

ERF Policy Brief

Sustainable Futures: Enhancing Tunisia's Approach to the SDGs Amid Economic and Social Challenges

Adel Ben Youssef

About the authors

Adel Ben Youssef is a Professor of Economics at the Université Côte d'Azur and a member of the GREDEG CNRS research laboratory (GREDEG - CNR UMR 7321) and ASIMA. He is also an ERF Research Fellow.

In a nutshell

- Tunisia's journey towards achieving the SDGs has been marked by both significant progress and persistent challenges.
- By adopting targeted reforms, strengthening governance, and embracing innovative partnerships, Tunisia can enhance its trajectory towards achieving the 2030 Agenda.
- The focus on improving education quality, health equity, gender inclusion, economic diversification, and climate resilience will be pivotal in building a sustainable and inclusive future for all Tunisian citizens.
- Aligning national strategies with the global goals of the 2030 Agenda will enable Tunisia to harness its potential and drive transformative change across all sectors, paving the way for a resilient, equitable, and sustainable future.

The work has benefited from the comments of the Technical Experts Editorial Board (TEEB) of the Arab Development Portal (ADP) and from a financial grant provided by the AFESD and ADP partnership. The contents and recommendations do not necessarily reflect the views of the AFESD (on behalf of the Arab Coordination Group) nor the ERF.

Introduction

Tunisia, a pioneering country in the Arab region, embraced the 2030 Agenda for Sustainable Development early on, demonstrating strong political commitment and setting ambitious targets aligned with the Sustainable Development Goals (SDGs). Since 2015, Tunisia has embarked on a series of policy initiatives aimed at tackling social, economic, and environmental challenges. These efforts have led to significant advancements in key areas such as access to quality education, expanded healthcare services, and the adoption of climate action strategies. Tunisia's leadership in gender equality reforms and its focus on integrating environmental sustainability into its national development plans have positioned it as a regional exemplar. However, the road to full SDG achievement remains challenging, reflecting deep-rooted structural issues exacerbated by economic and political volatility.

Tunisia's economic performance has been marked by stagnation and recurrent crises since the 2011 revolution. While Tunisia experienced periods of robust growth in the early 2000s, the post-revolution era has seen a prolonged slowdown, with an average annual GDP growth rate of just 1.17% between 2011 and 2023.¹ Factors such as political instability, delayed structural reforms, and external shocks—most notably the COVID-19 pandemic and the recent Russo-Ukrainian conflict—have compounded the economic difficulties. The agricultural sector, a critical component of the economy, has faced severe disruptions due to prolonged droughts, reducing output and exacerbating food insecurity. This economic fragility has weakened investor confidence and limited the government's capacity to implement necessary policy reforms, further hindering progress towards sustainable development.

Tunisia's socio-economic landscape is characterized by pronounced disparities between coastal urban centers and the interior rural regions. Urban areas generally benefit from better infrastructure, access to services, and economic opportunities, while rural communities continue to struggle with high poverty rates, limited healthcare access, and substandard educational

facilities. These systemic inequalities have entrenched a cycle of social exclusion and economic marginalization, complicating efforts to achieve balanced and inclusive development. Despite the progressive legal frameworks supporting gender equality, significant cultural and structural barriers persist, limiting the full economic participation of women and exacerbating regional and socio-economic disparities.

Environmental sustainability remains a pressing concern for Tunisia. Climate change has intensified the country's vulnerability to extreme weather events, with severe droughts, heatwaves, and declining rainfall patterns affecting agricultural productivity and water availability. The energy sector's reliance on fossil fuels and the slow pace of renewable energy adoption has further complicated efforts to transition towards a low-carbon economy. While Tunisia has outlined ambitious climate action goals, including a commitment to carbon neutrality by 2050, practical implementation has lagged, constrained by regulatory challenges, inconsistent policy support, and limited investment in green technologies.

In light of these complexities, this policy paper aims to provide a comprehensive analysis of Tunisia's progress towards the SDGs, focusing on critical areas such as education, healthcare, gender equality, economic growth, water security, climate action, and governance. The analysis seeks to identify key barriers hindering progress and to propose targeted policy interventions that can help overcome these obstacles. Emphasizing the importance of integrated, cross-sectoral approaches, the paper underscores the need for enhanced governance mechanisms and strategic reforms to ensure coherent and sustained efforts in advancing sustainable development.

