Joint Programme Document

- Simplified Template -

A. COVER PAGE

1. Fund Name: Joint SDG Fund

2. MPTFO Project Reference Number:

3. Joint programme title*:* Strengthening SDG Financing Framework and Ecosystem in Comoros to meet the SDGs

4. Short title*:* *Strengthening SDG Financing Framework and Ecosystem in Comoros*

5. Country and region: Comoros, nationwide

6. Resident Coordinator: François Batalingaya, RC, Comoros, francois.batalingaya@un.org

7. UN Joint programme focal point*:* Fenella Frost, UNDP Resident Representative, fenella.frost@undp.org, Comoros

8. Government Joint Programme focal point: Yahaya Ahmed HOUMADI, Ministry of Finance and Budget (MFB), Secrétaire Général (Permanent Secretary) of MFB, ayahoumadi@gmail.com

9. Short description:
The main objective of this joint proposal (JP) is to support the Government of Comoros in strengthening its SDG financing framework and ecosystem to meet its national development goals and the SDGs. This JP is aligned with the Plan Comores Emergent (PCE) and the country's ambition to reduce poverty and improve the well-being of people. This JP will be critical to accompany the country on its transformational change agenda. This will be done (1) by supporting the capacity to mobilize internal resources with the implementation of the initiative "Tax Inspectors without Borders" (TIWB) to support the reform of the country's tax system and the taxation of the informal sector; (2) by allowing the country to put in place optimal management capacities and procedures of public resources in the frame of the establishment of the integrated national financial framework (INFF) ; to modernize the management of the Public Investment Program (PIP) including the digitization of its complete cycle and the introduction of SDG markers; and the introduction of the performance-based budgeting reform; and (3) by strengthening the health sector public expenditure framework for more transparency and efficacy in the implementation of the SDGs with public expenditure analysis, National Health Accounts design and a medium-term expenditure framework (MTEF).

10. Keywords: Financing, SDG, public finance, Development Finance Assessment, Integrated National Financing Framework, PFM reform, MTEF, performance-based budgeting, tax system, Health sector.

11. Overview of budget

Joint SDG Fund contribution	USD 1,000,000
Co-funding UNDP	USD 150,000
Co-funding WHO	USD 20,000
TOTAL	USD 1,170,000

12. Timeframe:

Start date	End date	Duration (in months)
June 2020	decembre 2022	30

13. Gender Marker:

2 – The programme meets minimum standards.

14. Participating UN Organizations (PUNO) and Partners:

14.1 PUNO

- **Convening agency:**
  - **UNDP:** Fenella Frost, RR UNDP for Comoros, fenella.frost@undp.org, C. +2693360048
- **Other PUNO:**
  - **WHO:** DIARRA, Abdoulaye Representative for Comoros, diarraa@who.int, C. +269 3330056

14.2 Partners

- **National authorities:**
  - **Ministry of Finance and Budget:** Yahaya Ahmed HOUMADI, Secrétaire Général du MFB, ayahoumadi@gmail.com ; +269 3610523
  - **Ministry of Health :** Mr Aboubabacar Said Anli, Secrétaire Général du MSSPSPG, sg@santé.gouv.km ; +269 3251588
- **Civil society organizations:**
  - **FENMUSAC….**
- **International Financial Institutions:**
  - **IFM**
  - **World Bank**
  - **AfDB**
- **Other partners:**
  - **UNICEF: …**

SIGNATURE PAGE

Resident Coordinator *François BATALINAGAYA*
Date: 15/12/2021
Signature and seal

National Coordinating Authority
Ministry of Finance, Budget and banking sector
Ahmed Houmadi YAHAYA
Date: 15/12/2021

Signature and seal

Participating UN Organization (lead/convening)
UNDP
Fenella FROST
Date: 15/12/2021
Signature and seal

Participating UN Organization
WHO
Abdoulaye DIARRA
Date: 15/12/2021
Signature and seal

B. STRATEGIC FRAMEWORK

1. Call for Concept Notes: SDG Financing (2/2019) – Component 1

2. Programme Outcome [pre-selected]
– Additional financing leveraged to accelerate SDG achievement (Joint SDG Fund Outcome 2)

3. UNDAF Outcomes and Outputs

- **UNDAF Outcome 2:** "By 2022, people, especially vulnerable groups, benefit from and use quality, equitable and sustainable basic social and protection services"

- **UNDAF Outcome 3:** By 2022, state and non-state institutions exercise better political, administrative, and economic governance, consistent with human rights and resilience practices,"

- **JP Outcome 1. By 2022, the capacity to mobilize internal resources is increased**
  - **JP Output 1.1.** The reform of the country's tax system is implemented with the support of the initiative "Tax Inspectors without Borders
  - **JP Output 1.2.** The taxation of the informal sector is increased

- **JP Outcome 2. By 2022, the country puts in place and uses effective mechanisms, tools and procedures for optimal management of development resources to meet the SDGs**
  - **JP Output 2.1.** A financing strategy, fitted for purpose responding to the key challenges highlighted in the Development Finance Assessment, is designed and a national multi-stakeholder platform is set up to facilitate dialogue and participation around the Integrated National Financing Framework
  - **JP Output 2.2.** The process of modernizing the management of the Public Investment Program (PIP) including the digitization of its complete cycle and the introduction of SDG markers is strengthened
  - **JP Output 2.3.** A performance-based budgeting reform is implemented for a better alignment of the budget to the national development strategy, including in the health sector.

- **JP Outcome 3: By 2022, the health sector public expenditure framework is strengthened for more transparency and efficacy in the implementation of the SDGs**
  - **JP Output 3.1.** Public expenditure analysis (Public expenditure review and, public expenditure tracking) in the health sector are undertaken;
  - **JP Output 3.2.** National Health Accounts for the years 2019 and 2020 are established for a better understanding of potential improvements of health expenditures.

4. SDG Targets directly addressed by the Joint Programme

The proposed JP will contribute to the achievement of various SDG, especially to the poverty, health and finance indicators in SDG 1, 3 and 17 on resources mobilization (1.a/b), DRM, (17.1), FDI and remittances (17.3) and debt management (17.4). The JP will contribute and will monitor the following targets:

- **Target 1.a:** Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions;
- **Target 1.b:** Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions;
- **Target 3.8:** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all;
- **Target 3.c:** Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States;
- **Target 17.1:** Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection;
- **Target 17.3:** Mobilize additional financial resources for developing countries from multiple sources;
- **Target 17.4:** Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress;
- **Target 17.5:** Adopt and implement investment promotion regimes for least developed countries;
- **Target 17.9:** Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South and triangular cooperation;
- **Target 17.15:** Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development.

Expected SDG impact

Considering Comoros specific characteristics of being a small island country with limited access to resources, the JP that is proposed to leverage national capacity for development financing will have a strong impact on almost all SDGs. Also, considering the five P dimensions of the SDG one can show how the JP will have effect on the 2030 Agenda: People (SDG 1, 2, 3, 4, 5, 6), Prosperity (SDG 1, 7, 8, 9, 10, 12) Planet (SDG 12, 13, 14, 15), Peace (SDG 16) and Partnership (SDG 17).

5. Relevant objective(s) from the national SDG framework

Comoros conducted in 2017-2018 a domestication exercise of the SDGs targets which consists in identifying the priority SDG targets for the country. This exercise resulted in the identification of 68 priority SDG targets with 128 indicators for Comoros. The JP is also relevant to the PCE and the PMF reform currently ongoing.

