

2015

Arab Sustainable Development Report

Prototype Edition

Technical Summary



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About

This technical summary of the Arab Sustainable Development Report aims to provide an abridged overview of key points and recommendations drawn from the full report, focusing on: 1) the science-policy interface and evidence-based policy in the Arab region; 2) a snapshot of the status and progress on sustainable development in the Arab region across priority thematic issues; 3) an integrated review of sustainable development in the Arab region; and 4) recommendations for preparing the region for the SDGs and post-2015 agenda through a highlight on more effective national and regional institutional framework.

1. Context – Sustainable Development and the Arab Region

Sustainable development: an imperative and an opportunity for the Arab region

The emerging global framework for sustainable development comes at a time when both the world and the Arab region still face many interlinked development challenges. Significant progress has been made on improving living standards and on the Millennium Development Goals (MDGs), however progress has not been homogenous or equitable, and in some cases the gains made have not proven to be resilient over time in the face of shocks and instability. As outlined in detail in this report, the Arab region is currently facing a series of political, environmental, social and economic challenges on multiple fronts.

On the environmental front, water scarcity, land degradation, and worsening climate change impacts raise serious questions regarding water and food security and leave the region vulnerable to shocks. Demographic trends are aggravating these problems: the Arab population has nearly tripled since 1970 and over half the region's population now lives in cities placing strain on governments to deliver basic services.¹

Nine Arab countries suffered from at least one conflict between 2009 and 2013

Unemployment rates are on the rise, with one out of four Arab youths and one out of five Arab women jobless in 2013. With a growing bulge in the youth population, millions of decent jobs will need to be created each year to service the growing demand.

Recently in the region, economic performance and development have been strongly affected by political developments, whether domestic, regional or international, including the Israeli occupation, ongoing political instability and insecurity in several Arab countries. An extremely worrying trend in the region is the high incidence of conflict: 41% of all Arab countries suffered at least one conflict during the five-year period from 2009 to 2013, one of the highest rates in the world.² As a result, the Arab region now accounts for the largest number of refugees, both in absolute and relative terms. For some countries, recent crises have resulted in a loss of decades of development progress.

¹ Schaefer K 2015, Making Cities and Human Settlements Inclusive, Safe, Resilient and Sustainable in the Arab Region, RCM Issues Brief prepared by UN-Habitat for the ASDR.

² ESCWA 2014, Beyond governance and conflict: measuring the impact of the neighborhood effect in the Arab region (E/ESCWA/ECRI/2014/WP.1).

Instability and upheavals in several Arab countries, including those that had been strong performers on MDGs, expose potential governance and participation deficits, as well as inequalities in the distribution of development gains.

This complex and interlinked suite of economic, social, environmental and governance challenges underscore the need for a transformative, integrated and long-term regional agenda.

A new and unprecedented global framework for sustainable development is emerging.

With the international community on the cusp of determining a new universal development agenda, the year 2015 will be a crucial year for the Arab region. At the centre of the new agenda lies sustainable development, a concept whose roots stem back at least to the 1972 Stockholm Conference on the Human Environment, where the relationship between the environment and development were first acknowledged. Indeed, a new global *sustainable* development agenda is emerging that aims to bring together several key themes that have defined recent aspirations of the world's peoples: peace, freedom, development and environment³. This new agenda will need to be ambitious, participatory and truly transformative if it is to overcome the serious challenges that the world will face over the coming 15 years to 2030.

Serious challenges will face the world until 2030, thus the need for the post-2015 agenda to be transformative

The elaboration of a post-2015 development agenda was mandated by the 2010 High-level Plenary Meeting of the General Assembly on the MDGs. Subsequently, Rio+20 mandated the formulation of a set of Sustainable Development Goals (SDGs). Over the last two years a broad global consensus has been reached for a single post-2015 development framework containing a single set of goals that are universally applicable to all countries. The intergovernmental process launched by Rio+20 has now drawn to a close, with the adoption of 17 proposed goals and 169 targets. This set of SDGs has formed the basis for further negotiations on global goals as part of the post-2015 framework.

In July 2013, the UN Secretary-General set forth the four major components of the new development agenda: (a) a far-reaching vision of the future firmly anchored in human rights and universally accepted values and principles; (b) a set of concise goals and targets aimed at realizing the priorities of the agenda; (c) a global partnership for development to mobilize means of implementation; and (d) a participatory monitoring framework for tracking progress and mutual accountability mechanisms for all stakeholders.⁴ In December 2014, the Secretary-General further articulated his vision for these various components⁵.

Several related institutional reforms have also been finalized which will form part of the emerging institutional framework for sustainable development. Most notably, a new High-Level Political Forum on Sustainable Development (HLPF) was established in 2013 which will likely play a leading role in global monitoring and review of progress on the SDGs and the post-2015 agenda. The HLPF will also strengthen the 'science-policy' interface through the publication of a Global Sustainable Development Report (GSDR). Parallel reforms have also been completed to strengthen the Economic and Social Council (ECOSOC) as the UN's principal organization for coordinating economic and social work and to bolster its capacity to pursue

³ Kates K, Parris T, Leiserowitz A (2005) 'What is Sustainable Development? Goals, indicators, values and practice', *Environment: Science and Policy for Sustainable Development*, Vol 47, 3, p8-21.

⁴ United Nations (2013) *A Life of Dignity for All: Accelerating Progress Towards the Millennium Development Goals and Advancing the United Nations Development Agenda Beyond 2015*, Report of the UN Secretary-General, A/68/202, para. 75.

⁵ United Nations (2014) *The Road to Dignity by 2030: Ending Poverty, Transforming All Lives and Protecting the Planet*, Synthesis of the Secretary-General On the Post-2015 Agenda, 4 December 2014, Advance Edition.

sustainable development. The UN Environment Programme (UNEP) was also strengthened as the leading environmental authority responsible for setting the global environment agenda.

2. The Arab Sustainable Development Report as a tool for Arab governments

In this context, negotiations, consultations and reforms relating to sustainable development have also been playing out in the Arab region. In response to Rio+20, the UN Economic and Social Commission for Western Asia (ESCWA), with its partners UNEP and the League of Arab States (LAS), organized several major regional consultations on sustainable development, the SDGs and post-2015 agenda. In response to the global institutional reforms and the establishment of the global HLPF, ESCWA established the Arab Forum on Sustainable Development (AFSD) which held its inaugural meeting in Jordan in April 2014. The second AFSD meeting is scheduled to be held in Bahrain in May 2015, which will coincide with another significant regional meeting on the means of implementation for sustainable development. In preparation for these meetings, and at the request of Arab governments,⁶ ESCWA has led the development of this prototype **Arab Sustainable Development Report (ASDR)**, the first of its kind for the region. The objectives of the ASDR are listed in the **Box** below.

This report is the fruit of a cooperation between regional partners, and is a milestone for the establishment of a knowledge base on sustainable development

Box: Objectives of the ASDR

- To enhance the science-policy interface and improve access to information on sustainable development for Arab governments and other regional stakeholders.
- To review sustainable development progress and trends in the Arab region across priority thematic issues, drawing from the 17 proposed SDGs.
- To assess gaps and opportunities for governance, enabling conditions and means for implementing sustainable development in the region.
- To explore the likely regional implications of the SDGs and post-2015 agenda for the Arab region, as well as national priorities, gaps and capacity needs for implementation.
- To engage and collaborate with countries and stakeholders in the region and spur action and enhance implementation of sustainable development and the SDGs.
- To serve as an input to the Arab Forum on Sustainable Development and link with the global institutional framework and processes (including the HLPF and GSDR).

To prepare the ASDR, ESCWA has collaborated with its partners UNEP and other UN agency members of the Regional Coordination Mechanism (RCM) as well as a range of regional and international experts, under the umbrella of LAS. As such, the report represents a cooperative effort of regional partners, which focuses on setting a baseline in knowledge on sustainable development while paving the way for advancements in future editions.

Target Audience

The **target audience** for the report includes Arab governments, policy makers, negotiators and other stakeholders involved in sustainable development, as well as a broader audience of governments, stakeholders and institutions involved in the global sustainable development processes.

⁶ Resolutions by the Council of Arab Ministers Responsible for the Environment and the ESCWA 28th Ministerial Session.

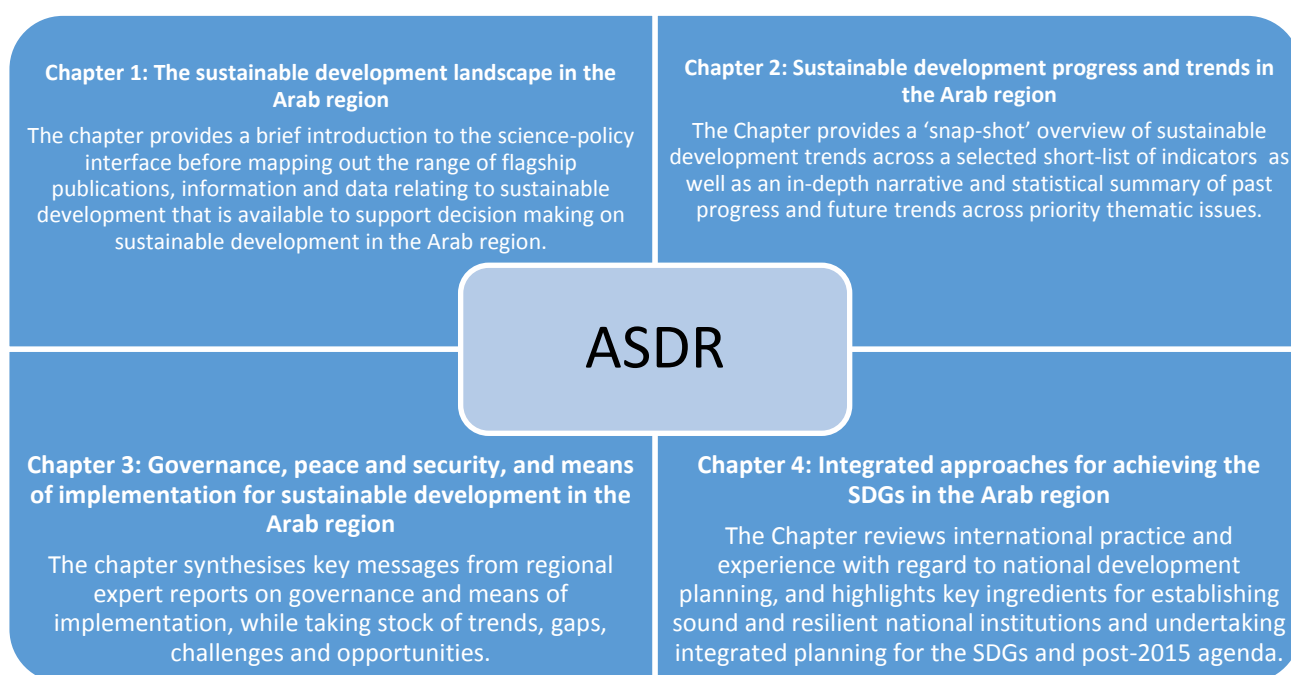
Scope and outline

A detailed scoping exercise for the report was carried out in mid-2014, resulting in a scoping paper which set out the proposed objectives and approach, and outlined how each of several deliverables would contribute to finalizing the report. The scoping exercise also outlined the report's key substantive chapters, and has been revised over time based on the outcomes of extensive consultations. As outlined in the **Figure** below, the contents of the prototype edition of the ASDR were structured around four substantive chapters covering: 1) The sustainable development landscape in the Arab region; 2) Sustainable development progress and trends in the Arab region; 3) Governance, peace and security, and means of implementation; and 4) Integrated approaches for achieving the SDGs in the Arab region. In addition, a final chapter provides recommendations for establishing a regional institutional framework and roadmap for sustainable development and the post-2015 agenda for the Arab region.

Methodology and Process for Developing the Report

The ASDR has been led by an ESCWA-UNEP Project Team. It has been informed by several expert reports on enablers and means of implementation for sustainable development, a suite of issues briefs on priority thematic issues, several national sustainable development assessment reports, statistical analysis reports (including data gaps and trend analysis), as well as additional desk research and analysis as required. Several of these reports were presented and discussed at an expert meeting in December 2014. A separate document provides details on the methodology and process followed in developing the report available online on the following webpage (<http://www.escwa.un.org/information/meetingdetails.asp?>).

Figure: Outline of the ASDR



3. Science-Policy Interface and Evidence Based Policy in the Arab Region

The concept of sustainable development has experienced an extraordinary rise over the past two decades and now pervades the agendas of governments and corporations as well as educational and research programs worldwide⁷. It is a powerful concept that tries to reconcile the apparently ‘irreconcilable trinity’ of economic growth, social development and environmental management⁸. Perhaps one of the successes of sustainable development has been its ability to serve as a grand trade-off between those who are principally concerned with nature and environment, those who value economic development, and those who are dedicated to improving the human condition.⁹

In practice, the cross-disciplinary, holistic and integrated nature of sustainable development has rendered it notoriously difficult to implement. In response to the need for more inter-disciplinary research effort, sustainability science has emerged, bringing together researchers from a range of disciplines to address common problems. A range of new concepts have emerged from the sustainability sciences which aim to better interpret sustainable development and support its application.¹⁰ The field of ‘**systems thinking**’ has emerged in an attempt to help decision makers to integrate social, economic and environmental factors which can help them to better understand the implications of their policy and investment decisions and their **trade-offs** and potential **synergies**.

The Arab region lacks effective coordination between scientific knowledge and policymaking

As such, policy-making for sustainable development requires a much larger evidence-base. Indeed, knowledge in all its forms, including scientific knowledge, has become an increasingly important ingredient of policy making, and is often called upon to provide solutions to societal problems that hinder sustainable development. The science-policy interface, defined as social processes which encompass relations between scientists and other actors in the policy process, and which allow for exchanges, co-evolution, and joint construction of knowledge with the aim of enriching decision-making¹¹, is increasingly seen as a critical aspect of **governance** in the new millennia.

In the Arab region, as among other regions dominated by weak governance, science and other forms of knowledge – weak as they may be - are not often used effectively in policymaking; and policymakers do not always inform scientists about their needs for scientific knowledge as a basis for sound decision-making.

An important objective of the ASDR therefore is to enhance the ‘science-policy’ interface and improve access to information, data and resources relating to sustainable development in the Arab region. This information can be used by decision makers to support ‘**evidence-based**’ policy and by various stakeholders to advocate for improving governance.

⁷ Bettencourt L and Kaur J (2011) ‘Evolution and Structure of Sustainability Science’, *PNAS*, December 6, 2011; vol 108; n 49.

⁸ Ghosh N (2008) *The Road from Economic Growth to Sustainable Development: How was it traversed?*, MCX Academia of Economic Research, India.

⁹ Kates R, Parris T and Leiserowitz A (2005).

¹⁰ Allen C (2015) *The Institutional Framework of Sustainable Development in the Arab Region: Integrated Planning for the Post-2015*, Report prepared for ESCWA as an input to the ASDR.

¹¹ Van den Hove S (2007) “A Rationale for Science-Policy Interfaces”, in *Futures*, 39:7, 2007.

Review of the Evidence Base for Implementation of the MDG Framework in Arab Countries

The original MDG framework comprised seven goals that are monitored through a set of 60 indicators, the majority of which are intended to be compiled and reported at the country level. A review of data contained in the global MDG database for selected Arab countries reveals significant gaps in the capacity of countries in the Arab region to compile the MDG indicators (Egypt, Iraq, Jordan, Morocco, Saudi Arabia and Tunisia were selected).^{12, 13} Only about 42% of the 45 MDG indicators that could be expected to be compiled by national governments can be compiled for all six Arab countries using their own official statistics. The remaining 58% of the indicators either rely on statistics compiled by international agencies for some countries (24%) or cannot be compiled for any of the countries (34%). None of the selected countries produces official statistics for greater than 27 out of 45 of the MDG indicators. Many of the time series that exist contain data points for only a few years between 1990 and 2014, limiting the ability to assess trends in the evolution of the indicator.