In the sections that follow, the paper delves into a detailed examination of the economic situation, evaluates the performance across key SDGs, and offers evidence-based recommendations for accelerating progress. The proposed policy pathways focus on structural reforms, fostering inclusive growth, and leveraging strategic partnerships to enhance resilience and sustainability. By aligning national priorities with the global goals of the 2030 Agenda, Tunisia can harness its potential and chart a path towards a more resilient, equitable, and sustainable future.

¹ World Development Indicators. (2024). World Development Indicators. World Bank. Available at: <https://databank.worldbank.org/reports.aspx?source=2&country=TUN>.



Economic situation: persistent stagnation and structural imbalances

Tunisia's economic growth has been characterized by a pattern of limited and uneven progress over the years. The country's period of robust and sustained growth from the early 2000s came to an abrupt halt after the 2011 revolution. According to the World Development Indicators (2024), pre-revolution Tunisia experienced an average GDP growth rate of about 4.22% per year between 2000 and 2010. However, the political and socio-economic upheavals that followed led to a significant slowdown, with an average growth rate of only 1.17% between 2011 and 2023, highlighting a stark shift in the country's economic dynamics.²

The economy remains heavily dependent on traditional, low-value-added sectors, such as agriculture, textiles, and phosphate products. Agriculture, while crucial for food security and employment, particularly in rural areas, has faced significant challenges due to climate change impacts, such as prolonged droughts and unpredictable rainfall. This reliance on traditional sectors limits Tunisia's capacity for economic diversification and integration into global value chains, which are essential for enhancing resilience against external shocks.

Unemployment is one of Tunisia's most pressing economic issues, affecting approximately 15% of the working population, with youth unemployment exceeding 30%. This high rate of youth unemployment reflects a severe mismatch between educational outcomes and labor market needs. Many graduates find themselves lacking the practical skills required by employers, pointing to deficiencies in the educational system and the need for more effective vocational training and skill development programs. Female labor force participation remains low, and women are disproportionately employed in informal, low-wage sectors. The informal economy, which provides jobs for over 40% of the workforce, is characterized by precarious working conditions, job insecurity, and a lack of social protection. This not only contributes to widespread poverty but also reduces the overall productivity of the economy.

² World Development Indicators. (2024). World Development Indicators. World Bank. Available at: <https://databank.world-bank.org/reports.aspx?source=2&country=TUN>.

Tunisia's fiscal position is precarious, with public debt reaching 83.7% of GDP by 2024.³ High levels of public spending on subsidies, rising public sector wages, and debt servicing costs have left limited fiscal space for productive investments. The government's reliance on external borrowing has increased its vulnerability to global market volatility, constraining its ability to finance key development initiatives. Fiscal consolidation measures aimed at reducing public debt have faced resistance due to their social impact, including cuts to subsidies and public services, which have further fueled public discontent. Inflation in Tunisia reached around 9 to 10% in 2023, largely driven by a sharp increase in food prices, which rose by 15.3% in the first two quarters of the year. However, the inflation trend stabilized in the third quarter as the Tunisian dinar remained relatively stable against major foreign currencies, including the U.S. dollar, the British pound, and the euro.

Tunisia's trade deficit has widened due to its narrow export base and dependence on imported goods, especially energy and food. The country's exports are largely dominated by low-value-added products, such as textiles and agri-food items, which face stiff competition in global markets. Efforts to boost exports through trade agreements have had limited success, hindered by inefficiencies in domestic supply chains and a lack of competitiveness. The depreciation of the Tunisian dinar has further increased the cost of imports, contributing to the trade deficit and putting additional pressure on foreign exchange reserves.

