Management response template

**UNDP management response template**

**[NDC programme "ACCELERATION OF THE IMPLEMENTATION OF THE TUNISIA NDC 2021-2025"]** Date:

Prepared by: Ons Khechine Position: CTP mitigation, cluster CERC Unit/Bureau: UNDP Tunisia

Cleared by: Celine Moyroud Position: Resident Representative Unit/Bureau: UNDP Tunisia

Input into and update in ERC: Faiza Elleuch Position: M&E Specialist Unit/Bureau: UNDP Tunisia

|  |
| --- |
| **Evaluation recommendation 1.**  More engagement is required with financial institutions and the private sector to enhance the sectors’ involvement in climate actions and NDC. The programme should further strengthen its engagement with the private sector and national financial institutions. Some potential areas for consideration by the programme include:* 1.a Work with financial institutions to develop innovative financial products and services (such as green line of credits, green bonds, green subventions, climate insurance, etc.) for climate change projects. Such products and services should be competitive to prevailing market conditions to augment the appetite of private sector actors to access financing for the implementation of climate actions or projects consistent with the objectives of the nation’s NDC.
* 1.b Capacitate financial institutions and private sector actors on existing climate finance mechanisms and eligibility requirements for accessing these. This could include among others, building the capacity of the sectors’ stakeholders on the possibility and requirements for pursuing GCF and/or GEF accreditation through the direct access modality. UNDP and the MoE could then identify potential candidates for GCF accreditation and accompany them in the process through a GCF-readiness project.
* 1.c Engage with the private sector and financial institutions to identify the root causes or obstacles impeding their involvement in climate finance and climate actions, and the adoption of measures to address the identified challenges.
 |
| **Management response: Fully accepted.** UNDP launched in 2024 a new project aiming at supporting the establishment of an ecosystem conducive to sustainable finance and the financing of the NDC.The project is addressing key gaps and works on strengthen the enabling environment related to climate governance in a way to facilitate the mobilization of the financial sector to contribute to the decarbonization of the Tunisian economy and boost green investments. UNDP plans, in collaboration with the CBF, to support the implementation of the following activities:* Identifying the obstacles to integrating climate change into the investment strategies of financial institutions and to the contribution of financial players to the implementation of the NDC
* Proposing governance framework related to sustainable finance and establishing institutional and regulatory mechanisms to ensure better coordination of climate issues within the financial sector.
* The establishment of an evolving sustainable taxonomy making it possible to draw up a classification of economic activities considered climate sustainable (having an impact on the mitigation of GHG emissions and adaptation to climate change). This taxonomy **should** make it possible to guide and mobilize financial flows towards investments promoting the implementation of the CDN.
* Strengthening the capacities of financial actors in the following areas:

\* Comprehensive measurement of the carbon footprint, particularly financed emissions\* Transparent communication on progress made in terms of sustainable finance/ ESG reporting.* The development of an action plan for the greening of the portfolio of financial institutions (investment and financing)
 |
| **Key action(s)** | **Completion date** | **Responsible unit(s)** | **Tracking\*** |
| **Comments** | **Status****(initiated, completed or no due date)** |
| 1.1 Enhance institutional partnerships and mechanisms within the governance framework for sustainable finance. | March2025 | UNDP, MoE, CBF |  | In progress |
| 1.2 Design a taxonomy tailored for Tunisian context | March2025 | UNDP, MoE, CBF |  | In progress |
| 1.3 Develop a capacity building program and targeted mechanisms on sustainable finance to be delivered to institutional partners. | March 2025 | UNDP, MoE, CBF |  | In progress |