Official statistics of 6 selected Arab countries convey data for only 19 out of 45 MDG indicators

While the review only assessed an indicative set of six countries from the Arab region, they are relatively developed economically and socially and therefore would provide a reasonable representation for capacities in the region (however, Arab LDCs are expected to rank at lower levels). Based on the above, it may be concluded that the evidence base and national capacity for monitoring the MDGs in the Arab region can be considered as modest at best¹⁴, which in turn highlights one of the main challenges for improving the science-policy interface as defined above.

Review of the Evidence Base for Sustainable Development Indicators

A review was also undertaken regarding the experience of selected Arab countries with monitoring sustainable development indicators, with the aim of providing insight into 1) regional capacity to monitor the SDGs and post-2015 agenda, and 2) the extent to which countries in the Arab region are familiar with and are making use of the Arab Sustainable Development Indicators (ASDI) framework¹⁵ developed under the *Sustainable Development Initiative in the Arab Region* (SDIAR). Due to a lack of implementation, the set was later reduced from 88 to 44 indicators which would be compulsory for all countries in the region. The review, which focused on the same six Arab countries assessed above, identified several common issues among countries:¹⁶

- Processes for compiling and reporting SD indicators in Arab countries are not fully integrated into national and regional institutional structures, with new project teams established each time a report is prepared. This reduces opportunities for capacity building and learning.
- Professional capacity for measuring sustainable development is limited in most ministries.

¹² These countries were chosen because they 1) are geographically representative of the Arab region; 2) are relatively developed economically and socially and, therefore, could be expected to have reasonably good capacity to undertake MDG and SD monitoring; and 3) have all produced both MDG and SD indicator reports of some kind. It was beyond the scope of this study to assess every country in the region.

¹³ See Smith R (2015) *Sustainable Development Monitoring in the Arab Region: A Review of Country Experiences and Recommendations for the Post-2015 Agenda*, Report prepared for ESCWA as input to the ASDR.

¹⁴ Smith (2015).

¹⁵ The ASDIs are a set of 88 indicators produced originally in 2007 (and subsequently published in 2012) by the League of Arab States, UNEP and ESCWA. <http://www.escwa.un.org/divisions/sd/pubs/index.asp?PubNUM=SDI-2011>

¹⁶ See Footnote 12 above.

- National statistics offices are viewed as useful sources of data but not as agencies that should play a key role in the compilation and reporting of indicators. For this latter role, planning or environment ministries were preferred. SD monitoring is also largely perceived as an environmental task.
- LAS was noted as a key regional player in SD monitoring, however it was less effective due to a lack of resources to deliver on its commitments. It is an effective convener and consensus builder but lacks the resources to see that there is follow through.

Sustainable Development Indicators and Data in the Arab Region: Analysis of Gaps

A further review was undertaken to provide an initial indicative analysis of data availability in the Arab region across a range of sustainable development indicators.¹⁷ Using the 17 proposed SDGs as a framework, a list of sustainable development indicators was compiled from a range of different indicator sets, including: the comprehensive framework of Arab SD Indicators (ASDI)¹⁸; a short-list of indicators in the Arab Strategic Framework for Sustainable Development (ASFSD)¹⁹; the Arab MDG Report 2013 (MDGR)²⁰; the Sustainable Development Solutions Network proposed indicators for the 17 SDGs²¹; the set of indicators for measuring sustainable development by ECE, Eurostat and OECD²²; and finally additional indicators were drawn from recent regional sustainable development reports of the Economic Commission for Africa²³ and the Economic Commission for Latin America and the Caribbean²⁴.

A consolidated inventory of 87 sustainable development indicators was selected for the gap analysis.²⁵ In order to review data availability in the Arab region, the review went beyond national official data and included official databases of the UN and World Bank in order to provide a broad overview of availability of data on sustainable development to support decision making and monitoring in the Arab region.²⁶ Availability of data was assessed for the period 1990 to 2013 for the Arab region and four sub-regions (GCC, LDCs, Maghreb and Mashreq) and across all indicators.

The results of the gap analysis are summarized in the **Box** below. For the Arab region as a whole, only 66% of indicators have sufficient data to enable the calculation of a basic trend (i.e. at least 2 data points). Approximately 34% of sustainable development indicators had insufficient data to establish a trend, with approximately 20% of the indicators having no data at all. At a sub-regional level, data gaps are particularly prevalent in the LDCs, where nearly half (43%) of indicators had no data or a single data point. However, significant gaps in data are evident across all four sub-regions. Interestingly, data availability was the highest in the Maghreb and Mashreq sub-regions, with Egypt, Jordan, Morocco and Tunisia showing the highest levels of data availability.

In order to enhance data capacity and collection in the Arab region, the role of national statistical offices should be strengthened, and transparency of information enhanced to the fullest extent possible.

¹⁷ See Allen C, Hamati K, Al Ashkar R (2014) *Sustainable Development Indicators and the Arab Region: Gap Analysis Summary Report*, prepared for UNEP and ESCWA for the ASDR.

¹⁸ Which were largely based on the global set of SD indicators of the Commission for Sustainable Development. The Arab SDIs are available at: <http://www.escwa.un.org/divisions/sd/pubs/index.asp?PubNUM=SDI-2011>

¹⁹ Proposal for an Arab Strategic Framework for Sustainable Development 2015-2025 (<http://css.escwa.org.lb/SDPD/3315/2.pdf>).

²⁰ UN and LAS 2013, *The Arab Millennium Development Goals Report: Facing Challenges and Looking Beyond 2015* (<http://www.escwa.un.org/sites/arabmdg13/>).

²¹ Sustainable Development Solutions Network (2014) *Assessing Gaps in Indicator Availability and Coverage*: <http://unsdsn.org/wp-content/uploads/2014/07/Assessing-Gaps-in-Indicator-Availability-and-Coverage.pdf>

²² UNECE, Eurostat, OECD (2014) *Measuring Sustainable Development*: <http://www.unecce.org/stats/sustainable-development.html>

²³ UNECA (2012) *Sustainable Development Report on Africa IV: Managing Africa's Natural Resource Base for Sustainable Growth and Development*.

²⁴ UNECLAC (2013) *Sustainable Development in Latin America and the Caribbean: Follow-up to the UN Development Agenda beyond 2015 and to Rio+20*.

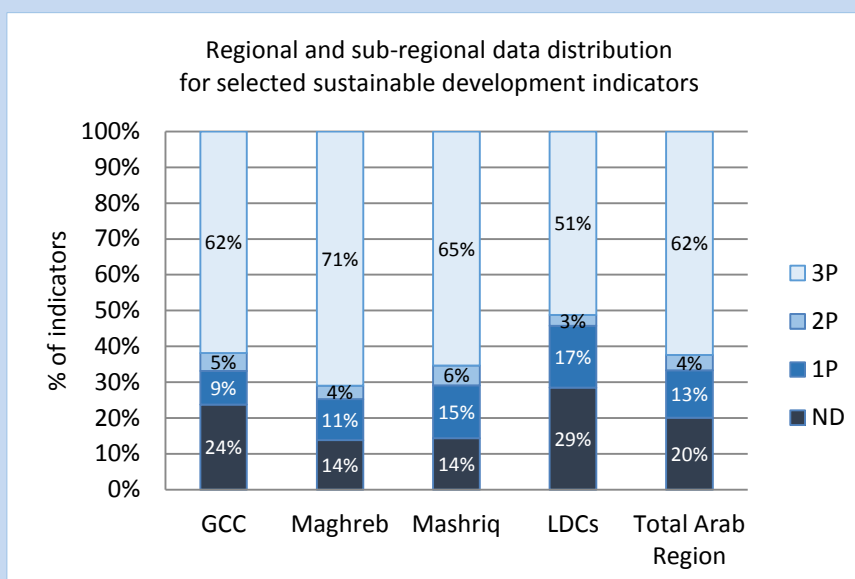
²⁵ The short-list of 87 indicators were selected based on a set of criteria, including a preference for indicators that were included in multiple sets, corresponded to the 17 SDGs and targets, and were fully developed, amongst others. See Allen et al 2014 for further details.

²⁶ See Allen et al 2014 for list of data sources.

Furthermore, a smaller set of the most relevant sustainable development indicators for the Arab region (e.g. 25) should be agreed upon and maintained over the years to allow for the identification of trends. This could come in the form of a set of ‘headline’ sustainable development indicators for the Arab region. In order to improve environmental data, a system of environmental-economic accounts (SEEA)²⁷ should be actively promoted within the Arab region. Finally, a regional partnership on sustainable development data could be established. More detailed recommendations can be found in section 7 of this summary.

Box: Gap Analysis for Sustainable Development Indicators in the Arab Region²⁸

Data availability for 87 selected sustainable development indicators was categorized into 1 of 4 categories as follows: **ND** (no data); **1P** (1 data point); **2P** (2 data points); or **3P** (3 or more data points). As such, indicators categorized as either ND or 1P would have insufficient data to establish a trend (i.e. less than 2 points).



²⁷ System of Environmental-Economic Accounting: <https://unstats.un.org/unsd/envaccounting/seea.asp>

²⁸ See Allen et al 2014 for further details.







4. ASDR Approach in Overcoming the Data Challenge

In response to the data challenge outlined above, the ASDR team elaborated a pragmatic approach to overcome existing gaps and provide a good overall picture of the status and trends of sustainable development in the region. As mentioned above, the League of Arab States had agreed to a shorter list of 44 priority indicators for monitoring sustainable development that is drawn from the broader set of 88 indicators of the ASDI framework²⁹. This short-list was considered an appropriate starting point for providing a ‘snap shot’ of regional progress. The set was cross-checked against the list of proposed 17 SDGs, and several additional indicators were included to address several gaps relating to gender, employment, climate change and governance³⁰.

Data was collected from official databases of the UN and other international and regional organizations. Trends were reviewed for the Arab region as a whole as well as for the four sub-regions across a total of 53 indicators. Due to considerable gaps in data availability across the Arab countries, the methodology adopted relied upon only two data points (one for the 1990s and another for the 2000s) which provided a basic inter-decadal trend analysis for each indicator. The evaluation of each indicator was based, as far as possible, on the evolution of the indicator between 1990 and the latest year of data available for the Arab region. The methodology was similar to that used for the Arab MDG Report 2013³¹.

To assist with interpretation and communication of trends over the past *two decades*, a visualization tool was developed using ‘weather symbols’ to communicate whether or not trends could be considered favorable (improved) or unfavorable (worsened) (see **Table** below). Such symbols are often used to benchmark progress against a specified quantitative target; however, given the absence of such targets in the Arab region across most of the thematic issues reviewed, the symbols were used to evaluate the evolution of the trend, highlighting whether or not it could be considered favorable (improved) or unfavorable (worsened).

Table: Methodology for Allocating Weather Symbols for the Assessment of Trends³²

Symbol	Explanation	Rules for trends
	Trend is clearly favorable in relation to sustainable development goals	>30% positive
	Trend is clearly unfavorable in relation to sustainable development goals	>30% negative
	Moderately favorable changes in trend in relation to sustainable development goals	10%-30% positive
	Moderately unfavorable changes in trend in relation to sustainable development goals	10%-30% negative
	No clear trend or little change	-10 to +10%
	Insufficient data available for a trend analysis	

In addition to reviewing the favorability of trends using weather symbols at the regional and sub-regional levels, the regional average value for the Arab region for each indicator was also benchmarked against a

²⁹ <http://www.escwa.un.org/divisions/sd/pubs/index.asp?PubNUM=SDI-2011>



³⁰ Allen and Hamati 2015, Sustainable Development Indicators and the Arab Region: Trend Analysis Summary Report.

³¹ UN and LAS 2013.

³² Allen and Hamati 2015.

global average or MDG target, where these were available or applicable. The review used traffic lights (**RED** or **GREEN**) to indicate how the Arab region compares against global averages as well as MDG targets (see **Table** below). However, for future reports, it is recommended that such an evaluation for the SDGs should focus on reviewing progress against specified quantitative targets.

Table: Methodology for Allocating Traffic Symbols for the Assessment of Trends³³

Symbol	Explanation	Rules for trends
	GREEN indicates that the Arab region is equal to or better than the global average for the indicator, or on track to meet MDG target	\geq Global Average or Target
	RED indicates that the Arab region is worse than the global average for the indicator, or will not meet MDG Target	$<$ Global Average or Target

In addition, as per recommendations on data gaps discussed earlier, the existing indicators will be reviewed in terms of their relevance in order to arrive at a set of fewer and more relevant sustainable development indicators.









































5. Snapshot of the Status and Progress on Sustainable Development in the Arab Region

























The **Table** below provides a summary of results for the Arab region as a whole and is structured based upon the proposed 17 global SDGs as issues. The **Table** must be read from left to right in a manner that reflects the chronological order of progress of each indicator over the past two decades with weather symbols showing the trend at both the Arab regional and sub-regional levels, leading to the current status of each indicator for the Arab region as a whole, shown using traffic symbols. Hence, a sunny weather symbol with a red traffic light implies significant improvements, but the situation is still below the global average and in need of improvement.



















































Furthermore, while individual indicators are provided under each SDG, it is often necessary to look at a cluster of indicators in order to get the full picture of the status, challenges and opportunities of the SDG under consideration. For example, to get the full picture of the significant challenges related to gender equality, it is necessary to consider adult literacy rate for men and women (Sub-Indicator A4.3), enrollment rates for women in primary and secondary schools, access to electricity, water and sanitation networks in women-headed households, employment to population ratio for females (Sub-indicator A8.5b), female to male ratio in vulnerable employment (sub-indicator A8.7), percentage of female to male in highest and lowest quintile income brackets, ratio of female to male fatalities due to disasters, ratio of female to male disaster livelihood losses, amongst others. The low availability of gender disaggregated data further exemplifies the science-policy interface challenge.







































³³ Ibid.