6. Brief overview of the Theory of Change of the Joint programme

The main objective of this JP is to support the Government of Comoros to deepen its development financial mechanism and sources to find the resources needed to meet its development goals and the SDGs.
Indeed, (1) if an SDG aligned INFF is development based on the comprehensive DFA designed; (2) if tax collection and management systems are strengthened; and (3) if public budgeting and expenditures systems including in health sector are strengthened and aligned to SDGs, then the government has more resources to invest in critical SDGs sectors, and is in a better position to ensure their equitable allocation to foster sustainable development, leaving no one behind.
To achieve this long-term objective the JP is expected to work at three levels:

- The reform of the country's tax system with the support of the initiative "Tax Inspectors without Borders, including the taxation of the informal sector will help strengthening the national capacity to mobilize internal resources
- The setting up of a national multi-stakeholder platform to facilitate the dialogue and participation around the Integrated National Financing Framework of the key challenges highlighted in the Development Finance Assessment and the modernization of the management public finance, including digitizing the Public Investment Program (PIP) system and introducing performance-based budgeting, will allow the implementation of effective tools and procedures for optimal management public resources to meet the SDGs
- The analysis of the public expenditure analysis in the health sector and the analysis of the national health accounts for the years 2019 and 2020 will allow strengthening of the health sector public finance framework to meet the SDGs**.**

7. Trans-boundary and/or regional issues

Comoros has important assets that can be used to promote trade and the country's integration into the regional and international economy. In addition to its strategic geographic position at the crossroads of Asia and Africa, one can cite its membership of regional economic community such as COMCEC (OIC Free Trade Area), GAFTA (Free Trade Area of the League of Arab States), COMESA, IORA, IOC, and the Southern African Development Community (SADC). Comoros is also participating in negotiations for the creation of a tripartite free trade area between COMESA, SADC and EAC. This JP will strengthen Comoros integration to its regional sphere.

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C. JOINT PROGRAMME DESCRIPTION

1. Baseline and Situation Analysis

1.1 Problem statement

The development financing landscape has undergone many changes at the global level, but unfortunately for Comoros, it has not changed a lot these last years.

However, Comoros has made strong step in the first phase of the 2030 Agenda since 2015 on the mainstreaming of the SDG into its national planning system. Indeed, a national prioritization of the SDGs (68 targets prioritized, and 128 indicators chosen), a MAPS mission with key accelerators defined and a Development Finance Assessment exercise have been undertaken. The DFA has shown the remaining lack of articulation of the planning system to the financing to ensure that the country is on the right way for the achievement of the SDGs.

Besides, The Union of the Comoros has just adopted a 2030 development plan focused on the Sustainable Development Goals (SDGs). Entitled "Comoros Emerging Plan 2030" (PCE in French), its ambition is to achieve the Sustainable Development Goals and to lead the Comoros on the path of emerging country by 2030. For the implementation of the PCE, the government has adopted a coherent set of flagships, structuring and priority sectoral programs which are grouped around the five foundations and five catalysts selected in the PCE and whose total estimated cost is 4 billion euros. This is a very significant amount, certainly commensurate with the ambitions displayed in the PCE, which implies several challenges for the country which must carry out far-reaching reforms to be able to mobilize and absorb these resources to achieve its objectives.
The General Planning Commission (CGP), the various departments of the Ministry of Finance and Budget and the planning and budgeting services of sectoral ministries are called upon to play a central role in the coordination, management and monitoring of these programs. Indeed, the successful implementation of the PCE presupposes that the country overcomes several challenges, notably the increase of capacities in terms of mobilization of internal and external resources, planning / programming / budgeting, monitoring and evaluation and audit of so as to give confidence to donors and other private partners and to allow a high level of absorption of available resources. It also requires, in particular, the design and deployment of suitable and innovative structures, mechanisms and tools in the management of public finances.

The Comoros has recorded a rather mixed performance in terms of mobilizing public revenue (tax and non-tax revenue), resulting in dependence on development partners to finance its investment expenses.

The tax revenues are particularly low. The tax burden rate stands at 7.1% of GDP over the 2011-2017 period, compared to an average of around 15.4% of GDP for SIDS and 15.6% of GDP for SSA. The Comoros' tax burden rate is notably the second lowest among SIDS.

This is firstly linked to high tax rates, resulting, as in most developing countries, in a greater propensity to shirk tax duties or fall back into the informal sector. The corporate income tax rate in Comoros is 35% or 50% (depending on the status and level of revenue); the figure of 50% is precisely the second highest in the World after that of the United Arab Emirates (55%).

To the above-mentioned factors – i.e. lack of tax compliance, tax evasion, narrowness of the effective tax base and withdrawal into the informal sector - are added the low level of activity,

the existence of numerous cases of exemption, as well as collection problems related to the discretionary powers of tax collectors, the high cost of collection.

Several studies, including UNDP and IMF studies, have shown the weakness of the tax administration which lack processes, structural organization, capacities, etc. The methods of tax administration, including control methods, although improving, do not allow for an effective and determined fight against abuse, fraud, corruption and irregularities.

The misalignment between the national plan and the tax system makes it difficult to align development financing needs with national priorities including in the health sector. The amounts collected as taxes remain far below what would be expected under a simple and well-designed tax system and the total revenue per capita is one of the lowest in the world.

Faced with serious problems of resource allocation contrasting with the priorities of the health sector and with a view to enabling the public authorities to have an instrument making it possible to provide stakeholders with the financial bases necessary for lighting major political decisions, the Ministry of Health of the Union of the Comoros, in collaboration with the SNU, developed in 2013 the first National Health Accounts of the Comoros (NHA2011). The results of these 2011 national health accounts adopted and published in 2014 showed that the share of the state budget devoted to health is estimated at 10.00% in 2011, far below the 15% that heads of African States had recommended in 2001 at the Abuja summit. National health expenditure as a percentage of GDP was 13.27% in 2011. These two indicators show that the Comorian State must make efforts to increase the resources allocated to health sector and their efficient use with the support of the international community.

These studies show that households are the main source of financing for the health system with 49.61 percent of total health expenditure, 98.15 percent of which is direct expenditure. This situation shows the weakness of the prepayment mechanism resulting in the impoverishment of households which will have to face catastrophic expenses. Indeed, the risk of excluding the poor and impoverishing the middle classes remains very high.

It is necessary that the country draws up the CNS annually on a regular basis in order to have a basis for collecting, classifying and estimating all the cash flows linked to health expenditure; which was already the first recommendation in the CNS2011 report. This will allow the Government and its partners to better understand the problems linked to health financing, the distribution and the rational and efficient use of available resources.

In real terms, the budget for the social sectors evolves less rapidly than the total budget: and the current allocation to the health sector as a percentage of the total budget still fall short of international recommendations to cover the needs of vulnerable groups, children, young people and women.
There is therefore the need to fully implement the public financial management (PFM) reform and re-orient budget planning toward programme-budgeting to better monitor and analyze the budget allocation to each of the programmes within the health sector.
The mobilization of sufficient resources remains a major concern. The perspectives adopted under this JP is to consider the importance of mobilizing domestic resources to achieve the SDGs and, the importance of the allocation of resources to the social sector including the health sector.

1.2 SDGs and targets

The proposed JP will contribute to the achievement of various SDG, especially to the poverty, health and finance indicators in SDG 1, 3 and 17 on resources mobilization (1.a/b), access to

health and health financing (3.8 and 3.c), DRM, (17.1), FDI and remittances (17.3) and debt management (17.4). The JP will contribute and will monitor the following targets:

- **Target 1.a:** Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, least developed countries, to implement programmes and policies to end poverty in all its dimensions;
- **Target 1.b:** Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions;
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- **Target 17.5:** Adopt and implement investment promotion regimes for least developed countries;
- **Target 17.15:** Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development.

Indicators	Baseline data	Target at the end of JP	Methods to be used to measure progress
Indicator 1.a.1: Proportion of total government spending on essential services (education, health and social protection) Indicator 1.b.1: Proportion of government recurrent and capital spending to sectors that disproportionately benefit women, the poor and vulnerable groups 3.8.2 Number of people covered by health insurance or a public health system per 1,000 population 3.c.1 Health worker density and distribution Indicator 17.1.1: Total government revenue as a proportion of GDP, by source Indicator 17.1.2: Proportion of domestic budget funded by domestic taxes Indicator 17.3.1: Foreign direct investments (FDI), official development assistance and South-South Cooperation as a proportion of total domestic budget Indicator 17.3.2: Volume of remittances (in United States dollars) as a proportion of total GDP Indicator 17.4.1: Debt service as a proportion of exports of goods and services Indicator 17.5.1: Number of countries that adopt and implement investment promotion regimes for least developed countries Indicator 17.15.1: Extent of use of country-owned results frameworks and planning tools by providers of development cooperation			

There are also several objectives and indicators related to the financing of SDGs resulting from the implementation of the activities of the three components of this JP that will have impact on other SDGs objectives.

Expected SDG impact
Considering Comoros specific characteristics of being a small island country with limited access to resources, the JP that is proposed to leverage national capacity for development financing will have a strong impact on almost all SDGs. Also, considering the five P dimensions of the SDG one can show how the JP will have effect on the 2030 Agenda: People (SDG 1, 2, 3, 4, 5, 6), Prosperity (SDG 1, 7, 8, 9, 10, 12) Planet (SDG 12, 13, 14, 15), Peace (SDG 16) and Partnership (SDG 17).

