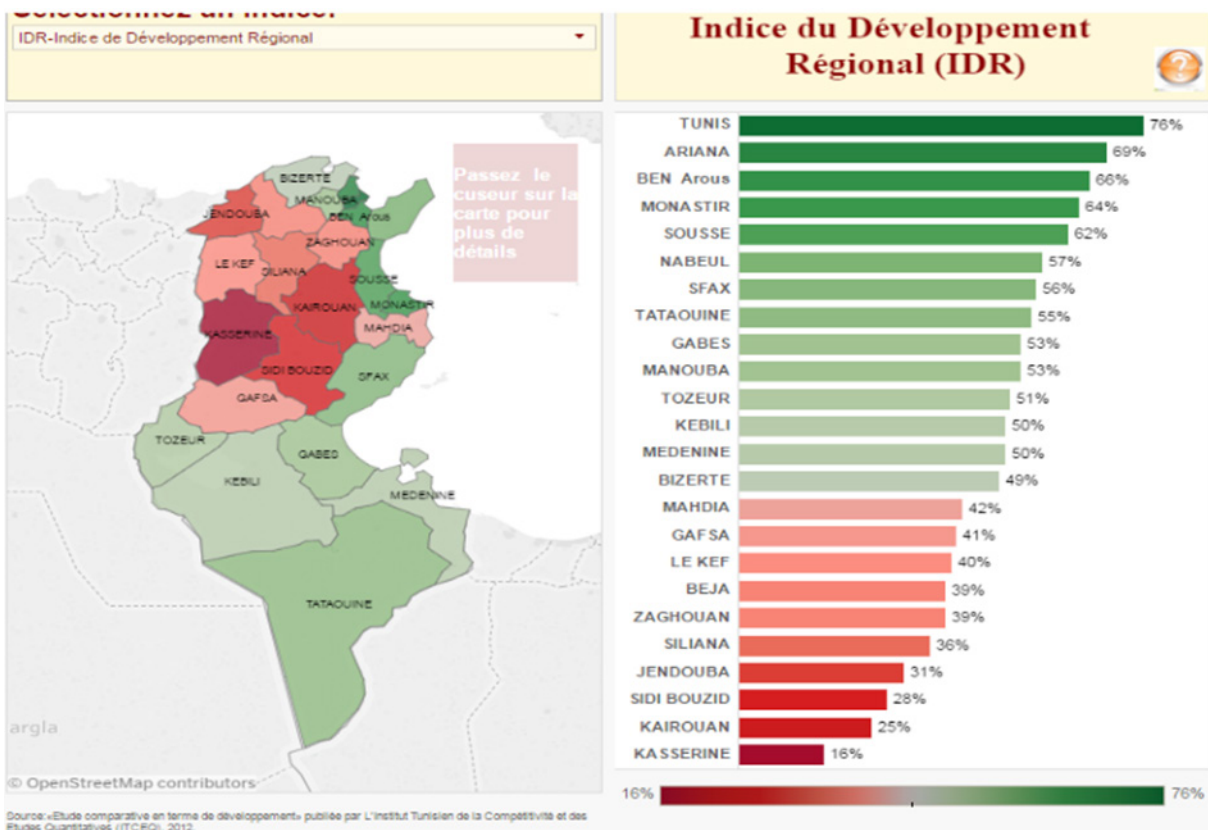
One of the main popular demands of the Tunisian revolution comes up against the inability of successive governments post 14 January to reverse the unemployment curve. However, the unemployment rate is likely to increase which can jeopardize social peace if the negotiations of the Tunisian government with the European Union result in the adoption of the Deep and Comprehensive Free Trade Agreement (the DCFTA). This agreement will make European companies compete with the Tunisian economy which is characterized by the weakness and inconsistency of its industrial, agricultural and service fabric, while European economies are much more competitive at all levels. The European firm Ecorys anticipated the consequences of the conclusion of such an agreement for Tunisia. In its report published in November 2013 the firm anticipates a considerable increase in imports accompanied by a decline in exports for Tunisia, which would aggravate the unemployment rate (in addition to the aggravated trade deficit following a trade deterioration in 35 of the 37 sectors surveyed). The unemployment rate will inevitably increase, as the contribution of 26 sectors to the employment of graduates of higher education will decline, which will inevitably increase the unemployment rate of tertiary graduates.

The Tunisian labor market is also characterized by multiple inequalities:

***Goal 10: Reduce inequality within and among countries**

Regional inequalities:
Regional disparity in Tunisia is a factor that directly aggravates inequalities in access to the labor market. The following graph illustrates the inequalities in regional development:

Table 4: regional development index

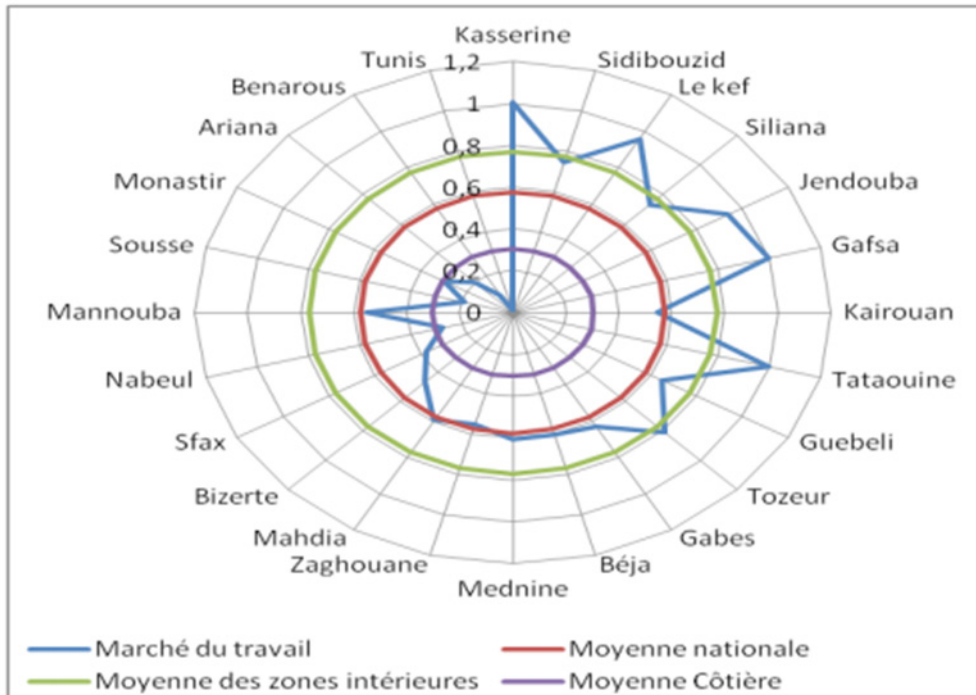


Source: Institut Tunisien de la compétitivité et Etudes Comparatives

Low-development regions naturally have the highest rates of marginalization in the labor market:

Table 5: marginalization rate for labor market according each regions in Tunisia

Analyse selon les taux de marginalisation pour le facteur «Marché du travail»



Source : Institut Tunisien de la compétitivité et Etudes Comparatives

6 years after the marginalized region uprising provoking the fall of the former regime, regional disparity is more serious than ever. At the beginning of 2016, these regions protested for jobs and regional growth.

The National Constituent Assembly (NCA) adopted a constitutional mechanism to reduce disparity amongst regions in Tunisia. In fact, Article 12 of the Tunisian Constitution on social justice indicates, “the state shall seek to achieve social justice, sustainable development and balance between regions based on development indicators and the principle of positive discrimination. The state shall seek to exploit natural resources in the most efficient way.” This principle of positive discrimination is ineffectively reflected in a development policy based on the disengagement of the State to invest in infrastructure in favor of the private investor. Thus, FDI create more jobs in less prioritized regions where unemployment is lower. On the contrary, in North-West and South regions where unemployment is the highest, FDI job creation is derisory. Also, as we mentioned earlier, PPP investments are essentially concentrated in coastal regions. Moreover, Tunisian job market is characterized by gender inequality.

Gender inequality:

The Constitution also addressed gender inequality in its Article 46, indicating, “The state commits to protect women’s accrued rights and work to strengthen and develop those rights. The state guarantees the equality of opportunities between women and men i.e. to have access to all levels of responsibility in all domains. The state works to attain parity between women and men in elected Assemblies. The state shall take all necessary measures in order to eradicate violence against women.”

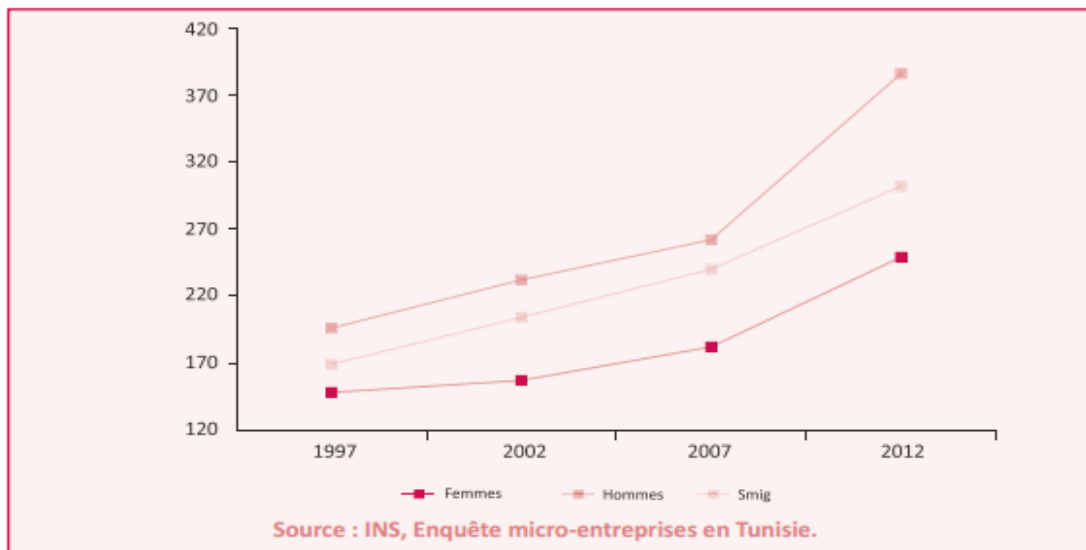
Policy makers have yet to adopt mechanisms implementing the provisions of Article 46. In the meantime,

violence against women reaches alarming rates and the labor market remains hampered by blatant discrimination against women. For the second quarter of 2016, the unemployment rate for women is 23.5% compared to 12.4% for men.

Moreover, the wage gap between women and men tends to worsen. For example, in the informal sector, this average wage gap was estimated to be -24.5% in 1997 and it reached -35.5% in 2012. The results of the surveys conducted by the National Institute of Statistics show that over the period 1997-2012 the wage of the women has always been lower than the SMIG (minimum wage) whereas the salary of the men was superior to the SMIG:

Table 6: Changes in the average monthly wage in the informal sector by gender

Figure 9 : Evolution du salaire mensuel moyen dans le secteur non structuré, selon le sexe.



Source : Institut National de Statistiques.

We note the same unequal trends in the private and organized sector. A survey carried out by the Center for Research and Social Studies in 2011-2012 estimates the average wage gap between women and men at -25.4%. For the median salary, the wage gap between women and men is down to -17%.

Tunisian women also continue to face multiple discrimination, including access to finance, education, health, and political and administrative decision-making positions.

Violence against women is also worrying. A survey carried out in 2010 by the National Office for Family and Population (NOFP), which involved a sample of 5,600 women between the ages of 18 and 64, indicates that 47.6 per cent of women report experiencing violence during their lives and 32.9% were victims of violence in the last 12 months. The same survey reveals that 9% of women report having been the victim of sexual violence and 7.2% of them claim to have been subjected to physical violence by an intimate person. These percentages become respectively 14.2% and 20.3% in the case of violence experienced during their lives and exercised by an intimate person. 21,3% of Tunisian women report that they have been victims of sexual violence exercised by a person other than an intimate person. This corresponds to 3 times the prevalence of this type of violence in the world.