Table: ‘Snap-Shot’ Overview of Progress and Trends across Headline SD Indicators for the Arab Region and Sub-regions




























SDGs	Sub-Themes	SD Indicator	Trend Arab Region	LDCs	Mashreq	Maghreb	GCC	Status Arab Region	Comments
Goal 1: End poverty in all its forms everywhere	Income poverty	A1.1 - Percentage of Population Below 1.25\$ (PPP) Per Day							Value for the region as a whole (7.4%) is better than global average (14.5%). The trend for the Arab region overall is clearly unfavorable, with a 34.5% increase between 1990 and 2012 in the percentage of population below \$1.25 per day. The trend was unfavorable for all sub-regions except Maghreb, which showed a moderately favorable trend with a 12% decrease. GCC values were 0 in both years.
	Income poverty	A1.2 - Percentage of Population Living Below National Poverty Line							The trend for the Arab region between 1990 and 2012 shows insignificant change in the % of population living below the national poverty line. At the sub-regional level, the trend was moderately unfavorable for the Mashreq, while the Maghreb sub-region showed a clearly favorable decrease of 42%. GCC values were zero in both years.
Goal 2: End hunger, achieve food security & improved nutrition, & sustainable agriculture	Agriculture	A2.1 - Arable and Permanent Crop Land Area (cumulative total)							Value for the Arab region (4.3%) is below global average (10.8%). Insignificant changes were recorded for the Arab region overall and each of the sub-regions. However, it is interesting to note that arable and permanent crop land area increased from 45.1 million ha to 45.7 million ha between 1990 and 2013.
Goal 3: Ensure healthy lives and promote well-being for all at all ages	Mortality	A3.1 - Mortality Rate under 5 Years Old							Value for the Arab region below MDG target. The trend is clearly favorable for the Arab region (-35.6%) and for most of the sub-regions between 1990 and 2011. The LDCs showed a moderately favorable trend with a 15% decrease.
	Health care delivery	A3.2 - Contraceptive Prevalence Rate (NC)							Value for the Arab region (46%) is worse than global average (63.5%). The trend between the 1990s and 2000s for the Arab region overall is moderately favorable, with a 24% increase in the prevalence rate of contraceptives. However, the GCC sub-region bucks the regional trend with a moderately unfavorable 22% decrease.
	Health care delivery	A3.3 - Immunization Against Infectious Childhood Diseases							The trend for the Arab region overall between 1990 and 2010 is moderately favorable with a 13% increase in the prevalence of immunization against infectious childhood diseases. A clearly favorable trend was evident in LDCs, while the Mashreq showed insignificant improvement.
	Nutritional status	A3.4a - Nutritional Status of Children - Percentage of Underweight children							Value for Arab region (14%) is better than global average (15%). The percentage of underweight children had no significant change at the Arab regional level, however a clearly favorable trend was evident in GCC (-62%), Maghreb (-57%) & Mashreq (-31%). However, the LDCs showed a moderately unfavorable increase (+24.5%).













































SDGs	Sub-Themes	SD Indicator	Trend Arab Region	LDCs	Mashreq	Maghreb	GCC	Status Arab Region	Comments
	Nutritional status	A3.4b- Nutritional Status of Children - Percentage of Obese children							Value for the Arab region (12%) is worse than global average (6.3%). The percentage of obese children increased between the 1990s and 2000s (+14%), particularly in the GCC which has seen a clearly unfavorable increase of 101%. Maghreb bucks the regional trend with a favorable 11% decrease.
	Demographics - population	A3.5 - Population Growth Rate – Urban	-30.9 %	-54%	5.0%	-39.1%	-32.6%		The rate of urban population growth showed a clear decrease in 2013 compared with 1990. However, this trend could not be interpreted as favorable or unfavorable.
	Demographics - population	A3.5 - Population Growth Rate – Rural	-28.4%	-26.4%	-23.4%	-100%	40.7%		Rural population growth rate in 2013 decreased significantly compared with 1990. However, the trend could not be interpreted as favorable or unfavorable.
	Demographics - population	A3.6 - Percent of Urban Population from Total	+13.6%	+28.6%	+5.5%	+24.4%	+7.9%		Urban population has increased at the regional level by nearly 14% between 1990 and 2013. It also increased in all four sub-regions over this period to varying degrees, with the Maghreb and LDCs showing higher urban population growth. However, the trend could not be interpreted as favorable or unfavorable.
	Demographics - population	A3.7 – Percent of Rural Population from Total	-13.7%	-10.6%	-5.9%	-27.7%	-29.5%		The Arab region overall shows a moderate 14% decrease in rural population as a % of total population between 1990 and 2013. All the sub-regions show this trend to varying degrees, with the smallest change being in the Mashreq sub-region. However, the trend could not be interpreted as favorable or unfavorable.
	Demographics - population	A3.8 - Dependency Ratio (Young and Old)							Value for the Arab region (64%) is worse than global average (53.6%). The dependency ratio shows a moderately favorable trend for the Arab region overall (-25.9%) between 1990 and 2013, with GCC (-53.6%) and Maghreb (-41.2%) showing clearly favorable trends.
Goal 4: Ensure inclusive and equitable education and promote life-long opportunities for all	Education level	A4.1 - Net Enrolment Rate in Primary Education							The value for the Arab region (92%) is better than the global average (89.1%). The Arab region overall does not show a significant trend in the net enrolment rate in primary education between 1999 and 2011. This is despite three sub-regions having a favorable increase, namely LDCs (+37.5%), Maghreb (+15.5%) and GCC (+16.9%).
	Education level	A4.2 - Gross Intake into Last Year of Primary Education							The value for the Arab region (83%) is worse than the global average (91.5%). The Arab region overall shows a moderately favorable trend in the gross intake into the last year of primary education (+13.7%), with a clearly favorable trend in the LDCs (+39.5%).






























SDGs	Sub-Themes	SD Indicator	Trend Arab Region	LDCs	Mashreq	Maghreb	GCC	Status Arab Region	Comments
	Literacy	A4.3 - Adult Literacy Rate (Total)							The value for the Arab region (86%) is better than the global average (84.3%). The Arab region overall shows a moderately favorable trend for adult literacy rate with a 26% increase between 1990's and 2000's. LDCs have been the best performer with a clearly favorable increase (+79%), with Maghreb also performing well (+33%).
	Literacy	A4.3 - Adult Literacy Rate (Male)							The value for the Arab region (91%) is better than the global average (88.6%). The male literacy rate also saw a moderately favorable increase at the Arab regional level of 18%. Again, LDCs (+45%) are the best performers with a clearly favorable increase.
	Literacy	A4.3 - Adult Literacy Rate (Female)							The value for the Arab region (80.2%) is on par with global average (80%). The female literacy rate shows a clearly favorable increase in the Arab region of 39%. LDCs (+194%), Maghreb (+52%) and Mashreq (+31%) all show clearly favorable increases.
Goal 5: Achieve gender equality and empower all women and girls	Women in politics	A5.1 - Seats held by Women in National Parliaments (%)							The value for the Arab region (12.7%) is worse than global average (20.8%). The trend of seats held by women in national parliaments shows a clearly favorable trend across the entire Arab region (+388%) and four sub-regions between 2000 and 2012.
	Literacy	A4.3 - Adult Literacy Rate (Female)							The value for the Arab region (80.2%) is on par with global average (80%). The female literacy rate shows a clearly favorable increase in the Arab region of 39%. LDCs (+194%), Maghreb (+52%) and Mashreq (+31%) all show clearly favorable increases.
	Employment	A8.5b Employment to Population Ratio Female (+15)							The value for the Arab region (19%) is worse than the global average (47%). The overall Arab region witnessed a moderately favorable trend for the employment-to-population ratio for females (+18.8%). This is evident across all but the Mashreq sub-region, which showed little change between 1991 and 2011.
	Employment	A8.7 - Female to Male Ratio in Vulnerable Employment		-	-	-	-		Value for the Arab region (177) is worse than all other developing regions. The Arab region does not show a significant trend for the female-to-male ratio in vulnerable employment, which increased slightly in 2011 compared with 1991 (+8.6%).
Goal 6: Ensure availability and sustainable management of water and sanitation for all	Drinking water	A6.1 - Proportion of Population with Access to Safe Drinking Water							The value for the Arab region (85%) is below MDG target (91%). No significant trend is visible across the Arab region for the proportion of population with access to safe drinking water between 1990 and 2010.
	Sanitation	A6.2 - Proportion of Population with Access to Improved Sanitation							The value for the Arab region (82%) is on par with MDG target (83%). The trend in the proportion of population with access to improved sanitation facilities is moderately favorable for the Arab region overall (+17.2%), with increases evident in all sub-regions between 1990 and 2010, in particular the LDCs (+36%).

SDGs	Sub-Themes	SD Indicator	Trend Arab Region	LDCs	Mashreq	Maghreb	GCC	Status Arab Region	Comments
	Availability of water	A6.3 - Annual Withdrawals of Ground and Surface Water as a Percent of Available Water							The value for the Arab region is over 1000% of available water. The trend for the Arab region overall is moderately unfavorable, with an 18.3% increase in the annual withdrawals of ground and surface water. The trend was unfavorable for all sub-regions particularly for the GCC with a 44.4% increase over the period 1990s to 2013.
	Water demand/efficiency	A6.4 - Annual Utilization or Withdrawals of Water – Demand, All Types							The trend for the Arab region overall is moderately unfavorable, with a 28.3% increase in the annual withdrawals of water. The trend was unfavorable for most sub-regions particularly for the GCC which had a clearly unfavorable increase of 43.4%.
	Water management	A6.5 - Waste Water Treatment by Category	!	!	!	!	!		Data was not sufficient to establish a trend for the Arab region or any of the sub-regions.
Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all	Energy use	A7.1 - Share of Consumption of Renewable Energy Resources (no hydro)							The value for the Arab region (0.24%) is worse than global average (4.2%). The Arab region overall witnessed a favorable trend in the share of consumption of renewable energy resources with an increase between 1990 and 2011. Values were zero for LDCs and the GCC in both years, with gains made only in Maghreb and Mashreq. However, it is noteworthy to mention that despite the increase for the Arab region, the actual share of consumption of renewable energy resources is still marginal at only 0.24% on average for Arab countries.
	Energy use	A7.2 - Annual (commercial) Energy Consumption per Capita							The value for the Arab region (1,782 toe) is better than the global average (1,890 toe). The trend in energy consumption per capita for the overall Arab region is clearly unfavorable as it witnessed a 64.8% increase for the region between 1990 and 2011. This trend was apparent for all sub-regions except for the LDCs which showed little change.
	Access to energy	A7.3 - Percentage of Population with Access to Electricity							The value for the Arab region (85%) is better than global average (83.1%). No clear trend or little change can be seen for the percentage of population with access to electricity for the overall Arab region (+1%). However LDCs saw a moderate increase of 10.9%.
Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Macroeconomic performance	A8.1 - GDP per Capita							The value for the Arab region (\$7,765) is worse than the global average (\$10,600). The Arab region witnessed a clearly favorable trend in GDP per capita with an increase of 266% between 1990 and 2013. This trend was evident across all four sub-regions, with the Mashreq region showing the highest % increase (+301%), followed by GCC (+264) & LDCs (+228).
	Sustainable public finance	A8.2 - Debt to GNP Ratio	!	!	!	!	!		Insufficient data for a regional or sub-regional trend.

SDGs	Sub-Themes	SD Indicator	Trend Arab Region	LDCs	Mashreq	Maghreb	GCC	Status Arab Region	Comments
	Macroeconomic performance	A8.3 – Gross Capital Formation (% of GDP)							The value for the Arab region (24.8%) is better than the global average (23%). The region saw a moderately favorable trend in gross capital formation as a % of GDP between 1990 and 2013 (+13.9%), with clearly favorable trends in LDCs (+71%), GCC (44%) and Maghreb (37%), and a clearly unfavorable trend in Mashreq (-34%).
	Macroeconomic performance	A8.4 - Inflation	!	!	!	!	!		Data was not sufficient to establish a trend for the Arab region or any of the sub-regions.
	Employment	A8.5a - Employment to Population Ratio (Total)							The value for the Arab region (44%) is worse than the global average (59.6%). No clear trend is seen in the Arab region (+2.3%) and sub-regions for the population as a whole (i.e. male and female).
	Employment	A8.5b Employment to Population Ratio Female (+15)							The value for the Arab region (19%) is worse than the global average (47%). The overall Arab region witnessed a moderately favorable trend for the Employment-to-population ratio for females (+18.8%). This is evident across all but the Mashreq sub-region, which showed little change between 1991 and 2011. GCC was highest at +29.4%.
	Employment	A8.5c Employment to Population Ratio Males (+15)							The value for the Arab region (44%) is worse than the global average (72.3%). No significant trend was evident for the employment-to-population ratio for males across the Arab region and each of the sub-regions between 1991 and 2011.
	Employment	A8.5d Employment to Population Ratio for Youth (15-24 years)							The value for the Arab region (23%) is worse than the global average (41.5%). The Arab region shows a moderately unfavorable trend for the employment-to-population ratio for youth with a -14.8% decrease between 1991 and 2011. All sub-regions witnessed a similar trend GCC (-25%), Maghreb (-16.7%), Mashreq (-12.5%), and LDCs (-9.7%).
	Employment	A8.6 - Vulnerable Employment		-	-	-	-		The Arab region shows an insignificantly small increase in vulnerable employment of 5% between 1991 and 2011. Data was not available to create trends for the sub-regions.
	Employment	A8.7 - Female to Male Ratio in Vulnerable Employment		-	-	-	-		Value for the Arab region (177) is worse than all other developing regions. The Arab region does not show a significant trend for the female-to-male ratio in vulnerable employment, which increased slightly in 2011 compared with 1991 (+8.6%).
	Macroeconomic performance	8.8 – Foreign Direct Investment as % of GDP							Value for the Arab region (1.75%) falls below global average (2.3%). Foreign direct investment shows a clearly favorable trend across the Arab region overall with an increase of 153.5% between 1990 and 2013. This is evident across all sub-regions: LDCs (+512.8%), Mashreq (+61.2%), Maghreb (+410.7%), and GCC (+88.9%).

SDGs	Sub-Themes	SD Indicator	Trend Arab Region	LDCs	Mashreq	Maghreb	GCC	Status Arab Region	Comments
Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	ICT	A9.1 - Internet Users per 100 Population							The value for the Arab region (39.9) is above the global average (38.1). The number of internet users in the Arab region and each of the sub regions increased drastically between 1997 and 2013, showing a clearly favorable trend.
	ICT	A9.2 - Fixed Telephone Line and Cellular Subscribers per 100 Population (NC)							The number of fixed telephone line and cellular subscribers increased substantially in the Arab region as a whole and in each of the sub-regions, reflecting a clearly favorable trend.
	ICT	A9.3 - Mobile Cellular Telephone Subscribers per 100 Population							The value for the Arab region (109.8) is above the global average (93.1). Mobile cellular phone subscribers have increased drastically in the Arab region and in each of the sub-regions between 1997 and 2013, reflecting a clearly favorable trend. Indicators A9.1 to A9.3 represent a perfect example on the need for more relevant indicators to measure innovation.
Goal 10: Reduce inequality within and among countries	Income inequality	A10.1 - Ratio of Share in National Income of Highest to Lowest Quintile	!	!	!	!	!		Data was only available for Egypt, Jordan, Mauritania, Morocco, Tunisia and Yemen, which allowed an “indicative” trend only. Overall, results were mixed, with slightly negative trends in Morocco and Yemen, and positive trends in Jordan, Mauritania, Tunisia, Jordan and, to a lesser degree, Egypt.
Goal 11: Make cities and settlements inclusive, resilient and sustainable	Disaster preparedness and response	A11.1 - Human Loss Due to Disasters (cumulative total)							The Arab region as a whole witnessed a clearly unfavorable increase in human loss due to disasters (+36.4%) in 2000s compared to 1990s. Maghreb (+211.2%) and Mashreq (+81%) were particularly unfavorable, whereas the LDCs (-26%) and GCC (-35%) witnessed favorable trends.
	Air quality	A11.2 - Ambient Concentration of Air Pollutants in Urban Areas	!	!	!	!	!		Data was not sufficient to establish a trend for the entire Arab region or any of the sub-regions.
Goal 12: Ensure sustainable consumption and production patterns	Waste	A12.1 - Generation of Waste							Generation of waste per capita showed a clearly favorable decrease in the Arab region in 2006 compared with 2000 (-44.7%). Decreases were larger for Mashreq (-54%) and Maghreb (-69%).
	Waste	A12.2 - Generation of Hazardous Waste	!	!	!	!	!		Data was not sufficient to establish a trend for the entire Arab region or any of the sub-regions.
	Waste	A12.3 - Waste Treatment and Disposal (method)	!	!	!	!	!		Data was not sufficient to establish a trend for the entire Arab region or any of the sub-regions.