Significant progress on SDGs

Tunisia has made significant progress in advancing the SDGs, demonstrating a strong commitment to sustainable development. According to the SDG Performance Index, Tunisia has a score of 72.5. Through targeted policies and initiatives, the country has notably improved access to quality education, health care, and clean water, contributing to the achievement of SDG 3 (health and well-being), SDG 4 (quality education), and SDG 6 (clean water and sanitation). In addition, Tunisia has prioritized economic growth and job creation, promoting inclusive and sustainable industrialization

³ Data from IMF, 2024



Figure 1. Real GDP growth (annual percent change)



Source: World Development Indicators, 2024

Table 1: SDG performance in Tunisia 2023

SDG GOAL	Score	Trend
SDG 1. No Poverty	97.9	↑
SDG 2. Zero Hunger	61.5	→
SDG 3. Good Health and Well-being	78.9	↗
SDG 4. Quality Education	93.1	↑
SDG 5. Gender Equality	51.0	→
SDG 6. Clean Water and Sanitation	63.9	↑
SDG 7. Affordable and Clean Energy	70.2	↗
SDG 8. Decent Work and Economic Growth	62.5	→
SDG 9. Industry, Innovation, and Infrastructure	55.9	↗
SDG 10. Reduced Inequality	80.8	→
SDG 11. Sustainable Cities and Communities	65.4	↗
SDG 12. Responsible Consumption and Production	86.7	↗
SDG 13. Climate Action	93.1	→
SDG 14. Life Below Water	63.3	→
SDG 15. Life on Land	70.9	→
SDG 16. Peace, Justice, and Strong Institutions	60.6	↑
SDG 17. Partnerships for the Goals	No data	

Note: ↑-on track or maintaining SDG achievement; ↗- moderately improving; →-stagnating

(SDG 9), while advancing gender equality (SDG 5) through initiatives aimed at empowering women and girls in various sectors of society. In addition, Tunisia's efforts extend beyond its borders, actively engaging

in regional and international partnerships to address global challenges such as climate change (SDG 13) and promoting peace, justice and strong institutions (SDG 16).



Access to education is expanding but facing quality challenges

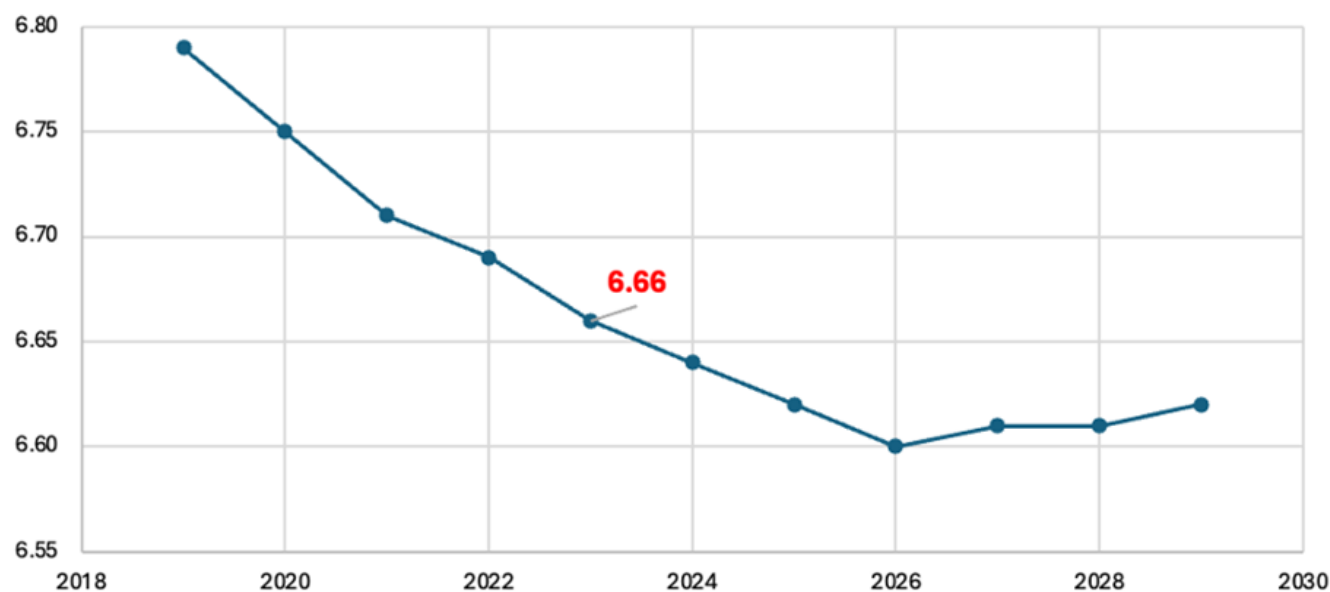
Tunisia has made substantial progress in expanding access to education, achieving high enrollment rates across primary, secondary, and tertiary levels. In 2023, government spending on education in Tunisia accounted for 6.66% of GDP, with projections indicating a decline in the coming years. Tunisia's efforts are in line with the international Education 2030 Framework for Action, which recommends allocating between 4% and 6% of GDP to education. However, the projected decline in spending raises concerns about the sustainability of these commitments in the future. Figure 20 illustrates the evolution of education spending in Tunisia as a percentage of GDP and of the total budget, highlighting the fluctuations and the ongoing challenges of maintaining consistent investment in education.