TAX FAILURE AND INEQUALITIES:

The continued transfer of employers' tax burden to employees through incentives and tax exemptions under the investment incentive regime on the one hand and the growing development of illicit financial flows on the other hand, have resulted in huge losses, tax expenditures and worsening inequalities.

In addition to financial incentives, tax incentives alone cost about 840 million dinars, of which 21% goes to extractive industries, 7% to the energy production and distribution industries, and 5% to the banking and financial sector, whereas " International experience suggests that investment in sectors such as mining, energy and banking are unlikely to be influenced by the presence of incentives. "³⁴

According to a survey carried out in the context of the ECOPA-World Bank study, 90% of investors are indifferent to the presence of investment incentives.

A quasi-tax-exempt regime is granted to fully exporting companies whose total tax incentives cost between 2008 and 2011, 826.8 million dinars, 50 times more than the incentives granted for regional development:

Table 7: repartition of tax incentives

Avantages	Déductions (MTD)
Activité totalement exportatrice	826.8
Activité partiellement exportatrice	87.2
Incitations Communes	25.9
Développement régional prioritaire (10 premières activités) : déduction sur l'activité	24.5
Développement régional prioritaire (10 premières activités) : souscription	17
Développement régional (Zone 1) : souscription au capital des entreprises	16.5
Développement agriculture et pêche (déduction sur l'activité)	15.8
Investissement Soutien (souscription au capital des entreprises)	11.7
Entreprises Zones franches économiques (déduction sur l'activité)	11.1
Total entre 2008 et 2011	1,036.5

Source : ECOPA –Banque Mondiale -Coûts/bénéfices des incitations fiscales et financières à l'investissement, décembre 2012.

The inequity of the Tunisian tax system manifests itself at several levels and aggravates the inequalities as will be developed in question 13.

34 <http://www.economie-tunisie.org/fr/observatoire/analyseconomics/bilan-incitations-investissements-tunisie>

INTERREGIONAL CHALLENGES:

Instability and crisis in other Arab countries result in refugees movements. Since the beginning of the Libyan crisis, Tunisia has been one of the major destinations of Libyan refugees who fled the war. As a host country, Tunisia had to enhance its social and economic capacities to cope with the sudden increase of the population which was not necessarily possible in the post-revolution context. The problem is that generally, host countries see their economic and social crisis worsened because in addition to its own population it has also to manage huge numbers of refugees. On the social level that results in a huge increase in the demand on social public service, on the economic level it may increase inflation by increasing drastically the demand without an increase in production. Another problem that may be raised by the refugees' question is the problem of subsidized products. All those economic hardships may result in social and political tension that may hinder democracy and sustainable development. We took the example of the Libyan crisis but refugees' movements, at different scales, may be also caused by the increase of poverty, social and economic disparities, political persecution etc.

Moreover, dictatorships in several Arab countries and alliances of dictatorships tend to have an interventionist attitude toward other countries, especially those with new fragile democracies like Tunisia, to reach or maintain regional leadership. This attitude of direct or indirect interventionism hinders good governance and democracy in other countries with fragile democracies and/or weak economies by increasing corruption and political tensions.

6- HOW DOES PRIVATE/CORPORATE SECTOR IFIS INFLUENCE THE IMPLEMENTATION OF GOALS?

As mentioned above, the national authorities' loss of autonomy and policy space on their development strategy and the policy-making process is one of the consequences of the evolution of the Indebtedness and IFI conditionality.

Since the late 1990s, the "Post-Consensus of Washington" era has been spoken of through the expansion and strengthening of economic and political conditionality by IFIs, with a strong focus on good policy environment and national ownership

reforms.

Indeed, it' not just to question the economic conditionalities through the structural adjustment plans of the 1980s / 90s, But to say that these same liberal reforms would have been more effective in a better "institutional environment and governance". Thus, part of development assistance is directed towards institutional capacity building and the improvement of the governance framework, for a better appliance of the political and economic conditionalities by the political and administrative elites.

Thus, conditionalities linked to the reforms of governance have been added to the economic conditionalities, but also to the reinforcement of capacities, as the training of the leaders, future leaders, and administration's high executives. Since 2011 Tunisia isn't escaping this phenomenon either. It is observed that several reforms provided in the five-year plan are also part of this "institutional environment" reform such as:

- Administration's Reform
- Institutional framework in relation with investment's reform
- Corruption reform

International aid has evolved in order to guide and further influence the political and economic choices of recipient countries, in a close collaboration with the IMF and the World Bank, directly impacting the development models of the countries. International aid is one of the causes that led to the implementation of neoliberal reforms advocating a development through the private sector and state disengagement, increasing inequality and poverty

7-DID THE LOCAL MEDIA COVER /FOCUS ON SDGS ADOPTION? HOW DO THEY FOCUS ON THE IMPLEMENTATION OF AGENDA 2030?

When we look at the written online media coverage for Agenda 2030 in Tunisia we notice that this coverage is also related to important events on the international level. For example the adoption of the Agenda in September 2014 was covered by some well-known online media and also by a press release by the Ministry of foreign affairs. This coverage

insisted especially on the fact that several Tunisian politicians went to New York by the time for this event. The coverage continued in a decreasing way until December 2015 with a couple of analysis about the SDGs and the development agenda in Tunisia. The SDGs then disappeared from the media until August 2016, when Ahmed Hindaoui, UN General Secretary's Special Envoy to Tunis in Charge of Youth, conducted a consultation among young Tunisians from the UN Youth Advisory Council³⁵. This consultation was covered by several online media. Mr. Cherif underlined the fact that no budget was allocated for the communication on the initiative "The Tunisia we want". When asked why, he underlined that the whole consultation process in Tunisia had to be done in only few months whereas in other countries it took one or two years. He then insisted on political instability and the fact that Tunisia changed government several times leading to a disturbance of the process at several occasions.

Mr. Cherif also underlined the fact that even when he gave interviews to journalists from some media who were interested in the initiative they didn't have strong knowledge about Agenda 2030, making him explain the whole context, MDGs and SDGs, etc.

Despite the fact that the consultations themselves weren't well covered by the media, the submission of the final report to the Tunisian government on June 2015 was announced in several media online, an opportunity to talk about SDGs and MDGs, but the main focus was put on the priorities of Tunisians. We have to note however, that the regional consultations, led as part of the initiative "The Tunisia we want", have been relayed by some media which were interested on what was happening in the regions by the time³⁶.