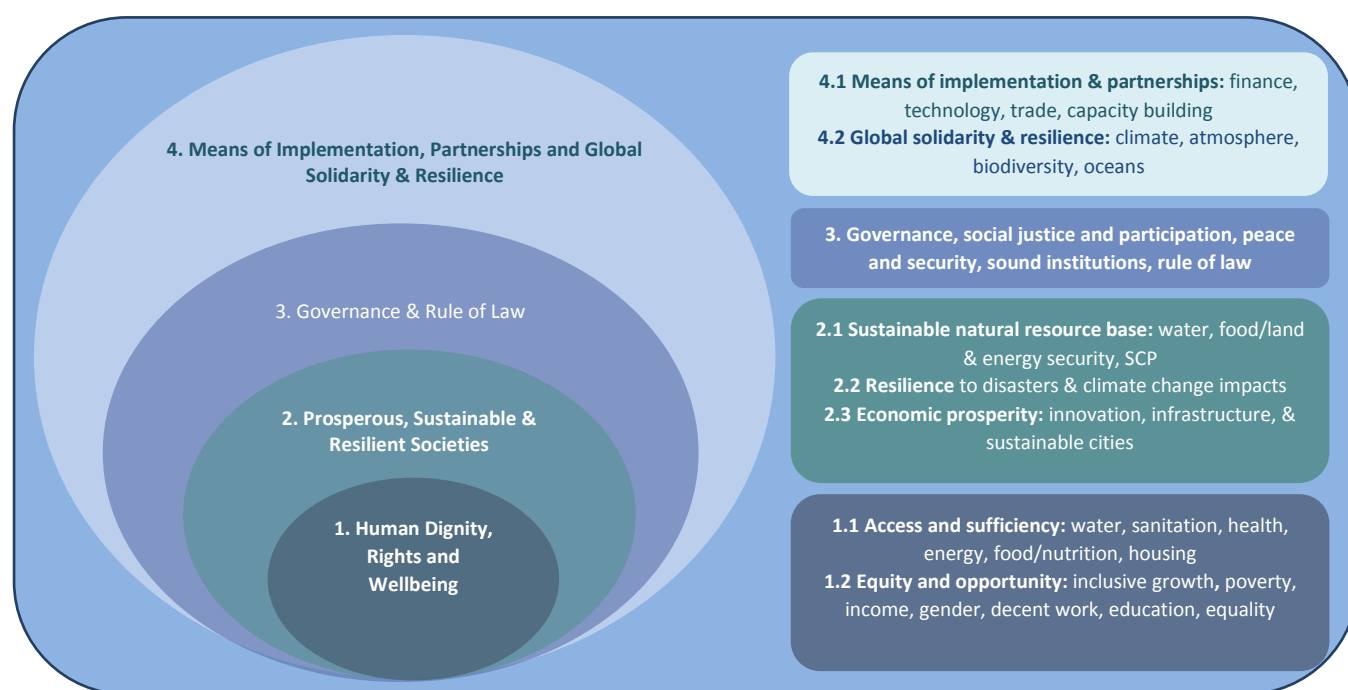
SDGs	Sub-Themes	SD Indicator	Trend Arab Region	LDCs	Mashreq	Maghreb	GCC	Status Arab Region	Comments
	Transportation	A12.4 Passenger Cars Per 1,000 People							The value for the Arab region (67) falls below the global average (123.1). Overall, there was little change in the number of passenger cars per 1,000 people (-8.7%). For the sub-regions, Mashreq (+48.6%) and Maghreb (+50.1%) saw significant increases, while GCC saw a significant decrease (-49.1%). LDCs saw little change. (Note: The figure for the GCC needs to be analyzed further to see whether foreign workers have been included)
Goal 13: Take urgent action to combat climate change and its impact	Climate change - mitigation	A13.1 - Emissions of Greenhouse Gases (per US\$ 1 GDP, PPP, in Kg)							The value for the Arab region (0.4) is on par with the global average (0.4). Emission of greenhouse gases in kg per US\$ 1 GDP showed a clearly favorable decrease (-33.3%) from the 1990's to 2009 for the overall Arab region. Clearly favorable trends were evident in Mashreq (-33.3%) and GCC (-33.3%).
	Climate change - mitigation	A13.2 - Emissions of Greenhouse Gases (Per capita in metric tons)							The value for the Arab region (4.5) is better than the global average (4.7). The Arab region shows a clearly unfavorable trend for the emissions of GHG per capita with an increase of 45.2%. Trends for subregions were LDCs (+25%), Mashreq (+50%), Maghreb (+29.2%) and GCC (+26%).
	Climate change - mitigation	A13.3 - Emissions of Greenhouse Gases (million metric tons)							The Arab region shows a clearly unfavorable trend for the total emissions of GHGs (+106%). All sub-regions also witnessed a similar trend: LDCs (+121%), Mashreq (+56.4%), Maghreb (+130.7%) and GCC (+114.4%).
Goal 14: Conserve and sustainably use the oceans, seas and marine resources	Coastal degradation	A14.1 - Percent of Total Population Living in Coastal Areas							No clear trend or little change can be seen for the percentage of total population living in coastal areas for the Arab region (-3.8%) nor the sub-regions between 1990 and 2000.
	Marine health	A14.2 Average Annual Fish Catch (metric tons)	+55.1	+292.9	+30.7	+82.3	+45.4		Average annual fish catch in the region increased by 55% between 2012 and 1990. Increases were highest in the LDCs, followed by Maghreb and GCC, with Maghreb countries averaging the highest volume.
Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Ecosystem	A15.1 - Protected Area as a Percent of Total Area							The value for the Arab region (7.6%) is worse than the global average (13.7%). The Arab region witnessed a clearly favorable trend for the percentage of protected areas (+130.3%) between 1990 and 2010. Mashreq (+184.6%) and GCC (331%) saw a clearly favorable increase. However for the LDCs and the Maghreb sub-regions little change can be seen.
	Ecosystem	A15.2 - Vegetation Cover							For vegetation cover, a moderately unfavorable trend is seen for the overall Arab region (-23%) between 1990 and 2012. This was mainly due to a moderate decrease in the LDCs (-27%). However the Mashreq shows a moderately favorable trend with a 12.9% increase.
	Species	A15.3 - Percentage of Threatened Species	!	!	!	!	!		Data was not sufficient to establish a trend for the Arab region or any of the sub-regions.

SDGs	Sub-Themes	SD Indicator	Trend Arab Region	LDCs	Mashreq	Maghreb	GCC	Status Arab Region	Comments
Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Displaced people	A16.1 – Refugee Population by Country of Origin (sum total)							The value for the Arab region is over 20% of global total, while the region's population is only 5.2% of global total. Overall, the number of refugees from Arab countries increased by +51.8% between 1990s and 2012, which represents a clearly unfavorable trend for the region. Total number of displaced peoples was highest from Mashreq (1.6m) and LDCs (1.7m), while all sub-regions saw unfavorable increases.
	Displaced people	A16.2 – Refugee Population by Country of Asylum (sum total).							The value for the Arab region is nearly 40% of global total, while the region's population is only 5.2% of global total. Numbers of refugees by country of asylum also increased by 54.1% between 1990s and 2012, which represents a clearly unfavorable trend for the region. However, only the Mashreq sub-region saw an increase over the period (+148%), while LDCs (-70%), Maghreb (-39%) and GCC (-96.7%) all witnessed decreases in asylum seekers.
Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development	External financing	A17.1 Total ODA Received by Arab Countries, as % of GNI							The value for the Arab region (11.8%) is above the global average (0.2%). Official Development Assistance decreased substantially between 1990 and the 2011 for the overall Arab region (69% decrease), reflecting a clearly unfavorable trend, as ODA needs are still large in the region. Data for the sub-regions was not available.
	External financing	A17.1 Net ODA Per Capita Received by Arab Countries, in constant 2010 US\$							The value for the Arab region (\$33.3) is higher than the global average (\$20.3). Official Development Assistance Per Capita also witnessed a substantial decrease between 1990 and 2011 for the overall Arab region (62% decrease), reflecting a clearly unfavorable trend. Data for the sub-regions was not available.
	Trade	A17.2 - Current Account Deficit or Surplus as Percentage of GDP							The Arab region exhibits a moderately unfavorable trend for current account deficit or surplus as a percentage of GDP 2005 to 2012 (-20%). Surpluses have fallen in Maghreb (-65.4%) and GCC (-10.5%), while the deficit in LDCs worsened (-91%). In Mashreq the deficit turned into a surplus (+155%).

6. Integrated Review of Sustainable Development Progress and Trends in the Arab Region

This section builds on the snapshot presented in the **Table** above to provide a narrative of trends and progress across priority thematic issues in the Arab region, based on an integrated framework which will be used to intuitively cluster and analyze inter-related priority issues, to measure progress and highlight inter-linkages. The integrated framework outlined in the **Figure** below draws upon consultations undertaken with governments, experts, civil society and other stakeholders in the Arab region on the SDGs, which highlighted the need for the goals to ensure integration, resilience and fundamental human rights and to be grounded in effective governance, peace and security.³⁴

Figure: Integrated Framework for Sustainable Development for the ASDR³⁵



The framework recognizes:

- The need to focus on human wellbeing outcomes at the core of the framework, based upon fundamental human rights as agreed under international law;
- The need to acknowledge the interlinkages between human dignity, rights and wellbeing and the natural resource base – i.e. that achieving some human wellbeing outcomes (e.g. access to water, food, energy) will depend upon, and have significant implications for, the natural resource base;

³⁴ Arab Regional Consultative Dialogue on the SDGs, Tunisia, November 2013. See discussion paper prepared for the meeting by ESCWA (2013) *SDG Priority Conceptual Issues: Towards an Arab Approach for the Sustainable Development Goals* (prepared by C Allen, R Nejdawi and J Baba October 2013).

³⁵ Allen C 2015.

- For wellbeing outcomes to be resilient and sustained over time, there will be global limitations to resource consumption. As such, our economies will need to be transformed and ‘decoupled’ from environmental decline. In addition, countries will need to work together to ensure long-term viability and stability of the planet (including both Earth’s natural systems such as its climate, as well as human systems such as global security, financial systems, and commodity markets);
- The importance of governance considerations as well as social justice, participation, peace and security, sound institutions and rule of law, in creating an enabling environment for achieving sustainable development;
- The need to acquire key means of implementation such as finance, technology, trade and capacity building, and the importance of a global partnership for addressing existing gaps.

6.1 Human Dignity, Rights and Well-Being

The region is experiencing a major setback in well-being, human rights and dignity for its people. This is evidenced by increased poverty levels (based on national poverty lines), increased vulnerability to shocks, low employment rates particularly in decent jobs (with available social protection), vast gender disparities, large and increasing inequalities between and within countries, and wide variations in access and sufficiency related to basic services including health, education, water, sanitation, energy, food and nutrition and housing. These disparities translate into inequality of opportunities that are fuelling discontent and tensions in the region. Refugees and internally displaced populations are particularly affected.

Achieving human dignity and wellbeing in accordance with human rights is central to sustainable development and provides the essential social foundations for all development efforts. This will require that economic development is **inclusive and equitable and provides opportunities** for all people to reach their full potential, by eradicating poverty, providing employment and decent work, ensuring quality education, and addressing income, gender and human inequality. Human dignity also requires the **sufficient provision of the basic necessities of life**, including water, sanitation, housing, health, energy, and food and nutrition.

Unfortunately, war, occupation and conflict are aggravating inequalities (including inequalities in access to and quality of basic services) and the overall development situation (including the housing situation) in the Arab region, raising vulnerability and losses in many countries.

One of the basic pillars of sustainable development is achieving human dignity and wellbeing in accordance with human rights

6.1.1 Equity and Opportunity

Over the past two decades, the Arab region has been experiencing rapid population growth and is becoming increasingly urbanized; yet decades of rentier patterns of growth have rendered the region the least industrialized among developing regions and as a result there has been little change in the very low employment-to-population ratio.

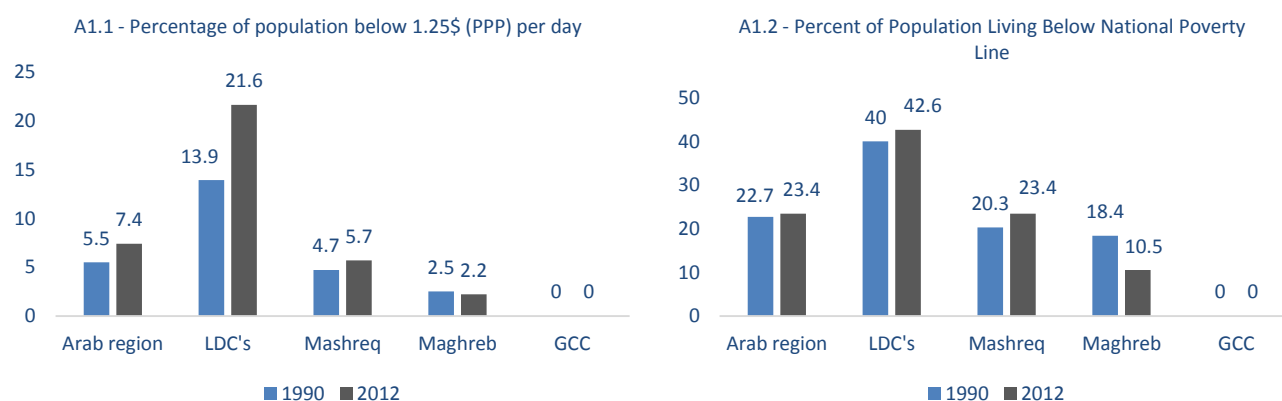
The region was home to around 370 million people in 2013, 57% of which lived in urban areas. On average in the region, economic growth has remained relatively high, yet it has not translated into comparatively higher incomes for all, with regional GDP per capita (\$7,763 in 2013) below global averages, while also witnessing

some of the highest national averages in GCC countries.³⁶ Labor productivity growth rate (measured by the ratio of GDP to labor) remains the lowest in the world, failing to exceed 1% when averaged over the period 1991 and 2010. Clearer linkages between educational programs, vocational training and employment markets are needed to channel an increasingly educated population into decent jobs.³⁷ This in turn needs increased investments in education: while public spending on education is increasing (12.5% of government expenditure), it still falls below global average (14.2%).

Inequalities, including inequality of opportunities, are increasing along rural-urban divides as well as within urban areas, and are having a detrimental impact on human development gains, with inequality of opportunity fuelling discontent and tensions in the region. While the region is well below the global average in terms of poverty incidence based on the international poverty line of \$1.25 per day, persistent poverty is a challenge for the region, with levels rising 34.5% since 1990s, reaching 7.4% in 2012. However, shifting the poverty line up to \$2 and \$2.75 sees a dramatic increase in poverty rates to 19% and 40% respectively³⁸, highlighting the vulnerability of the Arab population to shocks. Poverty rates based on national poverty lines give a much higher and more realistic figure. Poverty rates according to national poverty lines have changed little in the region as a whole over the past two decades, remaining in the vicinity of 23%.

Income and wealth inequalities are difficult to measure particularly in the absence of concerted efforts to address them. However, one indicator that is useful in this regard is wage shares as a percentage of GDP which have declined over the last decade (from 31% in 2000 to 27% in 2009 and dropping by 2.7% between 2006 and 2011). In addition, a large percentage of workers are now in informal jobs, where formal sector workers represent only 19% of the working age population, with limited coverage of social protection. For example, social protection in terms of old age pension is 30% in the Middle East and 37% in North Africa as compared to a global average of 52%. Migrant workers represent an important vulnerable group in the region, which hosts around 25 million migrant workers.³⁹

Figures: Poverty Rates in the Arab Region and Sub-regions – 1990 and 2012⁴⁰



³⁶ Bouché N 2015, Perspectives on Inequality Challenges in the Arab Region, RCM Issues Brief prepared by UNDP for the ASDR.

³⁷ Jondi S 2015, Employment and Decent Work in the Arab Region, RCM Issues Brief prepared by the ILO for the ASDR.

³⁸ Sarangi N and Abu Ismail K 2015, Economic Growth, Inequality and Poverty in the Arab Region, RCM Issues Brief prepared by ESCWA for the ASDR.

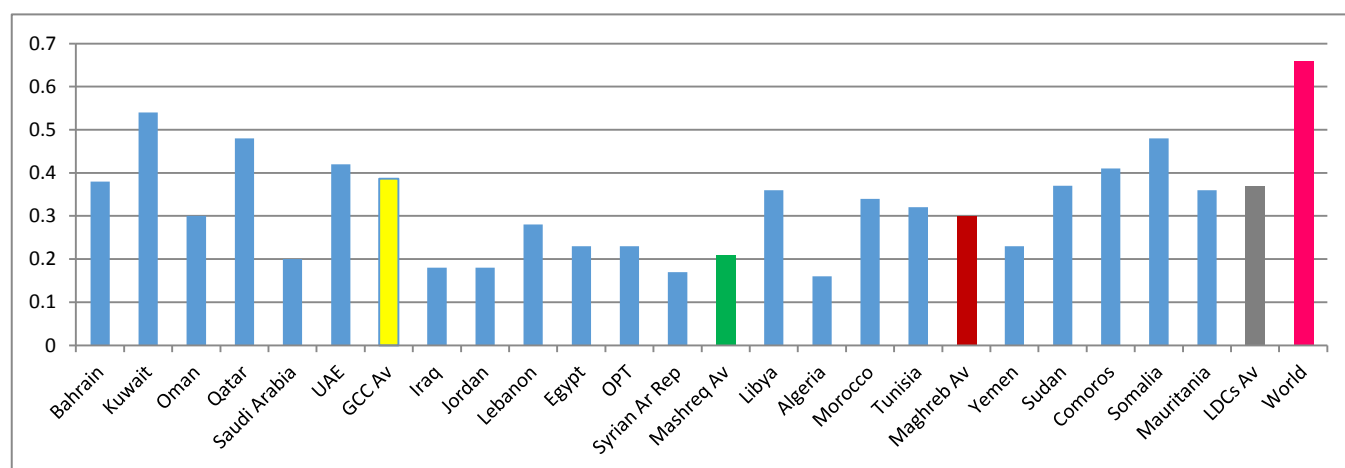
³⁹ ILO.