The current curriculum continues to prioritize rote memorization over critical thinking, problem-solving, and digital literacy skills. This approach leaves students ill-prepared for the demands of a modern, knowledge-based economy. The education system has not evolved to meet the needs of the labor market, resulting in a significant skills mismatch that contributes to high levels of youth unemployment. Employers often report that graduates lack the practical skills required for employment, highlighting the need for more robust vocational training and a greater focus on STEM (science, technology, engineering, and mathematics) education.

Stark regional disparities exist in the quality of education provided. Rural schools often suffer from inadequate infrastructure, a shortage of qualified teachers, and limited access to educational technologies, leading to lower student performance and higher dropout rates compared to urban areas. These disparities perpetuate socio-economic inequalities, limiting opportunities for rural youth and contributing to a cycle of poverty and exclusion. Addressing these regional disparities is critical for ensuring equitable access to quality education and for fostering balanced socio-economic development.

Tunisia's higher education system faces challenges in aligning its outputs with labor market needs. While tertiary education enrollment is high, the system remains disconnected from the economic demands of the country. Graduates often find themselves without the skills that employers are seeking, particularly in high-growth sectors such as ICT and renewable energy. The quality of teaching remains a critical determinant of educational outcomes. In Tunisia, there is a need for significant investment in teacher training and professional development to equip educators with the skills required to deliver a modern, student-centered education. This includes training in new pedagogical approaches, the integration of technology in the classroom, and techniques for fostering critical thinking and problem-solving skills among students.

Figure 2. Evolution of education spending (as a percentage of GDP and total budget)



Source: UNESCO, 2024



A healthcare system resilient but inequitable

Tunisia's healthcare system has shown resilience, particularly during the COVID-19 pandemic, where rapid adaptation helped manage the public health crisis effectively. The introduction of digital health initiatives, such as telemedicine, has been a positive step towards modernizing service delivery. However, structural deficiencies and persistent inequities continue to plague the healthcare system, undermining its overall performance and sustainability.

Tunisia's healthcare system is characterized by a dual-track approach, with public and private sectors offering vastly different levels of service. Public healthcare facilities, which serve the majority of the population, have suffered from chronic underfunding, leading to deteriorating infrastructure, shortages of essential medicines, and an overstretched workforce. In contrast, private healthcare providers offer higher-quality services but remain accessible primarily to affluent, urban populations. This disparity has deepened health inequities, particularly for rural and low-income communities who face significant barriers to accessing quality care.

Significant disparities in healthcare access exist between urban and rural areas. Rural populations face longer travel times to healthcare facilities, fewer healthcare professionals, and limited availability of specialized services. The lack of healthcare infrastructure in these areas contributes to poor health outcomes and reinforces socio-economic inequalities. Investments in rural healthcare infrastructure and initiatives to attract healthcare professionals to underserved areas are essential for closing the access gap. The healthcare workforce in Tunisia is overstretched and unevenly distributed, with a concentration of healthcare professionals in urban centers. Rural areas face a shortage of doctors, nurses, and specialists, which impacts the quality of care provided. There is a need for policies that incentivize healthcare professionals to work in underserved areas, as well as investments in training and retaining healthcare workers.