8-HAS THERE BEEN ANY CAMPAIGNS ON SDGS? WHICH ACTORS ARE ENGAGED IN THESE INITIATIVES (UN AGENCIES? PRIVATE SECTOR, UNIVERSITIES, MEDIA CENTERS, NGOS... ETC.)

The initiative "the Tunisia we want" was part of the global initiative "the world we want"³⁷ launched by the UN to make the elaboration of Agenda 2030 participatory and transparent. The initiative was launched in 2012 and the idea was to organize national consultations with governments, populations with a special focus on young people and civil society on the post-2015 agenda.

In this context, on May 2014, Tunisia started a national consultation on the choices and priorities that have to be integrated in the post-2015 agenda. This national consultation was organized by the MDIC and the UN and implied several other national and regional partners.

The UN offered financial and technical assistance for the organization of the consultation. A budget of 34 000 \$ was provided by the UN³⁸.

As part of the "Tunisia we want" initiative, the United Nations Development Program (UNDP) has conducted a survey with 10,000 Tunisians about their expectations for 2030. UNDP also launched an awareness-raising campaign on the Sustainable Development Goals (SDGs), this campaign aims to spread materials on SDGs (in Tunisian dialect) in different regions in Tunisia.

In its concept note, the Ministry of Finance refers to stakeholders in the consultation. In addition to the LTDH, civil society is mainly represented by trade unions. The call for participation did not take into account the multiplicity and diversity of civil society. For example, feminist associations are not represented. This led to arbitrariness and lack of transparency in the participation of civil society which will be illustrated in more details in the coming consultation.

Apart from the "Tunisia we want" initiative, and under reserve to further interviews that we have to carry out, there have been no other campaign initiatives on SDG by either state institutions or the rest of the stakeholders.

While direct campaigns on SDGs have yet to emerge, Tunisian civil society has nonetheless been the actor in protest campaigns against regional disparity, poverty and unemployment, indirectly addressing issues related to SDG 1, 8 and 10. In January 2016, a wave of protests over these claims began in Kasserine, a city in the center-west of the country. This movement quickly spread, first to the interior regions, then to the big cities and to the capital...

35 Annex 1

36 Annex 2

37 <http://www.beyond2015.org/world-we-want-2015-web-platform>

38 <http://www.mdci.gov.tn/fileadmin/odd/Note%20conceptuelle%20agenda%202015%20Fr.pdf>

9-What kind of efforts are the CSOs carrying out with regard to agenda 2030? Has there been any national CSOs views and positions?

Participation in the discussions on the quinquennial development plan is so far the government framework that allows the participation of civil society in the implementation of SDGs.

During our interview with representative of the trade union UGTT, this latter informed us that UGTT decided to suspend its participation in the discussions after the revelation of a leaked documents regarding the government's decision to mandate Lazard Bank to promote the quinquennial development plan to investors network and to involve Lazard Bank in the discussions about the structure and selection of the projects. In order to protest against this decision the union decided to suspend their participation to the process.

10-HAVE THE CSOS ACCESS TO THE INFORMATION AND DECISION-MAKING PROCESSES REGARDING THE PLANNING FOR IMPLEMENTATION, FOLLOW-UP AND REVIEW OF THE AGENDA AT THE DOMESTIC LEVEL? PLEASE PROVIDE INFORMATION IS ANY CLEAR POLICY AND PLAN FOR NATIONAL SOCIAL DIALOGUE IN THE COUNTRY AND IF ANY INSTITUTIONAL MECHANISM EXIST WITH THIS REGARD?

Persecuted under the old regime, civil society benefited from a democratic framework following the Tunisian revolution allowing it to play a major role during the democratic transition Symbolized in particular by the granting of the Nobel Peace Prize to a quartet of civil society which has framed the national dialogue. This has put an end to a situation of political impasse enabling Tunisia to advance in its democratic transition by adopting a new constitution, on the basis of which the first free and democratic, legislative and presidential elections could be carried out.

Civil society was also able to bring its recommendations and influence into various laws including the constitution of the 2nd republic. The new democratic spirit of Tunisia makes civil society an important factor in the political scene which will be crucial in the consolidation of the emerging

democracy in Tunisia. In this sense, the preamble of the Tunisian constitution evokes "a democratic and participative republican regime". The era of the dictatorship where laws were conceived by technocrats, far from any involvement of civil society, is gone. However, as mentioned earlier on the participatory role of civil society in the development of the five-year development plan, it is necessary to ensure that the involvement of civil society in the formulation of public policies does not turn into a formality measured by the number of commissions carried out and the number of people involved, but by taking into account the actual contribution Of Tunisian NGOs.

Mechanisms will have to be put in place in order to organize the participation of civil society in elaborating public policies, to break with the arbitrariness particularly in choosing the civil society actors involved in the participation process. The most worrying situation in Tunisia is that despite the constitutional obligation of the political authorities, the participatory role of civil society depends on the goodwill of political leaders.

The organic law's draft for the protection of women against all forms of violence is an illustrative example.

Since the 1990s, Tunisian women's associations have mobilized around the need for a law for the elimination of all forms of violence against women. Only in 2013 that the State Secretariat took the legislative initiative to develop a draft "law project", inclusively, involving civil society in a steering committee. This proposal was submitted to a ministerial council, but following a number of virulent criticisms, especially from ministries of justice and religious affairs, the project proposal was placed in the MFFE drawers. Without visibility of the developments of the MFFE, more than 60 NGOs decided to organize in a coalition in October 2015 in order to unify their efforts in a common advocacy campaign for the promulgation of the law. In 2015, the project was taken over by the MFFE. Different versions have been developed with the support of experts. As of March 2016 the minister and his collaborators began to make changes in the "law project" and kept the opacity on the different versions developed.

For months the coalition has tried by all means to resume collaboration with the MEFE to read the bill ("law project") and prepare for the implementation of its advocacy strategy without success. May 2016

marks the complete break from collaboration with civil society. The bill ("law project") was submitted to the inter-ministerial committee and then to the council of ministers (July 13, 2016) and the parliament (July 28, 2016). The coalition had to wait until August 9, 2016 for the bill ("law project") to be shared with her. Following the changes at the head of MEFE, dialogue resumed with the coalition in September 2016.