⁴⁰ UN and LAS (2013); WDIs and ESCWA estimates. Values are weighted averages.

While primary and secondary education enrolment and intakes are above the global average, wide variations in the quality of education remain, including infrastructure of public schools and women-only schools, remain a challenge. Conflict, occupation and violence are also a growing concern for education delivery and quality in the region.

There has been a reduction in gender gaps in some areas, however significant inequalities remain. In terms of women's employment, the regional average of 19% was well below the global average of 47% in 2011. In addition, the share of women in vulnerable employment compared to men has increased over the last two decades. In 2010, the female to male ratio in vulnerable employment of 177 was higher than all other developing regions. The region has the greatest gender inequality in employment globally, despite recent moderate gains and an increasingly educated female population. Female-to-male employment is 40% of the global rate. In addition, legal discrimination against women still exists in many discriminatory laws in the Arab region. Important issues which must also be promptly addressed include child marriage and violence against women for which indicators and targets must be developed and monitored. The region has a low representation of women in politics and decision making positions, a situation which is mainly attributed to a prevailing attitude and culture of discrimination against women as well as absence of political will.⁴¹

Figure: Female to Male (F/M) Employment Ratio in Arab Countries (2001-2013 average)⁴²



6.1.2 Access and Sufficiency of Water, Sanitation, Health, Housing, Energy and Food

Achieving human dignity also requires the sufficient and adequate provision of the basic necessities of life, including water, sanitation, housing, health, energy, and food and nutrition where the region witnesses wide variation in access to, and quality of, these services.

Provision of water, sanitation and electricity services varies widely in quality, underlining large inequalities between countries and within countries between rural and urban areas. High population growth has offset gains in access to safe drinking water in the region, with persistent deficits in the LDCs. For example, 60% of the

⁴¹ Afifi M and El Adawy M 2015, Gender Equality and Women Empowerment in the Arab Region, RCM Issues Brief prepared by UNFPA for the ASDR.

⁴² Source: Bouché N (2015). Calculation based on ILO data: Trends Econometric Models, October 2013 in Global Employment Report, 2014 data base (MENA region) ; * preliminary estimate; p = projections

total people in the region without improved access to water in 2012 resided in LDC countries (as compared to 45% in 1990) and 67% of them resided in rural areas (as compared to 47% in 1990)⁴³. Finally rural access rates to drinking water were 76% compared with 85% in urban areas, both of which are below the global averages of 81.5% and 96.5% respectively⁴⁴. Access to sanitation is improving across all sub-regions, where in the region as a whole it increased from 64% in 1990 to 75% in 2012. Seventy-three per cent (or nearly 53 million) of the 72 million people without access to improved sanitation are located in rural areas, and 71% (or 51 million) reside in the LDCs. Three of the four sub-regions have almost universal access to electricity, however there are significant shortfalls in LDCs (access levels are on average only 41%) where access levels are less than half the regional average (85%) and have seen little improvement since 2000.

Hunger and malnutrition in Arab countries, is not a problem of food availability but rather unequal distribution amongst and within countries, as well as accessibility and quality.⁴⁵ **Similarly child and maternal health suffer from unequal distribution of quality health services as well as accessibility.**⁴⁶ Despite significant progress in some sub-regions, undernourishment has remained constant in the Arab region and the MDG hunger target will not be met. Underweight children are at 14% (mainly in LDC countries) and obesity rates are on the rise, doubling in the GCC and reaching nearly 20% in the Mashreq sub-region, with regional averages well in excess of global rates (12% of children and 23.6% for adults in the region). Chronic malnutrition among children under the age of five, as measured by stunting, stands at 22.4%. The region has seen clearly favorable trends in child and maternal mortality rates across the region, however LDCs still lag behind. The region is unlikely to meet the MDG target for under-five mortality, despite improvements; however, the region has seen a continual increase in life expectancy (from 47 years in 1960 to 72 years in 2011) which is just above the global average (70.8 years). Universal access to health care and coverage remain far from a reality in the region; however prenatal care is close to the global average despite poor progress in LDCs. Contraceptive usage has increased across the region except for the GCC countries.

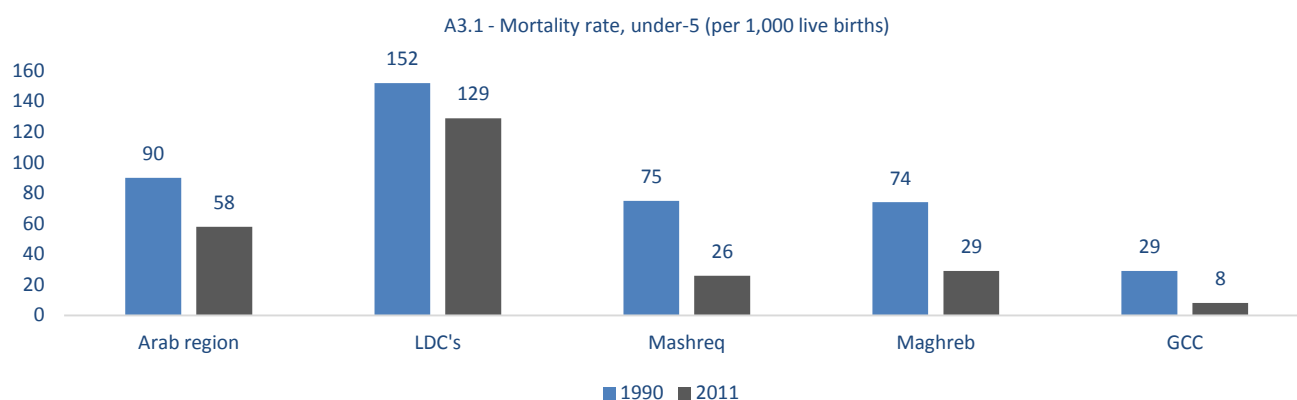
There is a large housing shortfall in the region, estimated at over 3.5 million houses across the region, which in turn is affecting the quality and accessibility to all basic services as well as contributing to ongoing environmental degradation. Climate change and continued lack of investment in rural areas and the agriculture sector, as well as drought, is increasing trends for rural population to move to urban slums which in turn is worsening environmental degradation, increasing disaster losses and vulnerability of the poorest amongst society and increasing the number of people living in unsafe housing.

⁴³ Source: WDIs; UNICEF/WHO data.

⁴⁴ Chouchani C, Karnib A and El Costa D (2015), *Water and Sanitation in the Arab Region*, RCM Issues Brief prepared by ESCWA for the ASDR. Calculations based on the online database of WHO/UNICEF Joint Monitoring Programme – updated data 2012 (accessed 10 November 2014).

⁴⁵ Aw-Dahir M 2015, *Food Security and Sustainable Agriculture in the Arab Region*, RCM Issues Brief prepared by FAO for the ASDR.

⁴⁶ Afifi M and El Adawy M 2015.

Figures: Health Status in the Arab Region 1990s and 2000s⁴⁷

6.2 Prosperous, Resilient and Sustainable Societies

The Arab region faces severe water, food and energy insecurities that threaten social foundations and existing development gains. The situation is further exacerbated by unsustainable consumption and production patterns that have seriously depleted the region's natural resources and affected the quality of life. Moreover, Arab cities and infrastructure have become particularly vulnerable to natural hazards and climate change impacts. While technology provides an opportunity to address these challenges, this opportunity is yet to be recognized and seized in the Arab region. The youth and women population represents an opportunity in the region to overcome the existing "knowledge deficit".

Securing the social foundations for human dignity and wellbeing outlined above will require an equitable sharing of global resources and the 'decoupling' of resource use from economic growth. In other words, it will require sustainable and equitable resource exploitation, greater resource efficiency, changes to consumption and production patterns, and the adoption of alternative resources and technologies. To do so will require that we transform our economies so that they are low-carbon, resource-efficient, resilient and socially inclusive (e.g. 'inclusive green economies') and ensure that achieving the social foundations outlined above will not come at the expense of continued environmental degradation and decline.

6.2.1 Sustainable Natural Resource Base: Food, Energy and Water Security and SCP

Water, food and energy insecurities are key characteristics of the region, coupled with non-sustainable consumption and production patterns.

Extreme water scarcity now affects around half of the Arab population, and per capita water resources are 10% of the global average. This, in turn, affects food security, which is further exacerbated by limited access to productive land. Existing attempts to address both water and food insecurities are energy intensive and as such are not sustainable. Despite acute water scarcity, much of the water is allocated to agriculture while irrigation efficiencies are 66% of the global average, therefore reflecting a major shortcoming in water

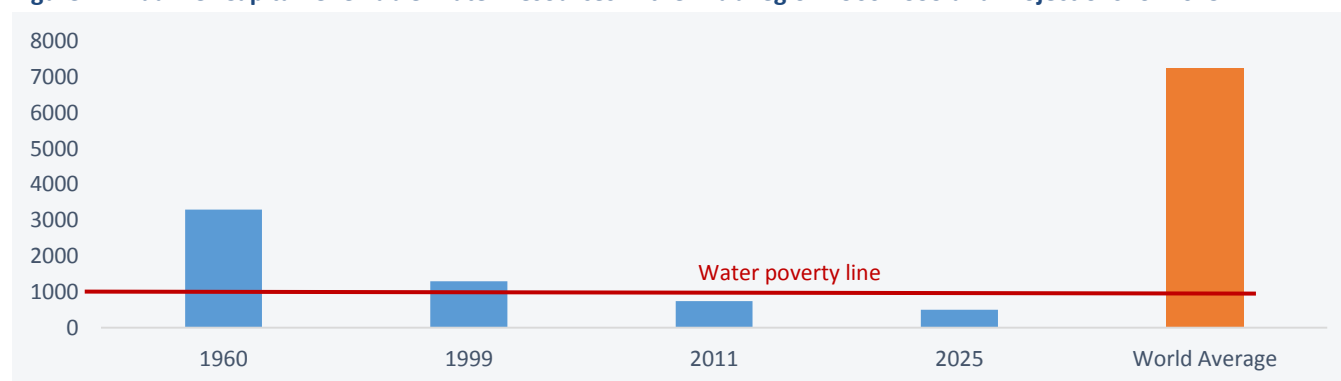
⁴⁷ UN and LAS (2013). Values are weighted averages. A3.2: *data are for 2010 or earlier for some countries; **data for GCC includes Oman and Saudi Arabia only.

governance⁴⁸. Intermittent service, decreasing water quality, loss in the network, and sustainability problems with the water sector are masked behind the relatively high access figures referred to in the above section.

Countries in the region cover 10% of the world's area; however, they receive only 2.1% of its average annual precipitation⁴⁹. Furthermore, Arab countries account for more than 5% of the world's population, but less than 1% of global freshwater resources⁵⁰. As a result of lack of sufficient investment in science and technology, about half of irrigation water is wasted due to inefficient methods and some studies estimate that irrigation efficiencies in the Arab region are as low as 30%, compared to a world average of about 45%⁵¹. Food insecurity in the region is linked to environmental constraints such as scarcity of arable land (nearly 90% of the region lies within arid, semi-arid and dry sub-humid areas), aridity of the climate and scarcity of water. Water insecurity is increasingly being addressed through desalination projects; however, the energy requirements and environmental impacts of desalination processes are important concerns not currently addressed. Desalination represents a significant cost for governments, estimated to be as high as \$1.50 per delivered m³ (and even \$4 in extreme cases). This cost is not recouped since subsidized water is sold for as little as 4 cents per m³ in some Arab countries.⁵²

Approximately 50% of the Arab population suffers from extreme water scarcity, which negatively affects food security

Figure: Annual Per Capita Renewable Water Resources in the Arab region 1960-1999 and Projections for 2025⁵³



More than half the region's total renewable water resources also originate outside the region, while climate change, conflict and occupation are exacerbating water insecurities and drought, and therefore also food

⁴⁸ El-Ashry, M., N. Saab, and B. Zeitoon, eds. 2010. Arab Water: Sustainable Management of a Scarce Resource. Beirut: Arab Forum for Environment and Development.

⁴⁹ UNDP (2013) Water Governance in the Arab Region – Managing Scarcity and Securing the Future, http://www.arabstates.undp.org/content/dam/rbas/doc/Energy%20and%20Environment/Arab_Water_Gov_Report/Arab_Water_Gov_Report_Full_Final_Nov_27.pdf.

⁵⁰ IFAD (2009) *Fighting water scarcity in the Arab countries*, http://www.ifad.org/operations/projects/regions/pn/factsheets/WWF_factsheet.pdf

⁵¹ El-Ashry, M., N. Saab, and B. Zeitoon, eds. 2010.

⁵² UNDP (2013).

⁵³ Author's compilation, based on: IFAD (2009); FAO 2013; UNDP (2013).

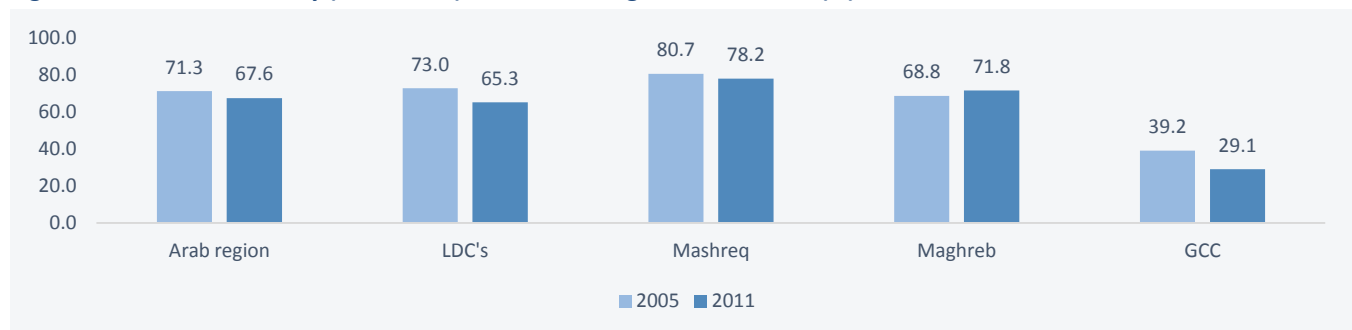
insecurity.⁵⁴ Israel's military chief declared after the 1967 war, which led to the occupation of the West Bank which continues to this day, that all West Bank water resources belonged to Israel and placed them under the control of the army. Israel now illegally appropriates and exploits almost 85% of West Bank water resources and continues to prohibit the Arab population from drilling new wells.⁵⁵

All West Bank water resources are placed under the control of Israel who now illegally appropriates and exploits 85% of West Bank water resources

While agricultural productivity and food production have increased in the region, self-sufficiency has declined and the region relies on food imports, exposing Arab countries to severe swings in commodity prices. This is expected to intensify due to climate change. Arab countries import at least 50% of the food calories they consume and, as the largest net importers of cereal, are more exposed than other countries to severe swings in agricultural commodity prices.⁵⁶ Rising instability in crop yields is also evident, highlighting further vulnerabilities to climate change. The consequences on small scale producers, particularly women, and on securing the nutritional needs of adolescent girls and lactating mothers, can be drastic, especially those living in poverty conditions. Alarming levels of post-harvest food losses associated with poor infrastructure are wasting the region's scarce water and land resources, and addressing this represents an opportunity for the region. For example, the annual blue water footprint⁵⁷ of food losses and waste has been estimated at 250km³, or 90m³ per capita. This represents 17% of the **global losses**, despite the region having only 7% of world's population⁵⁸.