Legal reforms for gender equality but limited economic gains

Tunisia has been at the forefront of gender equality reforms in the Arab world, implementing progressive legal frameworks that guarantee equal rights for women in education, employment, and political participation. The adoption of gender-sensitive legislation, including laws on inheritance and protection against domestic

violence, reflects a strong commitment to advancing SDG 5. However, these legal reforms have not yet translated into significant improvements in women's economic participation or social status. Female labor force participation remains significantly lower than male participation, with women often concentrated in informal, low-wage sectors that lack social protections. Despite higher educational attainment among women, they are underrepresented in leadership positions across the public and private sectors, highlighting a disconnect between educational achievements and economic opportunities.

Structural barriers, including limited access to finance, inadequate childcare support, and societal norms that prioritize male employment, continue to hinder women's ability to engage fully in the economy. Cultural attitudes towards gender roles, particularly in rural areas, limit women's opportunities for formal employment and entrepreneurship. These barriers not only restrict individual opportunities but also stifle broader economic growth and reduce the effectiveness of gender-inclusive policies. Gender disparities are more pronounced in rural areas, where traditional social norms and limited access to economic resources exacerbate the exclusion of women from formal employment and decision-making processes. Rural women face additional challenges, including limited access to land, financial services, and training, which further restrict their economic potential.

Water security threatened by climate change

Tunisia has made notable progress in expanding access to clean water and improving sanitation services, particularly in urban areas. The proportion of the population with access to improved water sources has steadily increased, aligning with the targets of SDG 6. However, the sustainability of these achievements is threatened by severe water scarcity, driven by climate change and compounded by ineffective water management practices. The country is facing prolonged periods of drought, which have depleted groundwater reserves and reduced the availability of surface water for agriculture, industry, and household use. The increasing variability in rainfall patterns and rising temperatures due to climate change have put additional pressure on already limited water resources, making it difficult to meet the growing demand for water. This is particularly concerning for Tunisia's agricultural sector, which relies heavily on water and is a key source of employment in rural areas.

Water infrastructure in Tunisia, much of which is outdated and poorly maintained, suffers from high levels of leakage and inefficiency, further straining the limited



water resources. The lack of modern water management systems and technologies has resulted in significant wastage, particularly in agriculture, which accounts for the majority of water consumption. Improving water efficiency through modern irrigation systems and better water management practices is essential for addressing water scarcity.

Rural communities are disproportionately affected by water scarcity, often relying on inadequate or unsafe water supplies. Limited access to clean water not only impacts health but also affects agricultural productivity and overall economic opportunities in rural areas. Ensuring equitable access to water is crucial for reducing rural poverty and supporting sustainable development.

High ambitions for climate action, but limited implementation

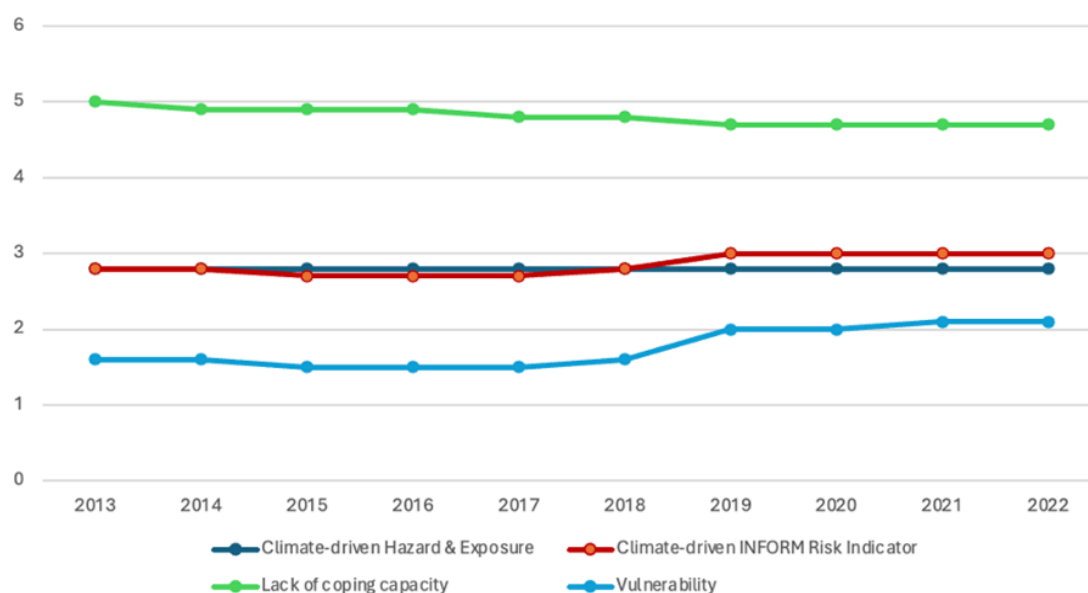
Tunisia's National Strategy for Low Carbon Development sets ambitious goals for reducing greenhouse gas emissions and achieving carbon neutrality by 2050. Despite these commitments, practical implementation has lagged, with the energy sector still dominated by fossil fuels. Renewable energy projects have been slow to scale up due to bureaucratic delays, inconsistent policy support, and limited private sector engagement. The adoption of renewable energy sources has been slow, with fossil fuels continuing to dominate the energy mix. Bureaucratic inefficiencies, unclear policy incentives, and a lack of investment have hindered the