Meanwhile, the coalition made a critical reading of the bill and positioned itself in favor of this draft but proposes amendments. For its part, the MFFE shared its advocacy strategy and action plan with the coalition for feedback.

Now both sides are trying to work together to get this law adopted, civil society is still trying to set up the foundations for collaboration that respects the principles of equitable partnership, promoting autonomy, independence and collaboration in the Respect for the difference in roles and mandates. This experience demonstrates that these new attempts involve civil society faced by: the lack of clear and transparent mechanisms that allow for a more structured involvement of civil society in the definition and implementation of policies. Moreover, the lack of real commitment from the authorities to collaborate with civil society, especially when this commitment depends on who is nominated at the head of ministries or public institutions, and the lack of transparent criteria regarding the selection of organizations from civil society participating in consultations and don't enable to implement an effective participatory approach. (incomplete sentence : the point is missing.

le manque de continuité de l'Etat dans l'engagement de collaboration avec la société civile surtout lorsque cette implication est tributaire des personnes à la tête des ministères ou des Etablissement publiques, et l'absence de critères transparents de sélection des organisations de la société civile qui prennent part aux consultations et aux processus d'élaboration et de mise en œuvre des politiques publiques.

11-What has to be done? Which specific policy changes are necessary to make progress toward the achievement of the goals?

Civil society, including the Tunisian Observatory of the Economy, drafted several recommendations to the government within the framework of the annual

review of the DESC committee in its alternative report in order to put in place policies that meet the objectives of the agenda 2030. We summarize the main recommendations below which have been sent to the Government under Objectives 1, 8 and 10.

The government must put in place a reflection and a debt exit strategy in order to rediscover its "policy space" as well as a strategy to increase tax revenues in order to redirect investment and public expenditure towards the development, improvement of infrastructure, public services and job creation project:

- Study alternatives to external borrowing in order to maintain an acceptable level of debt and be less dependent on loan conditionalities.
- Carry out and publish a public debt audit, and do this periodically in order to initiate a public debate on this issue.
- Encourage sustainable foreign investment with targeted development goals.
- Strengthen the control of capital outflows to limit the use of external debt and tax evasion.
- Reduce non-essential imports and support high-value-added sectors.
- Initiate tax reform focused on tax justice and equality between taxpayers.
- Do not initiate a tax amnesty process
- Put in place effective measures to combat tax evasion and strengthen the human and material resources of the tax administration for the recovery of taxes.
- Optimize the tax incentive policy to achieve specific economic and social objectives and to prohibit incentives in the banking, energy and mining sectors.
- Implement the positive discrimination principle enshrined in the Constitution for disadvantaged regions and reduce regional inequalities in development
- Rehabilitate the economic and developmental role of the State in regions and sectors where private initiative is deficient and to invest in public works and infrastructure in these regions.
- In the framework of the free trade agreement with the EU (1995), activate safeguard clauses for sectors affected by liberalization.

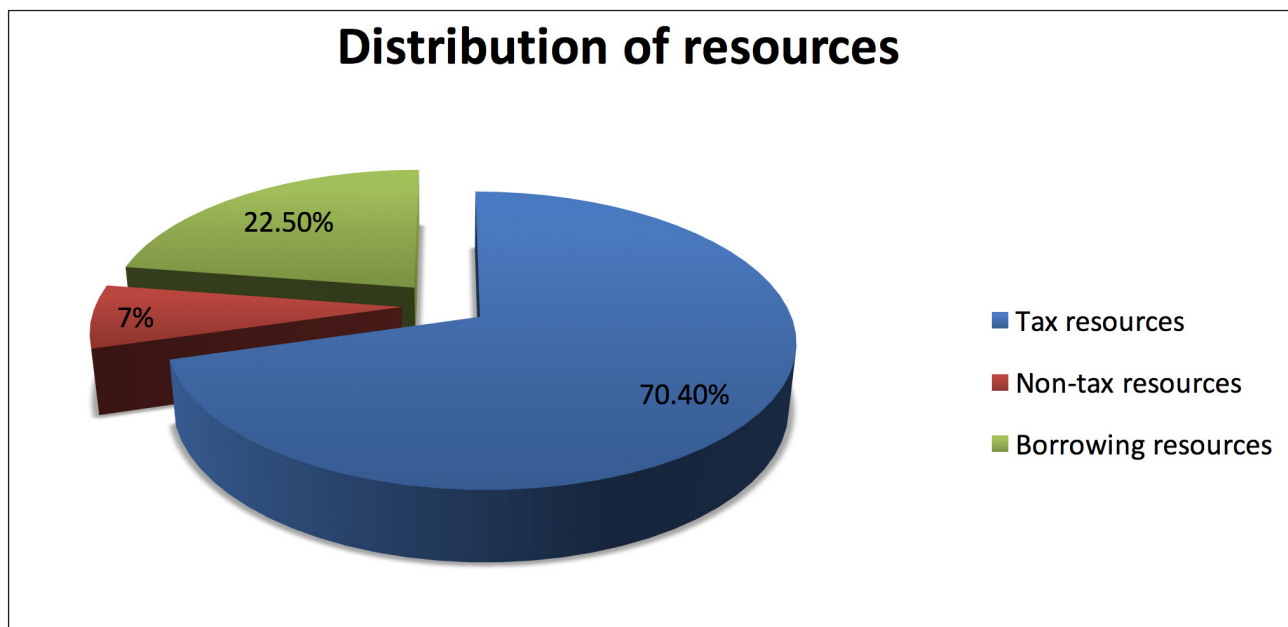
- Within the framework of the ALECA not to engage in the liberalization of sectors whose impact would be negative on enterprises and employment
- Restore the guaranteed minimum wage to cover the basic needs of the entire population (food, shelter, education, health, energy, transport, etc.)
- Reform the financing of social protection allowing the integration of new sources of financing to ensure the financial balance of the system.
- Adopt and implement a national anti-poverty plan with appropriate mechanisms to achieve sustainable development objective No. 1 in 2030
- Maintain subsidy of essential food products.
- Promote food sovereignty, give priority to the development of agriculture for local consumption and implement an agricultural policy to support local farmers, and study the impact of the ALECA on different sectors of agriculture before any decision to liberalize trade.