The region imports at least 50% of the food calories consumed and, is more exposed than others to severe swings in prices of agricultural commodities.

Figure: Food Self-Sufficiency (Total Food) in the Arab Region 2005 – 2011 (%)⁵⁹



Unsustainable trends in consumption and production, including energy use for desalination, domestic consumption and the economy, are yet to be 'decoupled' from increased energy consumption. Desalination and domestic consumption are taking an increasing share of the region's energy resources. The ratio of consumption of oil and gas compared to production rose from 5% in the 1970s, to 24% in the 1990s and then

⁵⁴ UNEP 2015, Climate Change in the Arab Region, RCM Issues Brief prepared for the ASDR.

⁵⁵ UNDP (2013).

⁵⁶ World Bank, FAO, IFAD (2009) *Improving Food Security in Arab Countries*, The World Bank, Washington, available at: <http://siteresources.worldbank.org/INTMENA/Resources/FoodSecfinal.pdf>

⁵⁷ Blue water footprint – Volume of surface and groundwater consumed as a result of the production of a good or service.

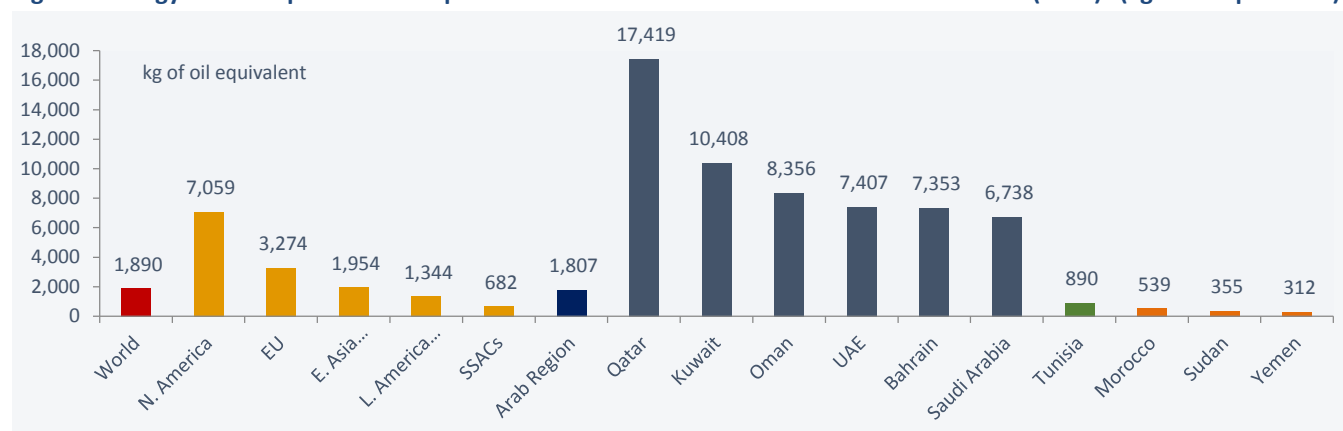
⁵⁸ FAO (2013). *Food Wastage Footprint: Impacts on Natural Resources*. Technical Report. FAO, Rome.

⁵⁹ Author's calculations using population-weighted averages. Country data drawn from AFED (2014).

to 35% in 2011. Between 1971 and 2011, energy consumption grew at a rate of 6.4%, far outstripping growth rates in GDP (3.4%) and population (2.6%). Energy intensity⁶⁰ for the region as a whole increased from 0.134 tons of oil equivalent (toe) per \$1,000 in 1971, to 0.422 toe per \$1,000 in 2011, representing an annual growth rate of 2.9%.⁶¹ This increasing trend contradicts global trends, with all other regions witnessing a decrease in energy intensity over the same period. The global average energy intensity is around 40% lower than the Arab regional average. The Arab average national share of renewable energy (excluding hydroelectric power) in the energy mix is insignificant, equaling 0.24% in 2011 (or 6% including hydroelectric power), and is well below the **global average of 4.2% (8.7% including hydroelectric power)**.⁶²

Economic growth in the region is yet to be decoupled from increased energy consumption

Figure: Energy Consumption Per Capita – Arab Countries and Rest of the World (2011) (kg oil equivalent)



6.2.2 Resilience to Natural Hazards and Climate Change Impacts

Societies in the region will need to be resilient to consolidate existing gains in development while at the same time invest in technologies to try to address insecurities in water, food, energy and challenges in sustainable development in general. However this is yet to happen.

Over the past several decades, the region has witnessed an increasing trend in natural hazard events, with corresponding increases in human and economic losses. These losses are unequally distributed, with larger concentration amongst the poorest. The urban population of Arab countries is around 210 million people, requiring large public investments in infrastructure to provide essential services. Furthermore, slum population to urban population ratios register at 40, 50, 57, 86, 92 and 94% in Egypt, Iraq, Lebanon, Sudan, Mauritania and Somalia respectively⁶³. This increases the exposure and vulnerability to risks from natural hazards, particularly extreme climatic events such as floods and storms. For example, infrastructure damages over the period 2000-2009 were in excess of \$12 billion (earthquake = \$5.5bn; storms = \$3.95bn; floods = \$2.69bn), and these figures are on the rise. Floods and storms particularly affect remote and neglected rural regions and poor

⁶⁰ Energy intensity measures the amount of energy (Total Primary Energy Supply, or TPES, in tons of oil equivalent, or toe) a country needs to generate one unit of GDP (calculated at constant money (e.g. 2005 values) or at purchasing power parity (PPP)).

⁶¹ IEA data. Values are 2005 USD.

⁶² WDIs based on IEA data.

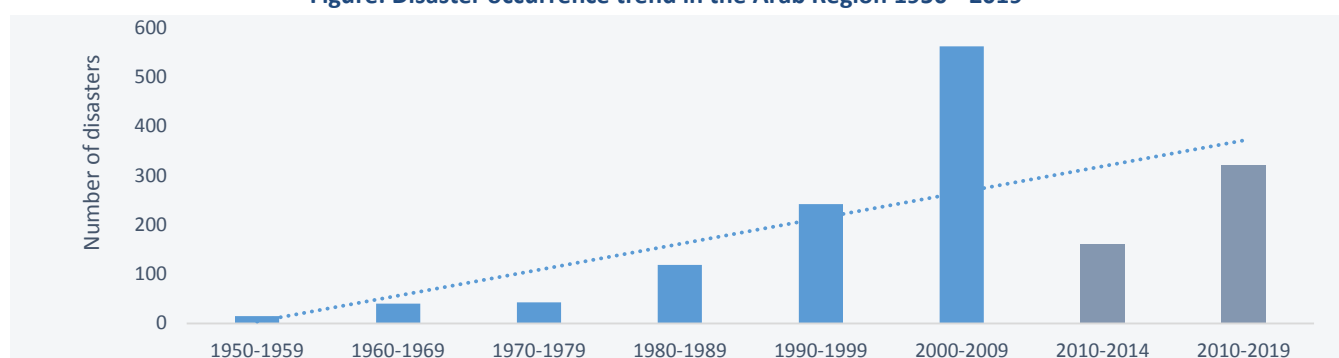
⁶³ Abu Swaieir L and Hamdan F, 2015, Disaster Risk Reduction for Resilience and Sustainable Development in the Arab Region, RCM Issues Brief prepared by UNISDR for the ASDR.

neighborhoods in urban areas. Droughts are now impacting tens of millions of people, and are expected to continue to do so for the foreseeable future.

Climate change is exacerbating the intensity and frequency of extreme weather events, and contributes to an increasing incidence of sand and dust storms seen over recent years. Sea level rise will threaten life and infrastructure in coastal areas over the coming decades. Against the above background, governments are yet to invest in corrective disaster risk management strategies which can address the social, economic, institutional, natural and physical factors contributing to vulnerability and particularly its unequal distribution and concentration amongst the poor and vulnerable sectors within society. International evidence suggests that corrective risk management strategies, when directed at the most vulnerable quintile of society (in terms of housing, infrastructure or livelihoods), are cost-effective. In the Arab region, the lack of risk governance frameworks that can ensure equal access to the decision making process related to the use, production and distribution of resources (including water, land, seas, natural resources, minerals and the environment at large) may explain the lack of action⁶⁴.

The staggering human and economic losses resulting from an increasing number of natural hazards are mostly affecting the poor

Figure: Disaster occurrence trend in the Arab Region 1950 - 2019⁶⁵



6.2.3 Innovation for economic prosperity

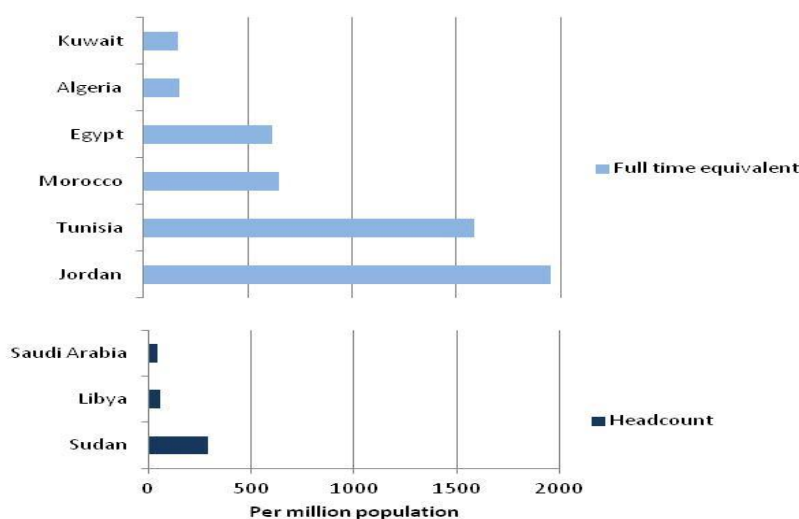
The Arab region lags behind other regions in terms of Science, Technology and Innovation (STI), necessary for effectively addressing sustainable development challenges, as manifested in many indicators including R&D. STI can play a vital role to reinvigorate development and unlock the untapped potential⁶⁶; however, the youth and women population is yet to be viewed as an opportunity to overcome the “knowledge deficit”.⁶⁷ The key indicators for STI in the Arab region show limited contributions of the region on several fronts. In terms of R&D budget, Gross domestic Expenditure on Research and experimental Development – GERD - constitutes 0.2% of the GDP of Arab states, much lower than the global average of 1.7%. The region accounts for only 1.7% of world researchers. When compared against the background of water, food and energy insecurity in the region, these figures show that the region is missing an opportunity to invest in technologies for sustainability which can both alleviate unemployment and promote security and sustainable growth and development.

⁶⁴ Hamdan F, Intensive and Extensive Disaster Risk Drivers and Interactions with Recent Trends in the Global Economy, with special Emphasis on Rentier States, International Journal of Disaster Risk Reduction, 10-2014, Elsevier Publishers ISSN 2212-4209.

⁶⁵ Source: EM-DAT Statistics 1951-2005. Values for 2010-19 are calculated by doubling the values for 2010-14.

⁶⁶ Lord (2008), A New Millennium of Knowledge, Saban Center at Brookings.

⁶⁷ Morssy A 2015, Industrialization and Innovation in the Arab Region, RCM Issues Brief prepared by UNIDO for the ASDR.

Figure: Researchers per million population in the Arab world, 2007 (source UNESCO, 2010)

6.3 Good Governance and Peace - Enablers for Achieving Sustainable Development

The Arab region is the most conflict-affected region in the world and accounts for the largest number of refugees, both in absolute and relative terms. Heightened terrorism is affecting most of the countries of the region and taking away valuable resources from much-needed development areas. Conflict and instability are effectively acting as “development in reverse”⁶⁸ by causing a contraction of economic activity and severe damage to social infrastructure. The Arab region is also home to the longest-standing illegal occupation, with significant impacts on development rights and opportunities not only of Palestinians but the region as a whole. Governance deficits in the Arab countries have exacerbated the situation, as they have been ineffective in ensuring human dignity and the protection of human rights for all, with negative impacts on sustainable development and security, as discussed earlier in section 6.1.

6.3.1 Right to Self determination, Peace and Security

Peace and security, together with the right to self determination, are pre-requisites for good governance which in turn is a necessary condition for sustainable development. Conflict, fragility and occupation are present to varying degrees in the region, where 41% of countries have been subjected to conflict during the five year period from 2009 to 2013.⁶⁹ This has challenged regional integration, slowed economic growth, weakened different aspects of governance, including corruption, and led to more persistent violations of public freedoms and human rights including the right to development.

The high incidence of conflict in the region is superimposed against a background of fragile states. The Fragile States Index (FSI)⁷⁰ results over the past 8 years reveal that the region has been consistently more fragile than the world average (by 15%), while Mashreq and LDC countries are approximately 30% and 40%

⁶⁸ Intervention by Dr. Rima Khalaf, Executive Secretary of ESCWA during the Dialogue of the Executive Secretaries with the 2nd Committee (New York, 3 November 2014).

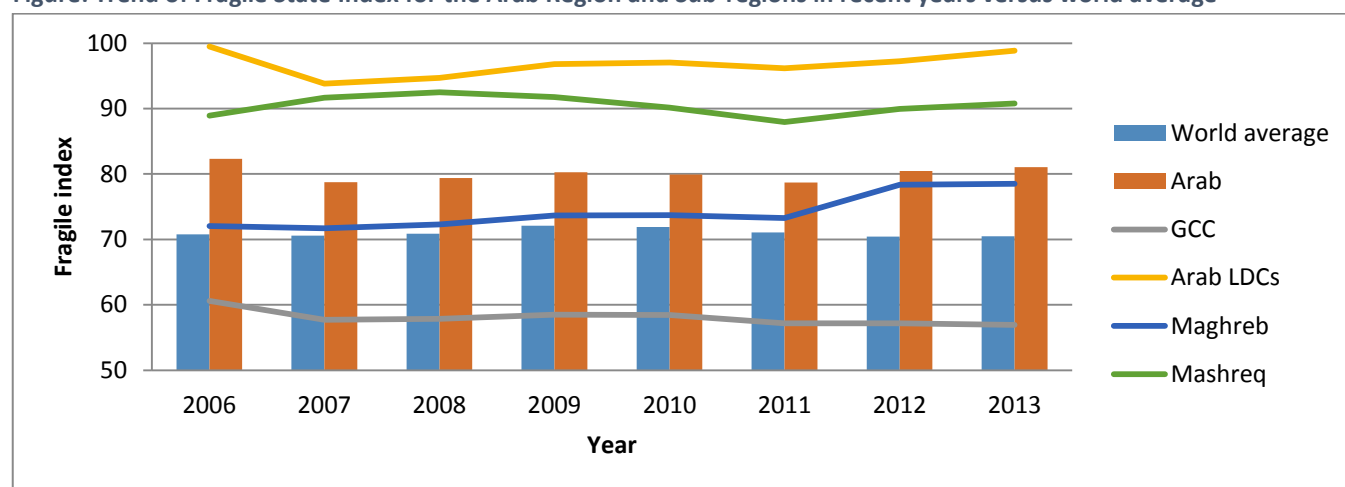
⁶⁹ ESCWA 2014.

⁷⁰ FSI consists of two main categories of indicators, socio-economic and political/military, and twelve sub-indicators (socio-economic: demographic pressures, refugees and IDPs, uneven economic development, group grievance, human flight and brain drain, poverty and economic decline; political/military: state legitimacy, public services, human rights and rule of law, factionalized elites, security apparatus, external intervention). <http://ffp.statesindex.org/>

above world average respectively. The overall refugee population by both country of asylum and country of origin increased by over 50% in the Arab region over the last two decades. Arab regional refugees by country of origin and by country of asylum, at the end of 2013, represented 28% and 23% of total refugees respectively.⁷¹ In addition, internally displaced persons IDPs (and people in IDP like situations) are disproportionately concentrated in the Arab Region, reaching a percentage of 33% total IDPs without even considering the IDPs within Occupied Palestine since 1948⁷².