This JP will contribute to strengthen the financial capacity of the State to tackling the poverty and inequality (SDG 1 and 10) issues in Comoros. Also, the increase in tax revenue would result from the effectiveness of the tax system reform and the programme-budgeting reform in the health sector would improve the alignment of the budget with resource allocated to the poor and social sectors contributing to the achievement of SDGs 1, 2, 3, 4, 5, and 6.

Incentives set by the fiscal system resulting from the PFM support in this JP can be used to effectively target progress on SDG 13, 14, and 15. The fiscal system can be designed to address environmental problems, with the dual benefit of shifting tax burdens to incentivize sustainability while also raising additional revenue.
The implementation of the INFF framework will increase the capacity of the Government to orientate the investment on the infrastructures critically needed (energy, transport, tourism) as a lever for the structural transformation of the economy. This will also stimulate the dynamic of an inclusive and sustainable growth with decent job (SGD 8). Fiscal systems can be an important tool for combatting inequality (SDG 10) while promoting inclusive economic growth (SDG 8), along with other public policies, such as labor policies.

The INFF will be a vehicle to establish a national compact on SDG and development financing including the Private sector, donors, and other stakeholders. It will allow the promotion of South-South cooperation (SSC) as vital contributor to the implementation of the 2030 Agenda.

The JP will have a direct and indirect effect on the peace dimension of the SDGs. As a direct effect, it will allow the strengthening of the economic and financial governance capacity of the administration (SDG 16) including management of public resource, tax mobilization capacity, budget preparation, accountability, and transparence.

1.3 Stakeholder mapping and target groups

The proposed joint programme will involve several stakeholders, from Government departments to private sector, donors, technical partners and national and international organizations.

On the Government side, various departments will be involved in the preparation and implementation of the programme, including: The Ministry of Finance and Budget, the Ministry of Health, and several other line ministries.

- **The Ministry of Finance and Budget** will have the strategic and political lead on the INFF process. It will lead the overall process, define its goals and ensure their monitoring. These assignments imply to coordinate the stakeholders involved in the

programme. The Ministry Finance and Budget is responsible for the budget planning and revenue collection and allocation.

- **The Ministry of Health** is responsible for the health sector and its public financial management. It will receive additional support to implement the PFM reform in this JP. In the medium term, the results of this JP can be a basis to apply a similar approach to other social sector ministries (Education, Agriculture, Environment, etc…).

On the national executing agencies, the main actors involved will be the Permanent Secretary of Finance and Budget, the Tax Directorate (AGID), the Budget Directorate, and The Commissariat General for Planning (CGP).

- **The Permanent Secretary of Finance and Budget** will lead the all process of the JP. He will chair the main aspects linked to the INFF, the Budget reform and the Tax reform.
- **Tax General Directorate** (AGID) responsible for the tax system will lead the reform of the tax system with the support of the TIWB initiative and is totally committed to the success of this fundamental change on its working procedures and technology.
- **The Budget Directorate** responsible on the budget preparation and execution will lead the programme-budgeting reform.
- **The Commissariat General of Planning (CGP)** is responsible of the management of the Project Investment Programme.

Various UN agencies will be involved in this JP. Two UN agencies (UNDP and WHO) will be directly involved in the activities financially supported by the SDG Fund. UNDP will be responsible for the overall guidance and implementation of the programme and will provide technical and financial support for all the mentioned activities. WHO will implement the health sector components, both technically and financially, to ensure the programme is inclusive "leaving no one behind".

The private sector will also be a key actor for this JP through its participation of the implementation of the INFF agenda with the participation of its main organizations (MODEC, COPARCO, CCI).

2. Programme Strategy

2.1. Overall strategy

The main strategy of this joint proposal is to support the Government of Comoros to strengthen its financial system to better mobilize domestic resources and spending them in priority SDG areas including the health sector. The government will be supported in three main ways: 1) to strengthen tax collection systems; 2) to facilitate development of an INFF, and 3) supporting alignment of budgets to SDGs including in the health sector with a better understanding of health expenditures.

The reform of Comoros tax system is key to respond to the Addis Ababa Action Agenda orientation to build on domestic resource for the financing if the 2030 Agenda. In addition, the JP will contribute to the overall PFM reform and benefit in particular to the health sector.

This JP will allow for the first-time the designing of a financing strategy and framework to capture the country potential opportunities to finance its development. An inclusive platform will be set up to address its financing challenges and to build a common approach of financing policy as well as across different actors in particular public and private and constituencies for financial reform across a larger group of stakeholders than current reforms.

This JP is aligned with the national development goals and ambition of the Plan Comoros Emergent for the economic transformation of the country. This JP will be critical to accompany the country on the change and reform implied by such ambitious vision.

This will be done by:

(1) **By strengthening the national capacity to mobilize domestic resource through the reform of the tax system with the support of the initiative TIWB, and the strengthening of the taxation of the informal sector.**

(i) The Tax Inspectors Without Borders (TIWB) initiative is requested by the government since the Donors round table in Paris where the President met OECD Secretary General and asked the support of UNDP and OECD through this opportunity to reset the all reform of the tax system. The performance of the tax administration must be totally reviewed, and its organization structured around the essential factors of good tax administration:

(a) Ensuring the integrity of the taxpayer register: The registration of taxpayers and the maintenance of an accurate and comprehensive register are essential for the proper functioning of a tax administration. This includes in the Comoros the establishment of a complete file of taxpayers with a system of file monitoring, reporting and accountability; centralization of the tax treatment of large companies, including public enterprises, and of structuring the treatment of small and medium-sized enterprises that contain a significant uncovered tax deposit.

(b) Establish effective risk management: Performance is improved when the risks to revenue are identified and the activities of the tax administration are systematically managed. This will involve setting up a strict administrative organization based on known and respected rules and procedures: a profound work of behavior change should be carried out by putting in place a relevant framework of incentives and sanctions. Internal risk management also requires the establishment of a real anti-corruption mechanism within the tax administration: system for monitoring files processed by agents, audit and control of agents' activities.

(c) Organize the delivery of tax declarations on time: The presentation of tax declarations on time is fundamental because the declaration is an essential instrument for determining, for each taxpayer, his tax which then becomes due and payable. The notification of taxes must be organized, and the responsibilities defined in order to ensure the monitoring of the payment of taxes and the handling of non-payments. Likewise, the tax exemption regime must be framed, and a strict approval process defined and applied.

(d) Guarantee timely payment of taxes: Failure and delay in paying taxes can have a detrimental effect on cash flow and government budgets. Collecting tax arrears is a long and costly process. Also, AGID must link the notification of charges to the monitoring of their payment and the handling of non-payments. A mechanism for sharing information with customs must be put in place to ensure that importers pay the tax (60% of importers escape taxes).

(e) Accuracy of the information declared: The tax systems are essentially based on accurate and exhaustive information declarations. Control and audit activities and preventive measures to assist taxpayers and promote the provision of accurate information and reduce tax evasion. As it stands, no mechanism has been put in place to guarantee the accuracy of the information declared, particularly for state-owned companies. Control activities based on documents are rare and monitoring is poorly assured.

(f) Efficient resolution of tax disputes: Independent, accessible and efficient appeal mechanisms guarantee the taxpayer's right to contest a tax assessment and to be heard promptly in all fairness. Tax litigation must be completely restructured in all

ways. Tax receivables are hardly monitored, especially those subject to litigation. Their accounting inflates tax assets in a way that can be wrong.
(g) Efficient revenue management: Tax revenue collected must be fully accounted for, compared to budget expectations and analyzed to guide revenue forecasts. Legitimate tax refunds to individuals and businesses must be processed quickly. One of the important issues that the implementation of the AGID reform must address concerns the centralization of fiscal authority between the Union and the islands.