|  |
| --- |
| **Evaluation recommendation 2.** The programme has elaborated roadmaps and action plans but these needs to be translated into actions for the objectives of the NDC to be achieved.* 2.a: It is important for the programme to support the mobilization of financial resources including through the elaboration of bankable projects (project ideas, concept notes or funding proposals) for each sector, targeting specific donor funding. Such bankable projects could be taken up for financing by a donor, the Government of Tunisia or a private sector entity, there by translating the elaborated plans and roadmaps to actions. In the elaboration of bankable projects, cross-cutting (adaptation and mitigation) projects should be prioritized to the extent possible since the programme’s focus this far has been more on mitigation than on adaptation.
 |
| **Management response: fully accepted.**In 2024, UNDP in collaboration with the ministry of environment have launched the elaboration of NDC 3.0 according to the requirements of Paris Agreement, under article 4. The updating of the Tunisian NDC will consider the recommendations of the NDC 3.0 initiative to support the raising of climate ambition and the acceleration of the implementation of future NDCs. It should reflect the development of specific priorities to each country, in particular inclusive growth, job creation, gender equality, reducing GHG emissions, access to sustainable energy.To raise climate ambitions and speed up the implementation of future NDCs, a focus should be done on the elaboration of a portfolio of bankable projects aiming at attracting funding from donors and investors. By clearly outlining objectives, expected outcomes, and financial requirements, these proposals demonstrate the viability and impact of projects, encouraging investment and leading to faster execution of NDC commitments. However, the analysis of barriers to sustainable investment in Tunisia stressed on the lack of availability of bankable projects as a major challenge. This lack of availability of bankable projects is due to:- Subsidies for fossil fuels - The high level of investment risk in Tunisia, - the lack of transition solutions that are technologically and commercially viable, - the lack of suitable financial products from local banks, particularly the lack of a ‘Project Finance’ approach to financing major RE projects, - the lack of liquidity in Tunisian banks and the high foreign exchange risk premium, which prevents banks from accessing long-term resources from international lenders. unity. Therefore, capacity-building and involvement of private and financial sector is a cross-cutting component across the NDC program. Supporting the engagement of financial institutions, to strengthen their knowledge, effectiveness, and capacities to contribute to the implementation of the NDC is among the main components of NDC program. |
| **Key action(s)** | **Completion date** | **Responsible unit(s)** | **Tracking** |
| **Comments** | **Status (initiated, completed or no due date)** |
| 2.1 Enhance capacity of key stakeholders concerned by the implementation of NDC in order to facilitate collaboration between local organisations, government, financial institutions, private sector, and civil society. This multi-stakeholder approach can lead to more comprehensive solutions and shared ownership of NDC targets. | December 2026 | UNDP CO- MOE- ministry of finance, central bank, CBF |  | Will be launched in 2025 |
| 2.2 Develop targeted projects for energy and agriculture sector  | December 2026 | UNDP CO- MOE- ministry of finance, central bank , CBF |  | Will be launched in 2025 |