12-Please identify one issue (or a cross-cutting issue) in relation to Goal 1,8 or 10 and elaborate in-depth linking to related policies formulation and implementation, gaps, challenges and recommendations. (i.e. tax policy at national level in relation to Goal 1)

The analysis that will be developed below will attempt to explain the relationship between tax policies and goal 10.

Taxation is one of the key tools in the elaboration and implementation of any development policies and, a fortiori, in the implementation of SDGs.

It is important to note that taxation provides the Tunisian state with revenues representing more than 90% of the State's own resources and 73% of the total budget of the state while 23% of the latter is financed by debt.



Source: Ministry of Finances

The increase in tax revenues would not only limit the use of indebtedness and reduce the budget deficit but would also contribute to the financing public investments and development policies to achieve the SDG in general.

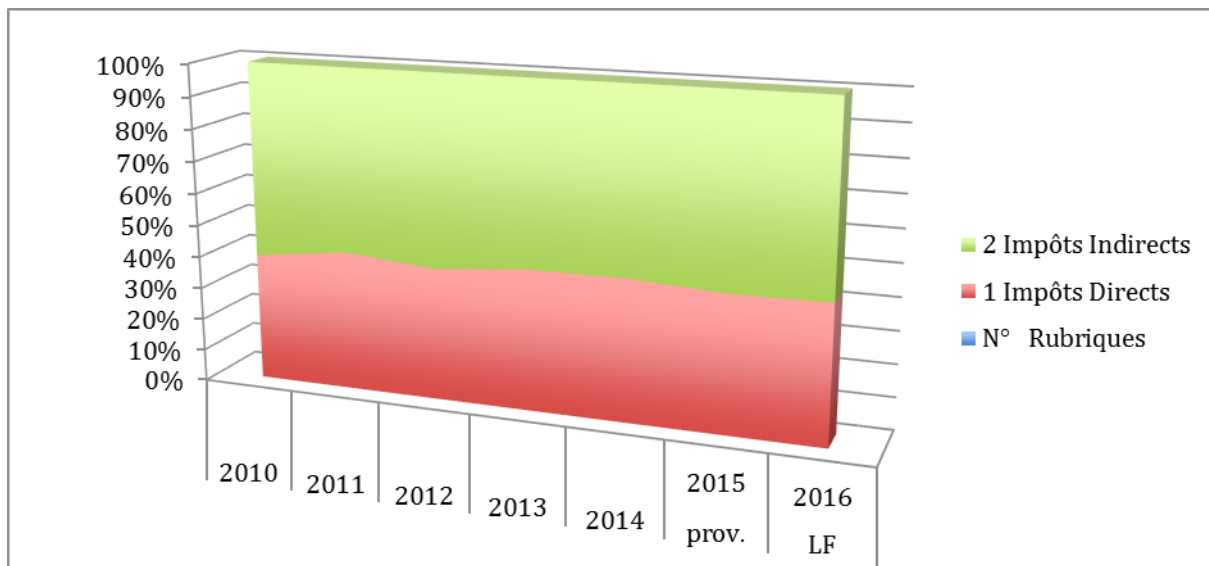
In addition to its financial function of raising revenues enabling the state to finance its policies and actions, taxation can be one of the main tools enabling the state to reduce inequalities. Indeed, according to the principle of fiscal fairness, the taxpayer has to carry out his fiscal duty according to his contributory faculties. Tax rates must therefore increase according to the income and capital of taxpayers. In this way, income and capital inequalities will tend to decrease after taxation. On the basis of this principle, progressive taxes are considered more equitable since they take into account the contributory powers of taxpayers as opposed to fixed or proportional taxes considered unfair. Therefore, a tax system which is intended to be fair should consist in mostly progressive taxes and few proportional or fixed taxes. The reduction of inequalities through taxation is therefore definitely tied up the principle of tax fairness.

The other fundamental principle enabling the fight against inequality and poverty is the principle of fiscal justice. In addition to the equitable distribution of the tax burden among taxpayers, tax justice also presupposes the equitable redistribution of wealth, thus reducing social and regional inequalities.

Besides, the Tunisian revolution “was provoked by the accumulation of multiple injustices among which tax injustice was probably the most decisive in triggering the process that put an end to the reign of a ruthless dictatorship”³⁹.

If they didn't constitute a true tax revolt, the events of December 17, 2010 to January 14, 2011 would have been their origin in an unfair tax policy that has resulted in an inequitable redistribution of wealth. This has created a flagrant regional marginalization.