(2) **By designing an Integrated National Financing Framework (INFF)** which will allow the mobilization of all stakeholders to commit on the development financing strategy tailored to the main bottlenecks of Comoros development finance system. The financing strategy will bring together priority financing policy actions.

i. The modernization of the management of the Public Investment Program (PIP) through the computerization of the complete cycle and the introduction of SDG markers will allow the alignment of the investment program of line ministries to SDG goals and targets and make sure that the resources on the budget investment will be really directed to the investment needed to meet the SDGs.
The country has already set up a platform for managing information on aid, DAD-Comoros (Development Assistance Database-Comoros). The DAD-Comoros is a computerized aid management system, accessible on the intranet and on the internet, allowing remote data entry. This system allows each entity (government or partner) to have permanent access to data concerning them, via the Internet and / or an intranet system. Each entity is responsible for updating the data relating to it, which allows the system to be used as a tool for transparency and mutual accountability.
The system tracks the alignment of projects and programs with the priorities of the national development strategy, including with regard to the SDG targets prioritized by the country, as well as the development results to which these projects and programs contribute. A management module for the entire process of the public investment program (PIP) is being implemented in the DAD-Comoros, which will thus provide a complete overview of the funding situation of public investments, through the platform. The aim is to strengthen the government's capacities to optimize the management of development finance through an integrated computerized information system performing on aid and investment, through the DAD-Comoros. This in the context of better financing of the SDGs and in line with the fundamental principle of the 2030 agenda for sustainable development of "leaving no one behind". The main activities are: (1) Support the reform of the institutional framework for managing the PIP (Institutional and organizational diagnosis of the structures involved in the management of the PIP / proposal and validation of the appropriate institutional mechanisms including coordination; (2) Strengthen the technical and operational capacities of the structures involved in the full PIP management cycle; (3) support the publication and online publication of periodic reports on aid and investment in the Comoros; (4) support the linking of the PIP to the performance-based budget.

ii. The alignment of the budget to the national development strategies will be done through the implementation of the programme-budgeting reform. A new process of implementing Budget reform will be put in place starting with the Direction of the Budget. The objective is to start a new process of budget elaboration to move from mean-budget to result-budget. The Medium-Term Expenditure Framework (MTEF) approach will be introduced to make sure the move in the execution of the budget from the classical approach to the performance based one. This will

include designing programs in the line ministries and training ministries on the innovative concepts of pluriannual budgeting including on commitment appropriations, payment appropriations, fungibility of funds, internal audit and evaluation function in line ministries.

(3) **By strengthening the capacity of the health sector to assess, monitor and execute the resources spent in the health system.**

i. This JP will support reviewing public expenditure in the health sector to have a better understanding of the use and the efficacy of the resources devoted to the health system. This analysis using innovative methods in public finance will allow to advocate for more resources to the social sector including the health system to meet the SDGs and particularly to have a health system that considers the need of the most vulnerable, the young, and the women.

ii. The establishment of National Health Accounts for the years 2019 and 2020 is part of the backbone analysis to undertake to understand the structure of the expenditures in the health system. It will allow to better understand the burden of health costs borne by families.

The SDGs will demand both significant increases in capacity and resources as well as changes in the way existing resources are used and prioritized. To address these challenges and achieve sustainable development, Comoros will need to develop a fit for purpose development financing strategy with more effective and integrated approaches to managing public and private finance for which the definition of the INFF will allow to catalyze the resources needed to achieve the country national development priorities.

The added value of the UN with this programme is to bring to the Government his convening capacity to set up an inclusive platform to drive the necessary reforms of the financing system for the country development. In addition, the UN has the technical and financial capacity and expertise to carry out such a project.

The UN is already providing significant assistance to the Union of the Comoros in the areas of strategic and operational planning, resource mobilization, and public finance reform. It notably supported the government in developing the PCE and in preparing and organizing a round table around this plan and its implementation programs, which recorded pledges of $ 4.3 billion dollars from public and private partners.
UNDP supports the modernization of the management of the public investment program, including the computerization of the entire PIP chain on a platform that already houses the development aid database. It also supports the completion of an in-depth development finance assessment (DFA).
UNDP has already undertaken a review of the tax system performance and organization, the budget preparation process, the accountability and transparency framework supporting the reform of the financial system.
WHO has already performed the establishment of national health accounts for year 2014 to 2016. Each UN agency has a privileged relationship with sectoral Government including WHO support to social sector. The joint work of the UN will enable the country to move from the current fragmented approach to an integrated approach of the development financing policy.

The JP will support the outcomes 2 and 3 of the UNDAF for Comoros, whose main objective are defined respectively as: "By 2022, people, especially vulnerable groups, benefit from and use quality, equitable and sustainable basic social and protection services" and "By 2022, state and non-state institutions exercise better political, administrative, and economic governance, consistent with human rights and resilience practices."

With the completion of the DFA exercise, the INFF will be led by the government oversight team chaired by the Ministry of Finance and Budget to fit in the existing SDG support mechanism led by the CGP. This mechanism will help generate ownership to sustain implementation of the INFF.
The programme will strengthen and liaise with existing national policies adopted recently by the Government including the ongoing PFM reform plan.
At the end of this JP, **an efficient model of integrated national financing framework will be in place,** additional resource will be mobilized and aligned behind national development priorities and the SDGs; policy and institutional reforms will have been implemented to better integrated planning and financing, and medium term actions will be articulated for further scaling up of financing for national development priorities and the SDGs.

In addition, the JP will provide an opportunity for aligning financing policies with national sustainable development priorities and the SDGs to leave no one behind, promote gender equality and the empowerment of vulnerable groups, children, young people, women and girls, propose inclusive engagement with the legislature, the private sector, civil society, development partners and other stakeholders to create ownership by all actors.

2.2 Theory of Change (ToC)

The main objective of this JP is to support the Government of Comoros to deepen its development financial mechanism and sources to find the resources needed to meet its development goals and the SDGs.
Assumptions:

- (1) if a SDG aligned INFF is developed based on the comprehensive DFA undertaken;
- (2) if tax collection and management systems are strengthened; and
- (3) if public budgeting and expenditures systems including in health sector are strengthened and aligned to SDGs,
- **then** the government will have more resources to invest in critical SDGs sectors, and is in a better position to ensure their equitable allocation to foster sustainable development.

The rationale of the ToC

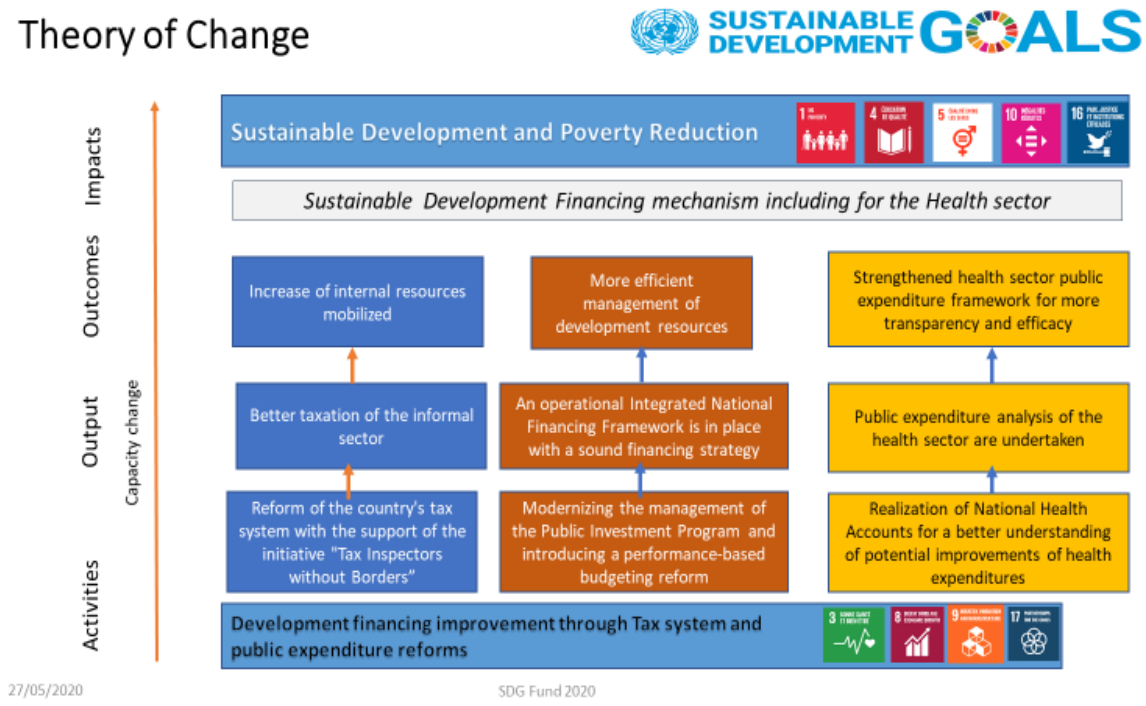
The long term expected impact of the proposed JP is to contribute to increasing the capacity of the government to finance its development agenda including the reduction of poverty by providing more public services and social benefits, including health services.