expansion of solar and wind energy projects. The slow pace of the energy transition has implications for both climate mitigation and energy security, leaving Tunisia vulnerable to fluctuations in global energy prices and limiting progress towards carbon neutrality.

The increasing impacts of climate change, including more frequent and intense droughts, pose severe risks to Tunisia's agricultural sector, which is a key source of employment and food security. The lack of robust climate adaptation measures, such as drought-resistant crops and improved water management, has left the agricultural sector vulnerable to climate shocks. Between 2012 and 2023, Tunisia experienced six waves of severe drought, leading to critical water shortages in its dam systems. In particular, 2016 recorded a particularly alarming water deficit, with dam fill rates dropping to just 33.9% and a deficit magnitude of 66.1%. These recurring droughts underscore the urgent need for strategic water management and climate adaptation measures to mitigate their long-term impacts. This not only threatens rural livelihoods but also has broader implications for national food security and economic stability.

Private sector engagement in climate action has been limited, with insufficient incentives to invest in green technologies and renewable energy projects. Public-private partnerships are crucial for mobilizing the resources needed to scale up renewable energy and implement climate adaptation measures. However, the lack of a clear policy framework and inconsistent regulatory support have deterred private sector investment in these areas.

Figure 3. Climate driven risk



Source: Data from IMF, 2024



Weak coordination for governance and partnership and data gaps

While Tunisia has actively engaged in international partnerships to support SDG implementation, the effectiveness of these collaborations has been limited by weak coordination mechanisms and inadequate data infrastructure. The absence of a robust monitoring and evaluation framework has hindered the ability to track progress, make evidence-based policy decisions, and ensure accountability. Governance in Tunisia is characterized by fragmentation, with weak inter-ministerial coordination and overlapping responsibilities among government agencies. This has resulted in inefficiencies and duplication of efforts, reducing the impact of development initiatives. Strengthening governance structures to ensure coherent policy implementation is critical for achieving the SDGs.

The lack of reliable data and effective monitoring systems has been a significant barrier to tracking SDG progress. Without accurate data, it is difficult to assess the effectiveness of policies, identify gaps, and allocate resources efficiently. Building institutional capacity for data collection, analysis, and reporting is essential for improving transparency and accountability. Engagement with key stakeholders, including the private sector, civil society, and local communities, has been inconsistent. Strengthening partnerships with these stakeholders is crucial for mobilizing resources, fostering innovation, and ensuring that development initiatives are inclusive and responsive to local needs.

Policy recommendations for enhancing Tunisia's approach to the SDGs

These tailored policy recommendations are designed to address the critical structural barriers identified in this brief, focusing on key areas such as economic resilience, education quality, healthcare access, gender inclusion, water security, climate action, and governance. By implementing these targeted interventions, Tunisia can accelerate its progress towards a sustainable and inclusive future.

Address structural economic challenges and foster inclusive growth. To overcome economic stagnation, Tunisia should prioritize economic diversification, focusing on high-growth sectors such as renewable energy, ICT, and sustainable agriculture. Establish a national economic resilience strategy that targets job creation in underserved regions through microcredit

programs, vocational training, and enhanced public-private partnerships (PPPs). Reducing regulatory barriers will also attract domestic and foreign investment, boosting economic productivity.