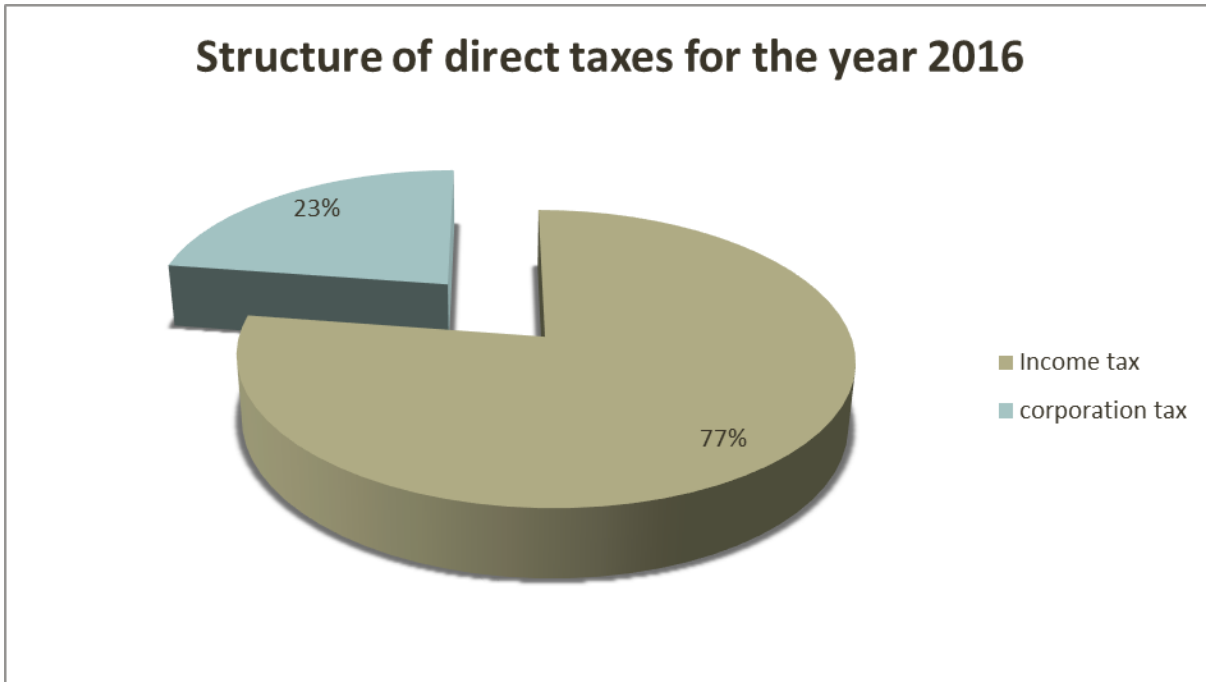
The tax system inherited from the dictatorship (and which originated in the P.A.S of 1986), failed in its objectives. All reports, national and international, demonstrate that this tax system is no longer able to fulfill its financial, economic and social functions. The first feature of the Tunisian tax system is its inequity. Indeed, 59% of tax revenue comes from indirect taxes (which are fixed or proportional taxes), whereas only 41% comes from direct taxes. The preponderance of indirect taxes has already indicated the inequity of the Tunisian tax system.



Source : Ministry of Finances

³⁹ BACCOUCHE (N), « Impôt, révolution, et démocratisation du système politique tunisien », in. Revue Tunisienne de Fiscalité, n°18, Centre d'Études Fiscales de la Faculté de Droit de Sfax, 2012, p. 14 et 15.

In addition, the distribution of the tax burden between different categories of taxpayer is largely unfair. Direct taxes consist mainly of corporation income tax (CIP) and personal income tax (PIT). The CIP contributes only 23%, while PIT provides 77% of indirect tax revenues. The contribution of corporations fell by 23% in 2016, which did not contribute sufficiently to the national effort.



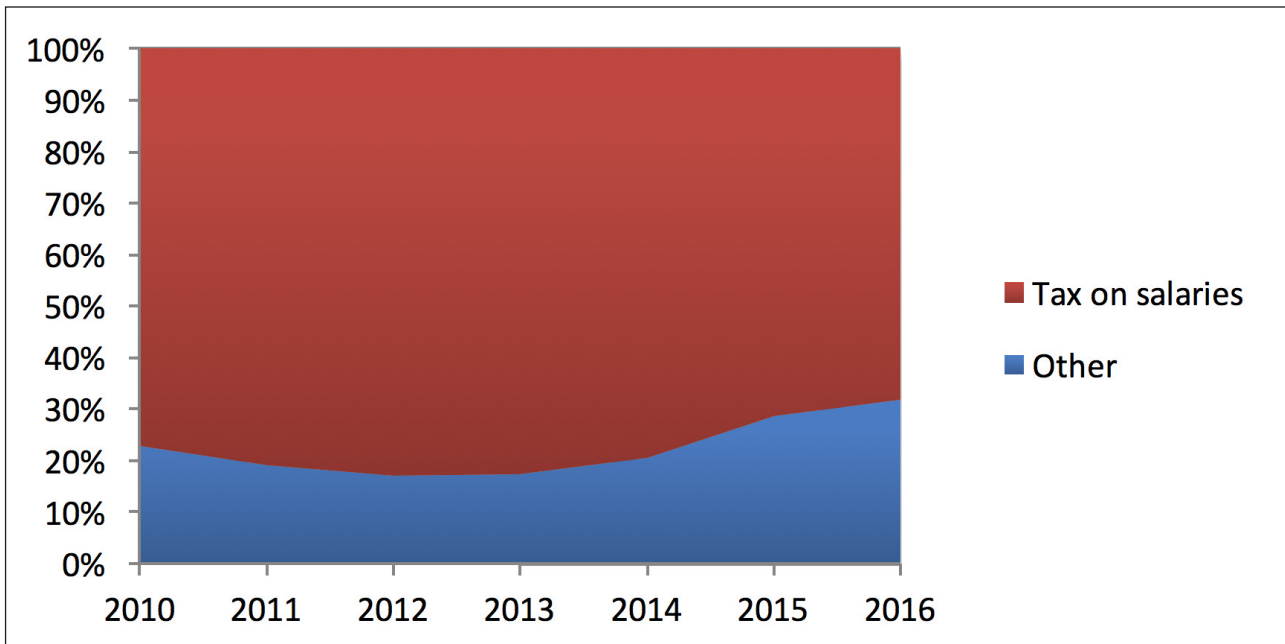
Source : *Tunisian Observatory Economy*

The tax burden is also unequally distributed within these two major taxes. Only 5% of Tunisian enterprises alone bear more than 80% of the CIP whose tax base is reduced by several tax exemptions representing 60% of this base.

These exemptions are granted much more to offshore companies than to onshore companies (onshore companies are mainly Tunisian SMEs).

Similarly, only one category of taxpayer, that of employees, accounts for 80% of income tax revenues, while the contribution of large amounts of taxpayers such as liberal professions are derisory⁴⁰.

⁴⁰ More than 400,000 taxpayers fraudulently housed in the flat-rate scheme contribute only 0.6% of the IRPP's return. The contribution of the liberal professions is only around 3% in the same way as the IRPP.



Source : Tunisian Observatory of Economy

- This inequity does not come from tax incentives alone but is dangerously amplified by massive tax evasion, sometimes with the blessing of the state⁴¹.

- The tax administration has been neglected for decades, so that the agents responsible for fiscal control do not exceed the 1650 operating in the whole territory of Tunisia with very limited material resources. (1 computer for 3 agents equipped with an archaic computer system, 1 car for 16 agents ...)