To achieve this long-term objective the JP is expected to work at three levels:

- **Increasing the capacity to mobilize internal resources by supporting the** reform of the country's tax system with the support of the initiative "Tax Inspectors without Borders" and strengthening the taxation of the informal sector.

- **Enhancing the management of development resources to meet the SDGs with the designing of a** financing strategy, fitted for purpose responding to the key challenges highlighted in the Development Finance Assessment, supported by a national inclusive multi-stakeholder platform to facilitate dialogue and participation around the Integrated National Financing Framework; the modernization of the management of the Public Investment Program (PIP) including the computerization of its complete cycle and the introduction of SDG markers and finally the implementation of the performance-based budgeting reform for a better alignment of the budget to the national development strategy.

- **Strengthening the health sector public expenditure framework for more transparency and efficacy in the implementation of the SDGs with p**ublic expenditure analysis, National Health Accounts realized and a medium-term spending framework (MTEF) for health sector developed to enable a better alignment of health expenditures to the sector's policy.



2.3 Expected results by outcome and outputs

The long-term objective of the JP is to support the Government to identify means of implementation to meet the SDGs and accelerate reforms critical to implement its development financing strategy. The programme is structured around three outcomes, and the outputs associated, as follows:

Outcome 1. By 2022, the capacity to mobilize internal resources is increased

- **Output 1.1. (Under the responsibility of UNDP)** The reform of the country's tax system is implemented with the support of the initiative "Tax Inspectors without Borders
- **JP Output 1.2. (Under the responsibility of UNDP)** The taxation of the informal sector is increased

Outcome 2. By 2022, the country puts in place and uses effective tools and procedures for optimal management of development resources to meet the SDGs

- **JP Output 2.1. (Under the responsibility of UNDP)** A financing strategy, fitted for purpose responding to the key challenges highlighted in the Development Finance Assessment, is designed and a national multi-stakeholder

platform is set up to facilitate dialogue and participation around the Integrated National Financing Framework

- **JP Output 2.2. (Under the responsibility of UNDP)** The process of modernizing the management of the Public Investment Program (PIP) including the computerization of the complete cycle and the introduction of SDG markers is strengthened
- **JP Output 2.**3. **(Under the responsibility of UNDP)** A performance-based budgeting reform, including in the health sector is implemented for a better alignment of the budget to the national development strategy

Outcome 3: By 2022, the health sector public expenditure framework is strengthened for more transparency and efficacy in the implementation of the SDGs

- **JP Output 3.1. (Under the responsibility of WHO)** Public expenditure analysis (Public expenditure review and, public expenditure tracking) in the health sector are undertaken;
- **JP Output 3.2. (Under the responsibility of WHO)** National Health Accounts for the years 2019 and 2020 are established for a better understanding of potential improvements of health expenditures.

The JP programme main supporting activities are aimed at reinforcing the public capacity to manage the financing system for the development of the country. The actions that will be supported by the programme will strongly allow the building of institutional capacities to support a modernized development financing framework.

2.4 Budget and value for money

The total budget for this JP is 1,350,000 US$ considering both SDG Funds and UN financial contributions of the agencies directly involved in the programme (UNDP, and WHO). About 75% of the overall budget will be financed by the SDG Fund, the rest will be finance by UN contributions.

The JP budget is divided into the three components: (1) Increasing the capacity to mobilize internal resources by supporting the reform of the country's tax system with the support of the initiative "Tax Inspectors without Borders" and strengthening the taxation of the informal sector (33%); (2) Enhancing the management of development resources to meet the SDGs with the designing of a financing strategy, the modernization of the management of the Public Investment Program (PIP) and the implementation of the performance-based budgeting reform for a better alignment of the budget to the national development strategy (50%); and (3) Strengthening the health sector public expenditure framework for more transparency and efficacy in the implementation of the SDGs (11%).

The balance between the three components will ensure to have results both at the capacity and change level but also at policy level thus ensuring sustainability of results over the long term.

The JP will beneficiate from the use of the collective expertise of UNDP and WHO on public finance and health sector analysis. It will build from the ongoing interventions being implemented by the UN agencies involved including UNDP support to the Ministry of Finance and Budget on PFM reform, tax mobilization and SDG mainstreaming and implementing and to CGP on PIP implementation; WHO support to health sector, in particular the Ministry of Health on health expenditures analysis. This JP is integrated to a strong stream of work of

the UN agencies involved so that it will have a real long-term financial sustainability, after the end of the programme.

The focus is on policy and institutional reform and capacity development. A focus on systems and reform enables the program's impact to be scaled up and extended as long as these policy and institutional functions continue post programme.

Through the SDG budgeting process, gender inequalities will be taken into account as part of the willingness to systematically integrate SDGs into national resources and expenditures management.

Public finance reviews will ensure that the gender dimension is mainstreamed, and it will be verified that the SDGs targets are fostered by the public budget. Gender-responsive budgeting is more than accurate and efficient accounting. The programme will also promote the reduction of gender inequalities through the Gender Equality Seal aimed at mainstreaming the gender dimension in private sector activities. To this end, UNDP will support public and private stakeholders through the establishment of specific human resources management tools, guidelines and evaluation criteria. The main objectives are to eliminate gender-based salary differentials, increase the proportion of women involved in decision-making, improve work-life balance, eliminate sexual harassment in the workplace, use inclusive and non-sexist communication, and promote women in business and the gender perspective in value chains.

Over the long term it is expected to leverage additional funds particularly from other development partners. Indeed, the JP will be contributing to global supports several donors including EU, AFD (Agence française de développement – French Development Agency) and IMF are giving to the reform of the PFM system. The EU and the French Cooperation Agency have a joint project to support public finance reform. This JP is aligned to the objective of the EU-AFD project under the leadership of the Permanent Secretary of the MFB. The DFA exercise undertaken in Comoros has opened a space to discuss and exchange with all donors in Comoros on development financing, this opportunity will be seized by the development of INFF to enlarge Comoros financial possibilities. These opportunities could range from public internal and external sources including fiscal and tax system improvement, public expenditure enhancement, south-south cooperation etc. to private internal and external financing including, among others, blending financing, climate financing, diaspora bonds, capital investment, clean technology investment or clean energy investment.

2.5 Partnerships and stakeholder engagement

The Ministry of Finance and Budget oversees the PFM management in accordance with the General State Policy. It oversees the collection of tax and revenue and the execution of public resources for the government. **The programme will be implemented under the leadership of the Ministry of Finance and Budget.**

The ministry has the leadership in elaborating and implementing the financial, fiscal and budgetary policy of the State including - the elaboration of the projects of Finance Laws, the control and the synthesis of the execution of the Finance Laws; tax assessment, recovery of tax and customs resources; management and control of state and local government assets; management of the State's internal and external cash and debts, and also on aid cooperation with Bretton Wood institutions.

In addition, the programme will strengthen the capacity of the Ministry of Finance and Budget to coordinate and master the financial landscape of the country and also to prepare performance-based budgeting, execute the budget and to operate the tax system, and it will reinforce the capacity of **the Ministry of Health** in PFM.

The CGP will lead the aspect linked to the modernization of the PIP management. This body assists the Government with the coordination, monitoring and implementation of priority investment programmes and projects, both public and private, in particular those identified within the framework of the Donors' and Partners' Conference organized in December 2019 in Paris. The CGP is responsible of the coordination of ODA and chair the National Committee for the SDG working closely with UN System.

The tax administration (AGID) will lead the implementation of the tax section of the programme.

The Budget Directorate will lead the implementation of the performance-based budgeting section of the JP.

The Ministry of Health (MFA) develops and coordinates the implementation of the Government's policy and strategy on health. It is responsible of the definition and execution of the national health policy.

UN RC will lead the political engagement at the highest level with the Secretary General of the Government and the Presidency.

UNDP will lead technical engagement at the Ministry of Finance and Budget and the CGP level bringing together the support of other UN agencies as part of the technical support to the INFF and its Oversight Committee and its links with specific SDGs.

The JP is a unique opportunity to have various PUNO working together on the development of instruments aimed at accelerating the implementation of the SDGs. This JP will bring together two UN agencies, UNDP and WHO, who will bring additional funds to implement their activities.