Reform the education system for market alignment. Modernize the education curriculum to prioritize critical thinking, digital literacy, and STEM (science, technology, engineering, and mathematics) skills, aligning educational outcomes with labor market needs. Increase investment in teacher training and infrastructure, especially in rural areas, to reduce regional disparities and improve student performance. Strengthen vocational and technical education programs to address the skills gap and enhance employability in key economic sectors. Strengthen healthcare infrastructure and equity. Enhance the healthcare system by investing in public health infrastructure, particularly in underserved rural areas, to close the access gap. Expand telemedicine services and digital health initiatives to improve service delivery. Implement policies that incentivize healthcare professionals to work in rural regions and provide specialized training programs to address workforce shortages. Shift the focus towards preventive care to reduce the burden of non-communicable diseases.

Promote gender equity in the labor market. Advance women's economic participation by addressing structural barriers such as limited access to finance and inadequate childcare support. Implement targeted programs to increase female employment in high-demand sectors, including STEM and entrepreneurship. Enforce anti-discrimination laws and provide business incentives for gender-balanced hiring practices. Public awareness campaigns should challenge cultural norms that limit gender equality, particularly in rural areas.

Enhance water management and security. Develop a comprehensive national water management strategy focused on efficient irrigation, sustainable groundwater use, and infrastructure modernization. Invest in advanced irrigation technologies and water conservation practices to address severe water scarcity exacerbated by climate change. Promote community-based water conservation programs and strengthen regulatory oversight to ensure equitable access to clean water, particularly in rural communities.

Accelerate renewable energy transition and climate adaptation. Promote investment in renewable energy projects, particularly solar and wind power, by streamlining regulatory processes and providing clear policy incentives. Scale up climate adaptation measures



in agriculture through the introduction of drought-resistant crops and advanced irrigation systems. Establish a dedicated fund to support green energy projects and enhance public-private partnerships to drive the energy transition.

Modernize social safety nets and reduce poverty. Expand and digitize social safety net programs to enhance targeting and delivery of benefits. Link cash transfers to education and healthcare services to improve social outcomes. Establish a national digital registry of vulnerable households to better allocate resources and reduce regional disparities, especially in marginalized communities.

Strengthen governance and institutional capacity. Enhance governance by improving inter-ministerial coordination and establishing a centralized body for overseeing SDG implementation. Invest in data infrastructure to enable robust monitoring and evaluation of policy effectiveness. Promote transparency through open data platforms and strengthen anti-corruption measures to build public trust and accountability.

Foster innovation and digital transformation. Invest in expanding digital infrastructure and promoting digital literacy to support the digital transformation of key sectors such as agriculture, education, and public services. Establish innovation hubs and support technology startups through simplified regulatory processes and public-private partnerships. Enhance vocational training in digital skills and STEM fields to meet the demands of a growing digital economy.

Implement integrated climate change adaptation strategies. Integrate climate adaptation into national development plans with a focus on sustainable agriculture, water resource management, and resilient infrastructure. Conduct regional climate vulnerability assessments to guide targeted adaptation measures. Engage local communities in climate resilience efforts and promote public awareness campaigns to foster a culture of environmental stewardship.





ERF at a Glance: *The Economic Research Forum (ERF) is a regional network dedicated to promoting high-quality economic research for sustainable development in the Arab countries, Iran and Turkey. Established in 1993, ERF's core objectives are to build a strong research capacity in the region; to encourage the production of independent, high-quality research; and to disseminate research output to a wide and diverse audience. To achieve these objectives, ERF's portfolio of activities includes managing carefully selected regional research initiatives; providing training and mentoring to junior researchers; and disseminating the research findings through seminars, conferences and a variety of publications. The network is headquartered in Egypt but its affiliates come primarily from different countries in the region.*

Contact Information

ERF Office

Address: 21 Al-Sad Al-Aaly St. Dokki, Giza, Egypt

PO Box 12311

Tel: +202 333 18 600 - 603

Fax: +202 333 18 604

Email: erf@erf.org.eg

Website: <http://www.erf.org.eg>

Follow us