Furthermore, according to the 2014 Global Terrorism Index (GTI) report, there is a significant relationship between GTI score on one hand and fragility related indicators including political stability, intergroup cohesion and legitimacy of the state on the other.⁷³ Until 2013, GTI index has increased acutely in recent years particularly in Mashreq (more than 50%) and Maghreb (more than 100%) countries, in the wake of the Arab Spring and subsequent events. *In view of the recent events in Yemen at the time of writing this report, all the above indicators are expected to worsen over the coming few years for all Arab sub-regions including the LDC and the GCC sub-regions.*

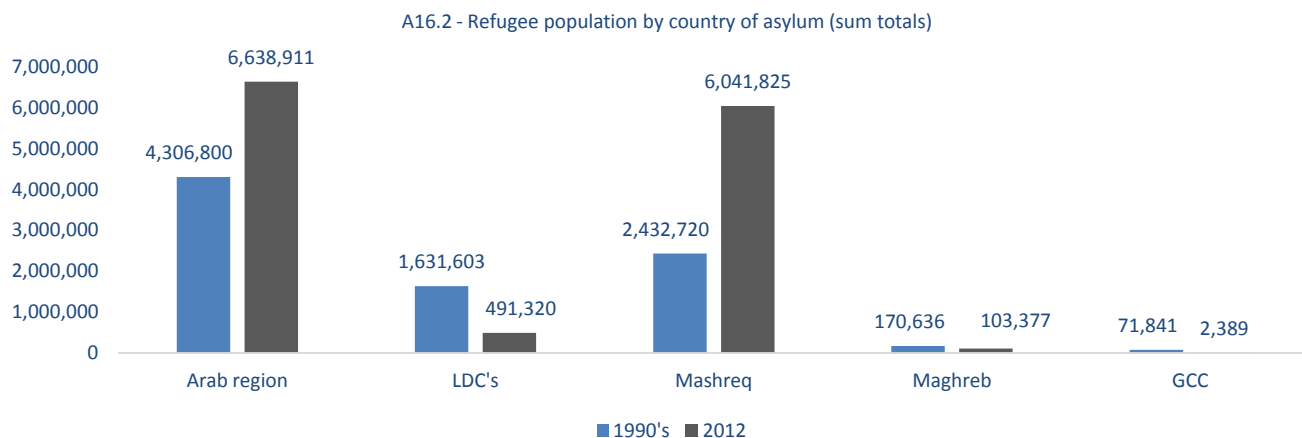
Figure: Trend of Fragile State Index for the Arab Region and Sub-regions in recent years versus world average



⁷¹ War's Human Cost, UNHCR Global Trends 2013, UNHCR The UN Refugee Agency 2014.

⁷² Ibid.

⁷³ <http://economicsandpeace.org/research/iep-indices-data/global-terrorism-index>.

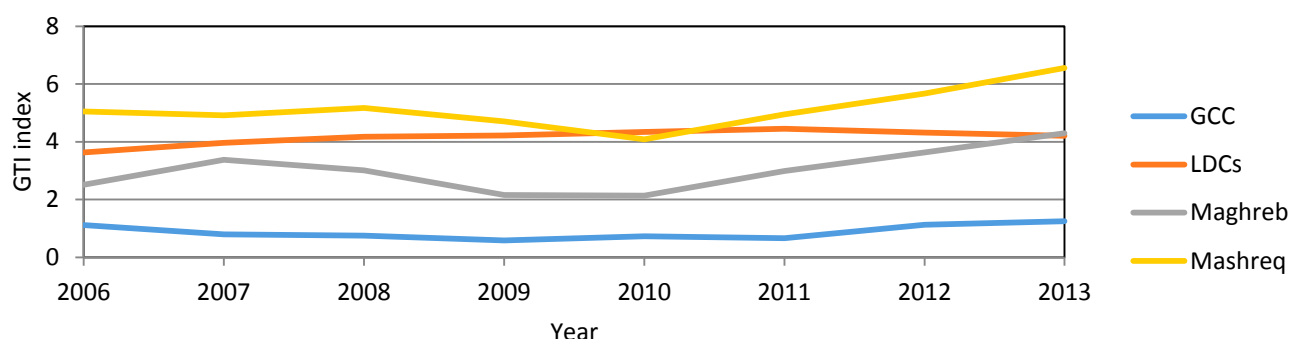
Figure: Refugees in the Arab Region⁷⁴ (Totals)

The Arab region is the only remaining region where there is physical occupation, which has continued for more than five decades, namely the Israeli occupation of Palestine. The impacts of this occupation are felt not only by the Palestinian people alone, but by the region as a whole. Indeed, occupation has hindered regional integration and sustainable development by diverting resources away from development and weakening governance. Partly as a result of the Israeli occupation, the Arab region is the largest buyer of weapons in relative terms, with 4.15% of its total GDP spent on weapons.⁷⁵ This is more than twice the military expenditure of the developed economies and far higher than other regions of developing countries. This directs much needed resources away from socio economic development, environmental protection and reversing environmental degradation, including in capital intensive research and development for addressing water, food and energy insecurities. Another result of the occupation is that it has hindered the promotion of democratic governance in several Arab countries and fuelled religious extremism. This has provided an excuse to various Arab states to “prioritize” resistance against Israel and the containment of extreme religious elements at the expense of providing basic human rights to their people.

The Israeli occupation of Palestine is the only physical occupation continuing today, and it is not only affecting the Palestinian people, but the region as a whole

⁷⁴ Allen and Hamati (2015). Source: WDIs

⁷⁵ ESCWA 2014.

Figure: GTI Trends in Arab countries in recent years⁷⁶

6.3.2 Good Governance for Sound and Resilient Institutional Foundations

The effective implementation of the SDGs and post-2015 agenda at the national level will depend upon the capacity of governments to build consensus on a national vision and goals and engage stakeholders, steer and implement a transitional process of major reforms and investments, efficiently allocate resources, and ensure transparency and accountability to its citizens. In particular it will depend on the availability of a political will at the highest levels of the decision making process to empower public sectors in the respective countries to fulfill their multi-faceted role in sustainable development. This role cannot be achieved without the presence of sound governance practices, the salient features of which are yet to be effectively enshrined in Arab states and societies.

By the beginning of the Arab spring, government effectiveness in most Arab countries lagged largely behind the world average, while slightly being over the emerging markets' average⁷⁷. Conflict has exacerbated the prevalent absence of effective and efficient institutions in the Arab region that are capable of steering their countries through the necessary transitions that will be required to achieve the SDGs. Based on indicators relating to political management performance and policy, most Arab countries are not making efficient use of available human, financial and organizational resources and the implementation of development strategies and policies is poor due to a lack of political will which is not directing resources at improving competence.⁷⁸ Indeed, a review of Public Finance Management (PFM)^{79, 80} published by the World Bank one year before the outbreak of the Arab spring, highlights a number of alarming deficiencies; namely that Arab countries lagged behind world averages in budget credibility, policy-based budgeting, as well as accounting, record keeping and reporting. In the long term, investments in specialized tertiary education and building capacity of the civil

⁷⁶ Scores of GTI range from 0 to 10 where 0 indicate that there is no impact of terrorism and 10 indicates highest impact. No data for the State of Palestine.

⁷⁷ Moubayed L. (2015), From Government to Governance: how will the Arab region meet the goals of sustainable development in the post 2015 period? Report prepared for ESCWA as input to the ASDR.

⁷⁸ For example, see the Bertelsmann Stiftung Transformation Index 2014, or the Worldwide Governance Index of the World Bank.

⁷⁹ Moubayed L. (2015).

⁸⁰ Robert P. Beschel and Mark Ahern, "Public Financial Management Reform in the Middle East and North Africa: An Overview of the Regional Experience," *The World Bank*. Accessed on 17.9.2014. (<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/MENAEXT/EXTMNAREGTOPGOVERNANCE/0,,contentMDK:22321137~menuPK:4406853~pagePK:34004173~piPK:34003707~theSitePK:497024~isCURL:Y,00.html>)

service will be necessary, as well as adopting transparent procedures for employment in the public administration⁸¹.

According to the World Bank worldwide Governance indicators of 2013, the MENA region is one of the poorest performing regions across the world, ranking consistently lower than East Asia and the Pacific, Europe and Central Asia, and Latin America and the Caribbean across all six composite indicators that form the WGI⁸². Despite its resources, the region only outperforms Sub-Saharan Africa in measures that relate to public institution capacities but registers lower performance on voice and accountability and political stability and absence of violence. Transparency International's tool, the Corruption Perception Index (CPI) for 2011, affirms that the MENA region is widely perceived as institutionally corrupt, with an average score of 3.1 out of a maximum of 10.⁸³

In order to achieve sustainable development, political leaders will need to build a broad consensus on the necessary reforms with other actors in society, particularly since important trade-offs will need to be made in order to achieve progress along the path of sustainable development. Building consensus on trade-offs requires participation and inclusion which in turn involves empowerment through representation in government as well as through consultative mechanisms for meaningful participation in decision-making processes.

Sustainable development can only be achieved through an effective communication between political leaders and other actors in society to agree on essential reforms along the path of sustainable development

The literature, at the global level, suggests that participatory political regimes generally deliver better development outcomes, because the greater diversity of stakeholders helps to address information gaps and build consensus. They are also considered more stable as they also deliver better distributional outcomes and greater equality, thereby reducing the chance of conflict and the loss of development gains. However, the emerging conflict in the region is expected, at least in the short term, to reduce participatory approaches, transparency and increase corruption practices, while at the same time diverting much needed resources away from socio-economic development, environmental protection and reversal of natural resources' degradation.

⁸¹ Allen C, 2015.

⁸² *Government effectiveness* captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

Control of corruption captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.

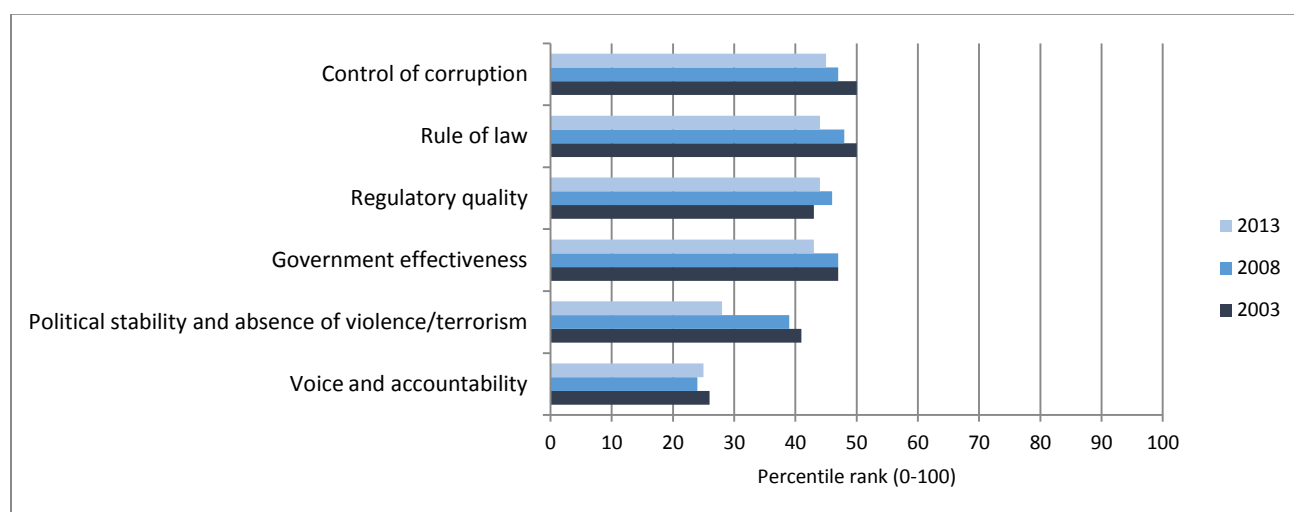
Voice and accountability captures perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.

Regulatory quality captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.

Rule of law captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.

Political Stability and Absence of Violence/Terrorism measures perceptions of the likelihood of political instability and/or politically-motivated violence, including terrorism.

⁸³ CPI ranges from 10 (highly "clean"), to 0 (highly corrupt), <http://www.transparency.org/cpi2011/>

Figure: Governance Indicators in the MENA Region – Worldwide Governance Indicators⁸⁴

6.4 Means of Implementation, Partnerships and Global Resilience and Solidarity

The Arab region faces a tremendous financing gap, and this gap is widening as Arab countries bear the brunt of more destruction and instability, and incomes from oil and gas plummet. Several of the region's resources remain untapped or partially tapped, including intra-regional trade. Furthermore, the capacity gap in the region needs to be addressed in order to effectively implement the post-2015 agenda, including capacity development to improve the methodological soundness of national statistics systems. Since these gaps in means of implementation are beyond the capacities of any one Arab country, regional integration and a global partnership for sustainable development should be scaled-up.

6.4.1 Sustainable Development Financing

Amidst a large development financing gap in the Arab region, and increased conflict expected to further divert resources away from development, the existing investment environment provides incentives to the private sector to invest in sectors not critically important for sustainable development. Furthermore, existing public sector funding mechanisms also direct valuable resources away from sustainable development.

The financing gap for the Arab region for the years 2015 and 2016 was estimated using two scenarios as ranging between 79 and 85 billion US dollars. Even before the latest conflict in Yemen, 13 to 15 Arab countries were expected to have a financing deficit for 2015 and 2016. There are high variations between regions, with GCC countries registering 24% surplus, Maghreb 5.33%, Mashreq 2.29% and LDC a deficit of

⁸⁴ Kaufmann D., A. Kraay, and M. Mastruzzi (2010), The Worldwide Governance Indicators: Methodology and Analytical Issues. The Worldwide Governance Indicators are available at: www.govindicators.org

8.01% at the end of 2012.⁸⁵ The average account surplus as a percentage of GDP in the Arab region decreased by 20% over the past two decades (from 16.83% to 13.43%)⁸⁶.

The Intergovernmental Committee of Experts on Sustainable Development Financing⁸⁷ provided estimates of financing needs and identified priority sectors on a global level, where investment should be channeled. Infrastructure, climate change mitigation and energy (with a focus on energy efficiency and renewable energy) were considered priority investment sectors. It is estimated that Arab countries need to spend US\$ 110 billion to US\$ 150 billion *each year* during the coming 5 years⁸⁸ on investments in non-energy infrastructure alone. In the energy sector, the International Energy Agency Outlook for 2014 provides estimates for average annual spending of US\$120 billion in Africa and US\$105 billion in the Middle East during 2014-2020.⁸⁹ While historically infrastructure investment has been adversely impacted in periods of rising deficits, the above findings prove the importance of prioritizing this sector given its trickle down effects⁹⁰ in raising productivity and employment.

Excluding least developed countries, Iraq and Palestine, the average public debt to GDP ratio was 31.2% in 2014 (in comparison with 26.4% for developing countries). This implies that governments in many cases are crowding out the private sector by using the financial system to fund their deficit rather than to support the growth of the private sector through the provision of credit. Tax breaks, tax reductions and tax exemptions policies need to be re-examined in the context of sustainable development goals. Furthermore, the total Official Development Assistance (ODA) received as a percentage of Gross National Income (GNI) and the ODA per capita as a percentage of GNI decreased significantly by over 38% and 61% respectively in the Arab region over the last two decades. Many Arab countries present a low Tax Effort⁹¹ signifying the need to improve tax administration and collection efficiency. Corruption together with the existence of a high informal sector also impacts the resultant tax funds. Significant revenue may be accrued through tax system reform, fighting tax evasion and combating corruption⁹².

⁸⁵ El-Sharkawy S 2015, Financing Sustainable Development in the Arab Region, Report prepared for ESCWA as input to the ASDR.

⁸⁶ The above forecasting processes do not necessarily put sustainable development goals at the forefront of the countries' spending priorities. Another limitation of the above findings is the unavailability of forecast data on Somalia and Palestine. Both factors are expected to yield a higher financing gap estimate for Arab countries.