This JP is creating an environment on which each UN agency will bring specific sectoral expertise according to its core mandate.

UNDP is the leader in development support and the SDGs are the guiding framework for its activities. It has experience in macro reforms and works closely with the CGP and the MFB on SDG mainstreaming and implementation and PFM reforms respectively. Through its integrating role, it will ensure the leadership of the JP and the effective coordination of the activities foreseen in the JP.

WHO is the leader on supporting the health system in Comoros. Public expenditures reviews in particular in social sectors including health have been carried out by WHO in many countries. The National Health Account exercises have been undertaken by WHO in Comoros for the fiscal years 2011 to 2013.

The project will create an environment to bring in the expertise of the WBG, EU, AfDB and the IMF through their support to the PFM reform under the joint framework of dialogue with the MEF and technical partners supporting its reform. This framework will be used to interact with the partners and integrate their recommendations as part of the broader SDG financing strategy.

UNDP is mobilizing the global and regional expertise from UNDPs Finance sector hub to provide technical advice and support throughout the process. This is also connected with the GPN approach of UNDP COs sharing their current solutions and scaling them up to Madagascar context.

Other development partners will be indirectly involved in the JP, in particular the World Bank, EU, the AfDB, AFD and IMF. The EU and the AFD provide important financial support (7 million € for 4 years in 2019) to the implementation of the PFM reform. They will be directly involved in all stages of programme implementation to ensure that the proposed interventions will be consistent and complementary to what they are planning to do in the future.

The target groups of the JP are then the Ministry of Finance and Finance, the Minister of Public Health, line ministries including social sector ministries and the CGP.

3. Programme implementation

3.1 Governance and implementation arrangements

The programme will be implemented under the overall coordination of the Ministry of Finance and Budget, and in particular its Permanent Secretary. The MFB will coordinate the implementation of the JP with other ministries involved including the Ministry of Public Health, and the CGP. The Managing Director (MD) of AGID (the tax administration) will have the technical leadership on the tax system reform, the CGP will have the lead on the modernization of the PIP management system, and the Permanent Secretary of MFB will lead the INFF engagement. The Budget Director will lead the implementation of the performance-based budgeting reform. The Heath General Director will lead the health section of the JP.

The Minister of Finance and Budget will have the strategic and political lead of the JP.A small Steering Committees, composed of members of the main administrative bodies (CGP, AGID, Budget, and Health) and UN agencies involved, will be put in place to oversight the programme.

UN RC will lead the political engagement at the highest level with the SGG and the Presidency in particular for the global reform of the financing landscape resulting from the DFA and INFF processes. UNDP RR will lead the political engagement with the Minister of Finance and Budget. WHO RR will lead the technical dialogue with the Ministry of Health.

The INFF process will need its own Steering Committee led by the Ministry of Finance and Budget under the technical leadership of its Permanent Secretary.

3.2 Monitoring, reporting, and evaluation

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. Each PUNO will provide the Convening/Lead Agent with the following narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat:

- *Annual narrative progress reports*, to be provided no later than. one (1) month (31 January) after the end of the calendar year, and must include the result matrix, updated risk log, and anticipated expenditures and results for the next 12-month funding period;
- *Mid-term progress review report* to be submitted halfway through the implementation of Joint Programme[1]; and
- *Final consolidated narrative report*, after the completion of the joint programme, to be provided no later than two (2) months after the operational closure of the activities of the joint programme.

[1] This will be the basis for release of funding for the second year of implementation.

The Convening/Lead Agent will compile the narrative reports of PUNOs and submit a consolidated report to the Joint SDG Fund Secretariat, through the Resident Coordinator.

The Resident Coordinator will be required to monitor the implementation of the joint programme, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. As a minimum, joint programmes will prepare, and submit to the Joint SDG Fund Secretariat, 6-month monitoring updates. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat. Joint programme will allocate resources for monitoring and evaluation in the budget.

Data for all indicators of the results framework will be shared with the Fund Secretariat on a regular basis, in order to allow the Fund Secretariat to aggregate results at the global level and integrate findings into reporting on progress of the Joint SDG Fund.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting done throughout the year.

PUNOs at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

- Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
- A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

In addition, regular updates on financial delivery might need to be provided, per request of the Fund Secretariat.

After competition of a joint programmes, a final, *independent and gender-responsive*[2] *evaluation* will be organized by the Resident Coordinator. The cost needs to be budgeted, and in case there are no remaining funds at the end of the joint programme, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

The joint programme will be subjected to a joint final independent evaluation. The evaluation will be organized by the Resident Coordinator. The lead agency responsible for the final evaluation will be UNDP. It will be managed jointly by PUNOs as per established process for independent evaluations, including the use of a joint evaluation steering group and dedicated evaluation managers not involved in the implementation of the joint programme. The evaluations will follow the United Nations Evaluation Group's (UNEG) Norms and Standards for Evaluation in the UN System, using the guidance on Joint Evaluation and relevant UNDG guidance on evaluations. The management and implementation of the joint evaluation will have due regard to the evaluation policies of PUNOs to ensure the requirements of those policies are met and the evaluation is conducted with use of appropriate guidance from PUNOs on joint evaluation. The evaluation process will be participative and will involve all relevant

[2] How to manage a gender responsive evaluation, Evaluation handbook, UN Women, 2015

programme's stakeholders and partners. Evaluation results will be disseminated amongst government, development partners, civil society, and other stakeholders. A joint management response will be produced upon completion of the evaluation process and made publicly available on the evaluation platforms or similar of PUNOs.

3.3 Accountability, financial management, and public disclosure

The Joint Programme will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for the Joint Programme through the AA. Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding with the AA.

Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Participating Organizations recovered through programme support costs will be 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Funding by the Joint SDG Fund will be provided on annual basis, upon successful performance of the joint programme.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund.

PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Each PUNO will take appropriate measures to publicize the Joint SDG Fund and give due credit to the other PUNOs. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, PUNOs, the Administrative Agent, and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating Organization and partners in all external communications related to the Joint SDG Fund.

3.4 Legal context

Agency name: PNUD
Agreement title: Accord de base régissant la coopération entre le Programme des Nations Unies pour le Développement et le Gouvernement des Comores
Agreement date: 27 Janvier 1976

Agency name: OMS
Agreement title: Accord de base régissant la coopération entre l'OMS et le Gouvernement des Comores
Agreement date: 27 Janvier 1976

D. ANNEXES

Annex 1. List of related initiatives

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
DFA	Mapping and analysis of all types of financing sources for Comoros development	The results of the DFA are key to the development of the financing strategy and the establishment of the INFF	UNDP	RCO and Other UN agencies	UNDP	El Hadji Fall El.hadji.fall@undp.org
le Programme de consolidation des administrations financières (PROCAF)	Improved mobilization of domestic fiscal resources. Transparency on the use of public funds. (i) An improvement in the performance of tax authorities, resulting in an improvement in the tax revenue / GDP ratio, which would stand at 14.7% in 2019, and (ii) an improvement in the implementation of the development strategy leading to a fairer use of public resources and more oriented towards priority spending, and thus an improvement in the EPIP score on equity in the use of public resources, which would stand at 3.2 in 2019.	The JP will leverage the actions implemented by this project to attain its results	AFD	UE	7°000°000€	
PROJET DE RENFORCEMENT DES CAPACITES INSTITUTIONNELLES (PRCI) PHASE II		The JP will sustain the results obtained by this project that ended in 2019	AfDB		7°500°000 €	

Annex 2. Results Framework

2.1. Targets for Joint SDG Fund Results Framework

Joint SDG Fund Outcome 2: Additional financing leveraged to accelerate SDG achievement

Indicators	Targets	
	2020	2022
2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope[3]		
2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale[4]		

Joint SDG Fund Output 4: Integrated financing strategies for accelerating SDG progress implemented

Indicators	Targets	
	2020	2022
4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful)		
4.2: #of integrated financing strategies that have been implemented with partners in lead[5]		
4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational		

Joint SDG Fund Operational Performance Indicators

- Level of coherence of UN in implementing programme country[6]
- Reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other joint programmes in the country in question

- Annual % of financial delivery
- Joint programme operationally closed within original end date
- Joint programme financially closed 18 months after their operational closure

- Joint programme facilitated engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)
- Joint programme included addressing inequalities (QCPR) and the principle of "Leaving No One Behind"
- Joint programme featured gender results at the outcome level
- Joint programme undertook or deaw upon relevant human rights analysis, and have developed or implemented a strategy to address human rights issues
- Joint programme planned for and can demonstrate positive results/effects for youth

[3]Additional resources mobilized for other/ additional sector /s or through new sources/means
[4]Additional resources mobilized for the same multi-sectoral solution.
[5] This will be disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners
[6] Annual survey will provide qualitative information towards this indicator.