|  |
| --- |
| **Evaluation recommendation 3.**  The programme elaborated a roadmap for addressing energy poverty, an aspect which requires inclusivity.* 3.a In the continuation of the work on energy poverty as well as the energy transition in the country, it is important for the programme to ensure that social aspects are integrated in order to ensure that the views or characteristics of women and marginalized groups are well integrated. This will promote inclusivity, a just energy transition, and the leave no one behind principle.
 |
| **Management response: fully accepted.** The energy transition is fundamental to achieving the emission reduction targets set by the Paris Agreement, aligning with the climate action goals of Agenda 2030.Since the adoption of the Paris Agreement, public energy policies have increasingly focused onaiming to accelerate the transition to an energy system aligned with green investments to decarbonise the economy.The ministry of Energy with the collaboration of UNDP CO has elaborated the strategy for energy transition 2035. This strategy aims to strengthen energy security, reduce fossil fuel imports, combat climate change and helping to achieve carbon neutrality by 2050. Additionnaly, the 2035 energy strategy roadmap recommended the introduction of a proactive policy specifically aimed at combating fuel poverty. Under NDC program, UNDP CO in collaboration with key stakeholders has elaborated a study on combating fuel poverty to integrate the social dimension into the energy transition policy to ensure access to sustainable and affordable energy for all citizens.Moreover, UNDP CO in collaboration with UNICEF has developed a proposal of project aiming at mainstreaming energy poverty reduction into social assistance programmes and subsidies programmes to ensure a just energy transition.Besides, UNDP CO in collaboration with the ministry of environment drew up a national action plan for gender and climate change. In addition, in 2024, under Decision 15/CP.28 of the UNFCCC, Tunisia undertakes to submit its national communication on gender equality and the fight against climate change by the end of November 2024, giving a progress report on the implementation of the national action plan for gender and climate change. The aim of this plan is to ensure the integration of gender and social inclusion dimensions into national climate policies, to create a sustainable framework that promotes climate justice and a just transition.Finally, in addition to the various strategies supported by the UNDP on integrating gender into policies to combat climate change, there is regular monitoring of women's participation in the implementation of projects. |
| **Key action(s)** | **Completion date** | **Responsible unit(s)** | **Tracking** |
| **Comments** | **Status (initiated, completed or no due date)** |
| 3.1 Ensure the equal participation of men and women in the various activities of the project, and a mechanism of monitoring. | 2026 | UNDP CO |  | Initiated and in progress |
| 3.2 Support the implementation of the roadmap to combat fuel poverty by first targeting the governance framework | 2028 |  |  | A concept note was developed under PISTA  |
| **Evaluation recommendation 4:**  The programme has had limited involvement of women’s groups, community members and marginalized groups. * 4.a Support community mobilization which could be achieved through partnering with CSOs. This will aid in sensitizing communities on the NDC, its objectives and measures to be implemented for the objectives to be attained. consider involving and engaging local/municipal stakeholders.
 |
| **Management response**: **fully accepted.**UNDP Country Office has already engaged with the local stakeholders and municipalities to enhance their role in implementing the Nationally Determined Contributions (NDC). However, the dissolution of municipal councils has temporarily stalled the decentralization process. Meanwhile, as part of the update for NDC 3.0, the Ministry of Environment plans to launch a program aimed at raising awareness and building capacity on the key issues related to the Tunisian NDC at both local and regional levels.As part of NDC3.0 and the initiatives that will be implemented as part of GCF/NDC, a stakeholder engagement plan will be developed, reinforcing inclusivity and human rights principles. |
| **Key action(s)** | **Completion date** | **Responsible unit(s)** | **Tracking** |
| **Comments** | **Status (initiated, completed or no due date)** |
| 4.1 Ensure sensitizing communities on the NDC’s objectives | 2026 | UNDP CO |  | Will be launched in 2025 |
| **Evaluation recommendation 5:**  The evaluation did not identify the existence of an accountability and grievance readdress mechanism for the programme. Equally, an environmental and social risk screening (SESP) conducted during the programme design phase was not identified.* 5.a It is important for an accountability and grievance redress mechanism be designed for subsequent projects early enough, preferably at the inception phase of the project. The AGM should be widely publicized during the inception workshop and at each project event so that project stakeholders know exactly the procedures and channels to follow in submitting complaints that may arise during the delivery of the project or programme. Equally, it is important for an SESP to be conducted for a project or programme during its design phase so that risks and applicable environmental and social safeguards standards likely to be triggered are identified and associated management plans developed.
* 5.b The project could consider establishing an AGM building on UNDP guidelines for project-level AGM. Once established, the mechanism should be publicized at project events so that stakeholders become aware of its existence. In this way, stakeholders could use the mechanism for reporting any project-related concerns they may have.
 |
| **Management response: Partially accepted.**The SESP was conducted during the project preparation process in 2020. It was presented and approved during the project's Inception Workshop as well as during the project's steering committee meeting. The SESP has been updated in accordance with UNDP procedure. The result of the SESP confirms that, given the typology of the program's activities, which fall under technical assistance, and the UNDP and national partners' policies on environmental preservation and human rights, the socio-environmental risk of the project is low. Consequently, there was no need to conduct an additional assessment of the risk and negative impact on social and environmental aspects.Furthermore, to ensure meaningful, effective, and informed participation of stakeholders during the project formulation and its implementation, a stakeholder engagement plan was developed based on the nature of the program's activities and its potential impacts. Considering the recommendation of the evaluation, the project will establish a GRM at the project level based on UNDP guidelines. Once established, the mechanism will be made public during project events so that stakeholders are informed of its existence. |
| **Key action(s)** | **Completion date** | **Responsible unit(s)** | **Tracking** |
| **Comments** | **Status (initiated, completed or no due date)** |
| Establishment of Grievance Redress Mechanism at the project level | 31/12/2024 | UNDP | A GRM has been recently established for a similar project. | Initiated |
| **Evaluation recommendation 6:**  The project has commitments which could span beyond its life. For instance, the operationalization of the action plans and road maps may go beyond the life of the project. * 6.aIt is beneficial for the project to elaborate an exit strategy. This would support the translation of the road maps and action plans prepared by the project into reality even after the end of the project.
 |
| **Management response: fully accepted.**As part of the work plan to update NDC 3.0, the Ministry of the Environment, with the support of UNDP as a strategic partner, will launch work to update action and investment plans (national and sectoral level) and draw up a portfolio of priority projects, considering the lessons learned from the assessment of mitigation and adaptation achievements under NDC 2021. |
| **Key action(s)** | **Completion date** | **Responsible unit(s)** | **Tracking** |
| **Comments** | **Status (initiated, completed or no due date)** |
| Support the government on the update of NDC 3.0 and the development of an action and investment plan.  | 2026 | UNDP- MOE |  | Will be launched in Mai 2025 |

\* Status of implementation is tracked electronically in the ERC database.