The principles of fairness and fiscal justice are binding constitutional articles for the implementation of any fiscal policy by the rulers: Article 10 of the Constitution of the Second Republic stipulates that "The payment of taxes and contributions to public offices, in accordance with an equitable and just system, constitute a duty".

The Tunisian constituent also submits government to the obligation to combat fraud and tax evasion in the same article 10 by providing that "The State shall put in place the mechanisms for ensuring the collection of the tax and fighting tax evasion and fraud. It ensures a good management of public funds and takes the necessary measures to use them in accordance with the priorities of national economy. It shall act with a view to preventing corruption and all acts of prejudice to national sovereignty."

Tunisia began a tax reform in May, 2013, the process of which was to be completed by the end of the same year. But in reality, the successive changes of governments have slowed down the tax reform, which has not yet been translated into a draft law. Successive ministers of Finance probably got away (a wrong word usage) from the initial process by deciding to gradually inject some recommendations of the tax reform results into the finance laws. This negative impact is amplified by the non-application of some of these measures that have affected taxpayers with very low tax returns. The drift of this process has also prevented a national debate on the overhaul of the tax system that is necessary for the accession of taxpayers to the new tax system.

It is essential that the government submits a proposal for tax reform to the public that will be as inclusive as possible.

⁴¹ In addition to the flat-rate scheme mentioned above, the tax policy of Tunisian State before and after the Revolution has increased fiscal amnesty measures against fraudulent taxpayers, accentuating the feeling of tax inequity among honest taxpayers and consolidating The culture of non-payment of tax: <http://www.economie-tunisie.org/en/observatoire/analyseconomics/amnistie-fiscale-tunisie-outil-de-reconciliation-ou-prime-fraude>

Annex 1. List of online articles on Agenda 2030 and SDGs between September 2015 and September 2016.

09/15	http://www.huffpostmaghreb.com/2015/09/22/onu-developpement-durable-2030_n_8175082.html
09/15	http://www.diplomatie.gov.tn/fileadmin/ODD_2_2030.pdf
09/15	http://www.leaders.com.tn/article/18019-tunisie-le-plan-2016-2020-est-il-aligne-sur-les-objectifs-du-developpement-durable
09/15	http://www.leaders.com.tn/article/18027-les-objectifs-de-developpement-durable-en-tunisie
09/15	http://www.huffpostmaghreb.com/2015/09/28/onu-affaires-etrangeres-tunisie_n_8207720.html
09/15	http://directinfo.webmanagercenter.com/2015/09/28/habib-essid-le-gouvernement-tunisien-va-adopter-un-processus-de-reforme-globale/
12/15	http://www.tunisienumerique.com/nations-unies-agenda-international-de-developpement-durable-post-2015/270674
12/15	http://www.webmanagercenter.com/actualite/economie/2015/12/02/167304/developpement-durable-l-adhesion-de-la-tunisie-aux-odd-attirera-l-investissement-etranger
05/16	http://www.aiodmtunisie.org.tn/?p=3878
08/16	http://www.tap.info.tn/fr/Portail-%C3%A0-la-Une-FR-top/8107692-ahmed-hindaoui-responsable-onusien-
08/16	http://www.lapresse.tn/06082016/118266/integrer-les-jeunes-dans-le-processus-du-developpement-durable.html
08/16	http://www.letemps.com.tn/article/98567/les-jeunes-tunisiens-proposent-leurs-solutions
04/16	http://www.tunisie-tribune.com/les-tic-peuvent-acceler-er-la-realisation-des-objectifs-de-developpement-durable-2/
04/16	http://unictunis.org.tn/2016/04/25/debat-thematique-haut-niveau-odd/
08/16	http://unictunis.org.tn/2016/08/11/journee-internationale-de-la-jeunesse-2016-tunisie/
08/16	http://www.tekiano.com/2016/08/08/jeunes-tunisiens-la-richesse-nationale-dans-la-realisation-des-challenges-de-developpement-durable/
08/16	http://www.agendas.ovh/lancement-de-linitiative-camps-des-odd/
08/16	http://www.gnet.tn/actualites-nationales/lonu-lance-les-camps-des-odd-en-tunisie-a-loccasion-du-ji-jj/id-menu-958.html

Annex 2. Media coverage on the initiative “The Tunisia we want”

06/2015	http://fr.allafrica.com/stories/201506140037.html
06/2015	http://www.webdo.tn/2015/06/12/rapport-la-tunisie-que-nous-voulons-ameliorer-la-qualite-de-leducation-est-primordial-pour-la-societe-civile/
06/2015	http://www.tuniscope.com/article/71549/arabe/stear/lancement-du-rapport-la-tunisie-que-nous-voulons-103422
06/2015	http://www.tuniscope.com/web-tv/5224/la-tunisie-que-nous-voulons
06/2015	http://ar.webmanagercenter.com/2015/06/12/92017/%D8%AA%D9%88%D9%81%D9%8A%D8%B1-%D8%AE%D8%AF%D9%85%D8%A7%D8%AA-%D8%AA%D8%B9%D9%84%D9%8A%D9%85-%D9%88%D8%AA%D8%B1%D8%A8%D9%8A-%D8%A9-%D8%B0%D8%A7%D8%AA-%D8%AC%D9%88%D8%AF%D8%A9-%D8%AA%D8%AA%D8%B5%D8%AF/
08/2014	http://www.attounissia.com.tn/details_article.php?a=131927&t=124&lang=ar&temp=1
06/2014	https://www.facebook.com/photo.php?v=526594430779483

Annex 3. Table of key informant interviews (scheduled and ongoing).

Youssef Cherif	UN consultant in charge of the initiative “the Tunisia We Want”	Interviewed September 28, 2016.
Raoudha Jouani	State Secretariat for Development and International Cooperation	
Olfa Lazreg, chargée du programme jeunes et adolescents au sein de l'UNFPA en Tunisie	Officer in charge of youth and teenagers within the United Nations Population Fund	
Leila Joudane	Assistant in charge of the United Nations Population Fund work group on youth	
Karim Trabelsi	Tunisian General Labour Union (UGTT)	