- Joint programme considered the needs of persons with disabilities

- Joint programme made use of risk analysis in programme planning
- Joint programme conducted do-no-harm / due diligence and were designed to take into consideration opportunities in the areas of the environment and climate change

2.2. Joint programme Results framework

Result / Indicators	Baseline	2020 Target	2021 Target	2022 Target	Means of Verification	Responsible partner
Outcome 1: By 2022, the capacity to mobilize internal resources is increased						
Outcome indicator 1.1 Total government revenue as a proportion of GDP	7,9%	8%	9%	10%	Government Budgets	UNDP; MFB, AGID
Output 1.1: The reform of the country's tax system is implemented with the support of the initiative "Tax Inspectors without Borders.						
Output Indicator 1.1.1: Proportion of domestic budget funded by domestic taxes	59,46% (2019)	60,00 %	61,00 %	64,46%	Government Budgets	MFB, AGID; UNDP
Output Indicator 1.1.2: Independent, accessible and efficient appeal mechanisms for efficient resolution of tax disputes are operational	No	No	mechanisms are defined and adopted	Mechanisms are operational	customs and tax departments reports	MFB, AGID; UNDP
Output 1.2: The taxation of the informal sector is increased						
Output indicator 1.2.1: Proportion of Tax revenue collected from Informal sector	6,7% (2019)	7%	8,9%	14,7	Tax departments reports	AGID, MFB
Output indicator 1.2.2: a department in charge of the taxation of the informal sector is operational at the	No (2019)	No		Department operational	Project report	AGID, MFB

Result / Indicators	Baseline	2020 Target	2021 Target	2022 Target	Means of Verification	Responsible partner
level of the General Administration of Taxes and Domains (AGID)			Department defined and in place			
Outcome 2: By 2022, the country puts in place and uses effective tools and procedures for optimal management of development resources to meet the SDGs						
Outcome Indicator 2.1: A manual for integrating the SDGs into the national budget processes is operational	No 5 (2019)	No	Manual adopted	Manual operational	Project report	MFB, UNDP
Outcome Indicator 2.2: Proportion of government recurrent and capital spending to sectors that disproportionately benefit women, the poor and vulnerable groups	45% (recurrent spending); 70% capital spending (2019)	46% (recurrent spending); 70% capital spending	47% (recurrent spending); 71% capital spending	50% (recurrent spending); 72% capital spending	Government budgets	MFB
Output 2.1: A financing strategy, fitted for purpose responding to the key challenges highlighted in the Development Finance Assessment, is designed and a national multi-stakeholder platform is set up to facilitate dialogue and participation around the Integrated National Financing Framework.						
Output Indicator 2.1.1: Percentage of prioritized challenges implemented by the country	0%	15%	15%	33%	Project reports	UNDP; MFB
Output indicator 2.1.2: INFF oversight mechanism in place and operational	No	No	INFF mechanism in place	INFF mechanism operational	Project reports	UNDP; MFB
Output 2.2: The process of modernizing the management of the Public Investment Program (PIP) including the computerization of its complete cycle and the introduction of SDG markers is strengthened						
Output indicator 2.2.1: A PIP IT module is inserted into the DAD system	Preliminary version of the module exists (2019)	final module is installed on the DAD platform (2020)	PIP module is operational on the DAD platform (2021)		Project reports DAD/PIP reports	UNDP, CGP
Output indicator 2.2.2: The number of SDG markers integrated into the DAD system	0	10	30	68	Aid coordination reports/DAD reports	UNDP; CGP

Result / Indicators	Baseline	2020 Target	2021 Target	2022 Target	Means of Verification	Responsible partner
Output 2.3: A performance-based budgeting reform is implemented for a better alignment of the budget to the national development strategy						
Output indicator 2.3.1 Number of sectors capable of implementing performance-based budgeting reforms	0	0	3	5	MFB Reports (Budget Directorate)	MFB, UNDP, WHO; MoH
Output indicator 2.3.2 Number of sectors capable of implementing gender sensitive programme-budgeting	0	0	3	5	MFB	MFB, UNDP, WHO;
Outcome 3: By 2022, the health sector public expenditure framework is strengthened for more transparency and efficacy in the implementation of the SDGs						
Outcome indicator 3.1: Proportion of total government spending on health	10% (2019)	11%	15% (including Covid-19 stress)	12%	Government Budgets	WHO; MFB, MoH
Output 3.1: Public expenditure analysis in the health sector are undertaken						
Output indicator 3.1.1: Percentage of household expenditure in relation to total health expenditure	49,50% (2019)	45%	4O%	42%	Government Budgets	WHO; MFB, MoH
Output indicator 3.1.2: Percentage of publicly financed health expenditures	27,17% (2019)	28%	30%	32%	Government Budgets	WHO; MFB, MoH
Output 3.2: National Health Accounts for the years 2019 and 2020 are established for a better understanding of potential improvements of health expenditures						
Output indicator 3.2.1: number of fiscal year National Health accounts established	2 (2019)	2	3	4	Project reports	WHO
Output indicator 3.2.2:	1 (2019)	1	2	3	Project reports	WHO

Result / Indicators	Baseline	2020 Target	2021 Target	2022 Target	Means of Verification	Responsible partner
Existence of the health accounts report						

Annex 3. Gender marker matrix

Indicator N°	Indicator *Formulation*	Score	Findings and Explanation	Evidence or Means of Verification
1.1	Context analysis integrate gender analysis	2	Gender analysis is integrated in the context.	Proposal section 1.1, 1.2, 1.3 .
1.2	Gender Equality mainstreamed in proposed outputs	2	Gender is systematically taken into account in proposed outputs, especially through the global willingness of reducing all kind of inequalities.	SDG proposed targets in the 1.2, 2.1, 2.2, 2.3, 3.1, 3.2, and 3.3 sections of the results framework
1.3	Programme output indicators measure changes on gender equality	2		
2.1	PUNO collaborate and engage with Government on gender equality and the empowerment of women	2	The program addresses gender issues and involves the ministry of population, social protection and the promotion of woman to achieve the common goal of gender equality, and other several social ministries.	Proposal section 2.5 and 1.3
2.2	PUNO collaborate and engages with women's/gender equality CSOs	2	CSOs struggling for gender equality are involved in the program.	Communication for development et work plan à developper1.3
3.1	Program proposes a gender-responsive budget	2		2.4
Total scoring		2		

Annex 4. Budget and Work Plan

4.1 Budget per UNSDG categories

The Budget proposed can be broken down into three categories:

- Category 1: Contribution of PUNOs: UNDP - $150°000; WHO - $20°000
- Category 2: Amount requested to SDG Fund: $ 999 999
- Category 3: Distribution per year: 42% the first year and 58% the second year

The JP management costs are considered under two budget sections:

- General Operating and other Direct Costs for 8% including Monitoring and evaluation, 2% and Communication (launch and closure events, Joint SDG Fund branding and communication, etc.), for 6%.
- Indirect Support Costs for 7% covering general management services and any other costs.

UNDG BUDGET CATEGORIES	PNUD		WHO		TOTAL	
	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	**Joint SDG Fund (USD)**	**PUNO Contribution (USD)**
1. Staff and other personnel	0	150 000	0	20 000		170 000
2. Supplies, Commodities, Materials	150 000		0		150 000	
3. Equipment, Vehicles, and Furniture (including Depreciation)	85 000		0		85 000	
4. Contractual services	456 284		140 000		659 850	
5.Travel	39 729		0		39 729	
6. Transfers and Grants to Counterparts	0		0		0	
7. General Operating and other Direct Costs	63 566		0		63 566	

Total Direct Costs	**794 579**		**140 000**		**934 579**	
8. Indirect Support Costs (Max. 7%)	*55 621*		*9 800*		*65 421*	
TOTAL Costs	**850 199**	**150 000**	**149 800**	**20 000**	**999 999**	**170 000**
1st year	**257000**	50000	**149800**	20000	**406800**	**70 000**
2nd year	**593 199**	100000			**593199**	**100 000**

4.2 Budget per SDG targets

The overall budget will contribute to the achievement of the 4 objectives proposed under the SDGs, focusing on deepening the mechanism and its sources of development finance in order to find the resources needed to achieve its development objectives and SDGs and leverage them to reduce poverty and inequality and leave no one behind by 2030.

SDG 17 represents 65% of the overall budget, considering that it is the heart of this JP that will enable the design of the integrated national financing framework needed to have an approach adapted to the main bottlenecks in each segment of Comoro's development financing system, including the tax system, the management of the public investment program, implementing performance-based budget programming.

SDG 5 and SDG 3 which represent respectively 17 percent and 11 percent of the budget will be highly impacted by the JP.

Finally this JP makes it possible to impact the mobilization of internal resources and to implement the performance-based budgeting programme framework which will allow the government to improve the alignment of the budget with the resources allocated to social sectors directly impacting the poor and vulnerable and contributing to the achievement of SDGs 1 (6 percent of the Budget).

SDG TARGETS		%	USD
1	SDG 1- 1.a: Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions SDG 1 - 1.b: Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions	6,36%	74 400

3	SDG 3 - 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all; SDG 3 - 3.c: Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States	11,13%	130 200
5	SDG 5 - 5.c: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels	17,52%	204 921
17	SDG 17 - 17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection SGD 17 - 17.3: Mobilize additional financial resources for developing countries from multiple sources SDG 17-17.4: Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress	65,00%	760 421
TOTAL			1 169 941

4.3 Work plan

Outcome 1			By 2022, the capacity to mobilize internal resources is increased															
Output	**Annual target/s**		**List of activities**	**Time frame**										**PLANNED BUDGET**				**PUNO/s involved**	**Implementing partner/s involved**
	2020	**2022**		**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Overall budget description**	**Joint SDG Fund (USD)**	**PUNO Contributions (USD)**	**Total Cost (USD)**		
Output 1.1 : The reform of the country's tax system is implemented with the support of the initiative "Tax Inspectors without Borders			Agreement with TIWB		x									295 421	270 479	25 000	**295 479**	UNDP	MFB, AGID, TIWB
			Missions of TIWB		X	x	x	x	x	x	x	x	x						
			Consulting, workshops, training			X	X	x	x	x	x	x	x						
Output 1.2 : The taxation of the informal sector is increased			Economic survey of informal sector			x	x							93 000	93 000	0	**93 000**	UNDP	MFB, AGID, TIWB
			Identification and registration				X	X	X	X	X	X	X						
			Integration in the new tax system basis					X	X	X	X	X	X						

Outcome 2				By 2022, the country puts in place and uses effective tools and processes for optimal management of development resources to meet the SDGs															
Output	**Annual target/s**		**List of activities**	**Time frame**										**PLANNED BUDGET**				**PUNO/s involved**	**Implementing partner/s involved**
	2020	**2022**		**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Overall budget description**	**Joint SDG Fund (USD)**	**PUNO Contributions (USD)**	**Total Cost (USD)**		
Output 2.1 :A financing strategy, fitted for purpose responding to the key challenges highlighted in the Development Finance Assessment, is designed and a national multi-stakeholder platform is set up to facilitate dialogue and participation around the Integrated National Financing Framework			Consultations of main stakeholders Settlement of an INFF Oversight Committee resulting from the DFA process		x	X				X	X			139 500	114 500	25 000	**139 500**	UNDP	MFB CGP
			Adaptation and prioritization of issues of the recommendations of DFA for an INFF		X	X			X	X		X	X						
			Supervision of the implementation of an INFF Participation in the hole process : planning, allocation, execution, monitor and oversight			X	X	X	X	X	X	X	X						

Output 2.2 : The process of modernizing the management of the Public Investment Program (PIP) including the computerization of the complete cycle and the introduction of SDG markers is strengthened			Institutional and organizational diagnosis of the structures involved in the management of the PIP; Designing and validation of new appropriate institutional mechanisms including coordination;			x	x	x	X	X				74 400	64 400	10 000	**74 400**	UNDP	MFB CGP
			Strengthen the technical and operational capacities of the structures involved in the full PIP management cycle; support the publication and online publication of periodic reports on aid and investment in the Comoros;			X	X	X	x	x	X	X						UNDP	CGP MFB
			Digitization of the performance monitoring: support the linking of the PIP to the performance-based budget.				X	X	X	X	X	X						UNDP	MFB CGP

Output 2.3 : A performance-based budgeting reform is implemented for a better alignment of the budget to the national development strategy			Recruitment of experts Alignment of sectoral ministries planning system with the PCE and prioritized SDG targets for programme-budgeting			x	x			X	X			372 000	282 000	90 000	**372 000**	**UNDP**	MFB Budget Department
			Training on performance-based budgeting			X	X	X	x	x	X							UNDP	MFB Budget Department
			Review and Designing of programme for budget and digitization of the performance monitoring system				X	X	X	X	X								
Outcome 3				**By 2022, the health sector public expenditure framework is strengthened for more transparency and efficacy in the implementation of the SDGs**															
Output	**Annual target/s**		**List of activities**	**Time frame**										**PLANNED BUDGET**				**PUNO/s involved**	**Implementing partner/s involved**
	2020	**2022**		**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Overall budget description**	**Joint SDG Fund (USD)**	**PUNO Contributions (USD)**	**Total Cost (USD)**		
Output 3.1 : Public expenditure			Recruitment of international consultants		x	x	x							55 000	45 000	10 000	**55 000**	WHO UNDP	Ministry of Health

analysis in the health sector are undertaken			Training (Travel/DSA, other costs)		x	x	x											
			Workshops (Travel/DSA, other costs)		x	x	x											
Output 3.2 : National Health Accounts for the years 2019 and 2020 are established for a better understanding of potential improvements of health expenditures;			Survey		x	x	x	x						75 200	65 200	10 000	**75 200**	WHO	Ministry of Health
			Recruitment of consultants		x	x	x												
			Workshop (Travel/DSA, other costs)		x			x	x										

Joint programme management			**List of activities**	**Time frame**										**PLANNED BUDGET**				**PUNO/s involved**	**Implementing partner/s involved**
				Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Overall budget description**	**Joint SDG Fund (USD)**	**PUNO Contributions (USD)**	**Total Cost (USD)**		
Output 4.1 : Ensure project management			Recovery costs (7%)		X	X	X	X	X	X	X	X	X	65 421	65 421	0	**65 421**	UNDP	CGP

Annex 5. Risk Management Plan

UNDP and WHO, under the leadership of the RC, will manage proactively the risk identified with due diligence. Using the convening power of UNDP and the RC, diligent concertation will be undertaken with all stakeholders to ensure participatory implementation of the JP and full commitment of the authorities. To minimize the impact of the risk identified a specific implementing team including senior staff of UNDP, WHO and RCO, will be dedicated to the JP to ensure the strengthening of national capacity to coordinate this project.

Risks	Risk Level: (Likelihood x Impact)	Likelihood: Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare – 1	Impact: Essential – 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	Mitigating measures	Responsible Org./Person
Contextual risks					
While political stability is expected to continue, Comoros remains a fragile country and the situation could potentially deteriorate and affect political stability in the medium term.	9	3	3	The JP plans to invest from year 1 on the PFM reform and reinforce institutional capacity and PFM system strengthening.	UNDP/WHO
Natural emergencies and disasters can strike at any point in time, and Comoros is among the vulnerable countries climate disaster.	9	4	3	In the development of the INFF, the JP will take into account the fragility of the country context and prioritize funds targeting emergency relief and resilience building.	UNDP
Programmatic risks					
The design of the JP is relatively complex, focusing on multiple areas and various ministries in addition to the Ministry of Finance and Budget. Weak coordination between ministries may undermine the impact of the JP.	4	3	3	Technical assistance efforts will be deployed to ensure that the Ministry of Finance and Budget will be able to properly coordinate the JP across sectoral ministries.	UNDP
Institutional risks					
Relevant policy and legal frameworks that are currently under development or review may not be enacted in a timely manner for the JP.	6	3	3	Advocacy will be done in a timely manner to ensure their timely enactment and implementation, with a focus on strengthening systems for PFM reform implementation.	UNDP/ WHO