⁸⁷ Report of the Intergovernmental Committee of Experts on Sustainable Development Financing, UN A/69/315, 15 August 2014

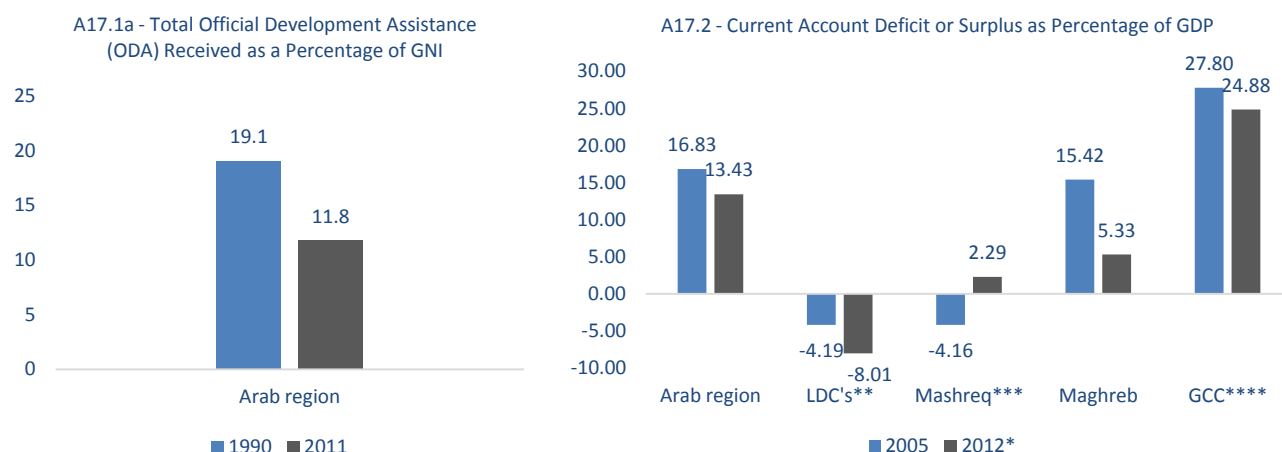
⁸⁸ GDP forecasts of the IMF and the Economist Intelligence Unit were used.

⁸⁹ No separate estimate for Arab countries is available; however, since many of the Arab countries fall within the Africa and Middle East category, it is not unsafe to assume that the needs of Arab countries would fall within this range.

⁹⁰ Infrastructure Investing: It Matters. Swiss Re and Institute of Infrastructure Finance, 2014

⁹¹ Tax effort is an index demonstrating how well a country is doing in terms of tax collection, relative to its potential. How much a country should be collecting is determined by a number of factors, including its stage of economic development, the share of trade and agriculture in economic activity.

⁹² The road to dignity by 2030: ending poverty, transforming all lives and protecting the planet, UN General Assembly, Sixty-ninth session, 4 December 2014

Figures: ODA and Current Account Balance in Arab Region⁹³

Net Foreign Direct Investment in most Arab countries is negative, and as a proportion of GDP it has decreased significantly after the Arab Spring and is concentrated in three job-poor and technology-poor sectors namely oil, real estate and construction. Increased competitiveness, transparency, governance and combating corruption should be a priority to attract foreign direct investment, to be preferred over fiscal incentives which have a rather limited and short term impact.⁹⁴ Portfolio investment currently accounts for less than 1% of GDP in the Arab world⁹⁵. Arab countries are characterized by a low level of savings as a percentage of their gross national income. Furthermore these savings are not well channeled through the financial sector, considering the low loan to GDP ratios in comparison to the world average. In the Arab world, private investors are more biased towards profitable telecommunications and energy-related investments at the expense of investment in the transportation sector amongst other pro-poor job rich sectors (i.e. industry and agriculture). The share of Arab countries in private sector participation is the lowest when compared to other regions and one of the lowest when compared to GDP.

6.4.2 Sustainable Development Trade and Regional Integration

Trade can achieve its full potential only when coupled with initiatives for regional Arab integration and investment to boost productive capacity⁹⁶. It is thus important that trade and investment agreements foster partnerships that liberalize national trade and investment regimes at a level and pace, and following a sequence, that both maximizes benefits while minimizing dislocations to the national economy⁹⁷. In the absence of such international partnerships and regional integration, two detrimental regional effects of globalization and trade liberalization will persist: 1) effect of trade liberalization on climate change in general (and its unequal; disproportionate negative impact on the poor); and 2) trade and investment liberalization will not lead to job-rich pro-development growth in the region as most investments will continue to be channeled towards real estate and construction as discussed in earlier sections.

⁹³ UN and LAS (2013). Values are weighted averages. A17.2: *Data for Yemen is from 2011; **Does not include Comoros, Mauritania and Somalia; ***Does not include Syria; ****Does not include Qatar and UAE.

⁹⁴ El-Sharkawy S (2015).

⁹⁵ ESCWA, 2013. Assessing the Financing Gap in the Arab Region (E/ESCWA/EDGD/2013/5)

⁹⁶ UNCTAD International Investment Agreements database at <http://investmentpolicyhub.unctad.org/>.

⁹⁷ International Trade and Development, Report by the Secretary General, United Nations, 2014, A/69/179.

While regional integration attempts date back to 1957, intraregional trade and investment is among the lowest in comparison to other regions around the world. In the Arab region, regionalism dates back to 1957, relatively early compared to other regions, when members of the League of Arab States (LAS) signed the Economic Unity Agreement allowing for the free movement of goods, capital and labour. This was followed by several additional agreements including the Arab Maghreb Union (AMU, 1989), the Agadir Agreement (2004), the Greater Arab Free Trade Area (GAFTA: 2005) and the Gulf Cooperation Council Common Market (GCC-CM: 2008).

Intraregional trade and investment in the Arab region is one of the lowest in the world despite the long history of regional integration attempts

Notwithstanding the above agreements, the Arab region remains one of the least integrated regions of the world in terms of trade, where Intraregional exports did not exceed 8% of the total exports of the Arab region in 2012 (in comparison with 62%, 49%, 48%, 17% and 13% intraregional trade in EU, NAFTA, ECLAC and Africa countries respectively). Indeed, many Arab countries were faster in concluding preferential arrangements with foreign parties than with each other, engaging in the deep economic commitments imposed by those arrangements and accepting commercial provisions that very often surpassed WTO requirements.⁹⁸ As of January 2015, collectively, ESCWA member states were parties to 750 separate investment agreements (BITs and IIAs).⁹⁹

Foreign Direct Investment (FDI) flows to West Asia decreased in 2013 by 9%, to \$44 billion. This represented the fifth consecutive decline since 2008, bringing FDI levels down to their 2005 value. Similarly, flows to North Africa declined by 7 per cent to \$15.5 billion¹⁰⁰. Furthermore, in the period 2005-2011, Arab investors showed a strong interest in intraregional investments. However, these investments began to decline in 2008. Compared to Arab investments outside the region, Arab intraregional investments remain meager, not exceeding 11.2% of total investments of Arab sovereign funds outside the region, estimated at around US\$1,600 billion¹⁰¹.

Many Arab preferential trade arrangements were finalized faster with foreign parties than with Arab parties

6.4.3 Technology and Innovation Needs for Sustainable Development

Priorities for the technology sector to improve sustainable development include: 1) improving the science – policy interface, 2) supporting innovation and technology for the achievement of water, food and energy security and the preservation of ecosystems and their services, 3) developing, nurturing and maintaining a critical mass for human capital in research, development, science, technology and innovation, 4) building STI institutions with good governance to attract scientists and researchers, and 5) developing visionary regional initiatives to address regional challenges in sectors such as transport and energy.

For example, remote sensing and GIS technologies may be utilized to predict the impact of climate change risks, rise of sea levels, and desertification so as to inform water and food policies for development and

⁹⁸ UNCTADStat database, UNCTAD, 2015

⁹⁹ UNCTAD International Investment Agreements database at <http://investmentpolicyhub.unctad.org/>.

¹⁰⁰ World Investment Report, Investing in the SDGs: An Action Plan, UNCTAD, 2014.

¹⁰¹ Hamwey R 2015, Strengthening Regional and Global Partnerships for Trade and Investment in the Arab Region, RCM Issues Brief prepared for the ASDR.

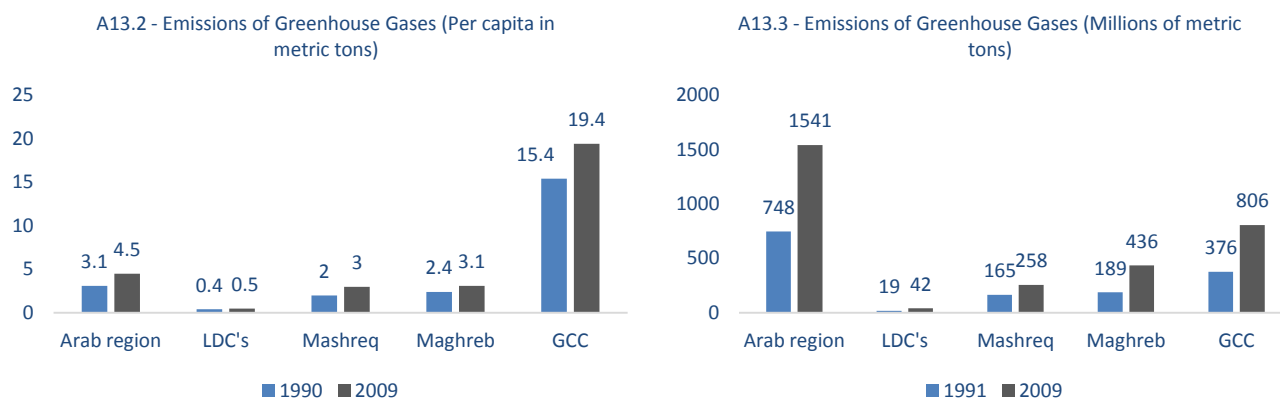
investment¹⁰². Organic agriculture, bio-saline agriculture, bio-technology and genetic engineering technologies can play a key role in enhancing crop yield and resistance to varying weather conditions and diseases. Additionally, it is important for all Arab countries, including the GCC, to invest more in low-energy desalination technologies, waste-to-energy applications, energy efficiency and renewable energy applications (specifically solar and wind), both from a socio-economic perspective, but also in response to global concerns about climate change.

6.4.4 Global Solidarity and Resilience

For human dignity and wellbeing outcomes to be resilient over the long term, the stability of the Earth's natural and man-made systems needs to be ensured, including a stable climate, oceans, atmosphere, and biodiversity. Global solidarity focuses on 'global commons' issues that stretch far beyond national boundaries and require coordination and action at the regional and global levels.

The Arab region is exhibiting a rising trend in greenhouse gas emission, although the region bears no historical responsibility. Overall emissions of greenhouse gases increased by over 100% in the Arab region over the last two decades, driven by GHG-intensive GDP growth. Total Arab regional emissions represented only 4.8% of global emissions in 2009. Emissions of GHG per dollar of GDP have also declined in recent years, bringing the region on par with the global average in 2009 of 0.4kg. Despite population growth, emissions of GHG per capita have also increased, falling just below the global average in 2009.

Figures: Emissions of Greenhouse Gases in the Arab Region 1990s to 2000s¹⁰³



The region's five marine bodies are under stress due to a number of factors. The Mediterranean Sea suffers from over fishing, eutrophication and pollution from coastal land use, while the Gulf and Oman Sea is under pressure from fossil fuel and related activities, including pollution and destruction of habitats.¹⁰⁴ Average annual fish catch increased across the region, with capture fisheries production increasing in all five water bodies. Fish catches alleviate food insecurity in several Arab countries; however the sustainability of yields and the scale of the threat to stock levels are difficult to determine. Furthermore, the regional impact of the water discharged from thermal desalination plants has not been studied in depth, but countries surrounding the

¹⁰² AFED (2009), A Remote sensing study of some impacts of global warming in the Arab Region. Chapter 3 by Ghoneim E. (2009).

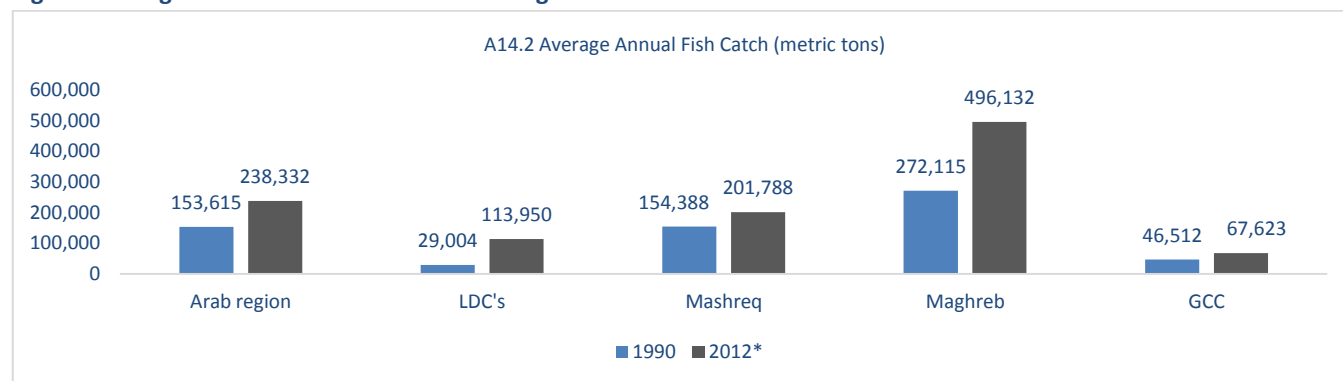
¹⁰³ UN and LAS (2013). Weighted averages. A13.1: *Data for 2009 or earlier for some countries.

¹⁰⁴ UNEP 2015, Marine Resources in the Arab Region, RCM Issues Brief prepared for the ASDR.

small, enclosed Arabian Gulf are increasingly concerned about the threat to marine life and damage to the fragile marine ecosystems.¹⁰⁵

Terrestrial ecosystems are also threatened and biodiversity is declining, although species data is insufficient for monitoring trends. The region is home to two of the world's largest deserts, and supports arid, semi-arid and Mediterranean biomes with vast and varying biodiversity. Protected areas have increased substantially in the Arab region, but are still just over half the global average. Vegetation cover has declined significantly over the past two decades due to large reductions in the LDCs.¹⁰⁶

Figure: Average annual fish catch in the Arab region 1990 to 2012¹⁰⁷



7. Recommendations

The following paragraphs provide a selected set of recommendations that focus on issues that were considered to be of a cross-cutting nature and essential for the achievement of sustainable development in the Arab region. A more comprehensive set of recommendations will be included in the full ASDR.

The report considers good governance, the improvement of education quality and the empowerment of women as goals by themselves, but also cross-cutting issues that can help achieve all sustainable development goals. While democracy and good governance are essential for a broad representation of different stakeholders views in the decision making process, quality education and women empowerment not only makes democracy possible but rather it makes it essential. Quality education and women empowerment not only bring into existence a population with understanding of the role and mandate of the public sector and the public tasks, they also create the demand to be heard.

7.1 Knowledge for Sustainable Development in the Arab Region

The Arab region needs to be in continuous reconciliation with its identity through adequate reviews and open dialogues with other civilizations. The region holds a historical opportunity to build the knowledge society for the future that people and individuals in the Arab region aspire to. The regional enlightened cultural heritage, rooted in the core values of religions constitutes the foundation of a forward looking vision addressing illiteracy, and dogmatism witnessed in the region.

¹⁰⁵ AFED, 2008. *Arab Environment: future Challenges*. Mostafa K. Tolba and Najib W. Saab (Eds.). Report of the Arab Forum for Environment and Development, 2008.

¹⁰⁶ UNEP 2015, *Terrestrial Ecosystems and Biodiversity in the Arab Region*, RCM Issues Brief prepared for the ASDR.

¹⁰⁷ Allen and Hamati (2015). All values are weighted averages. A14.1 source: WDIs. A14.2 source FAOSTAT: 2012*: Latest available population data is from 2010; latest values were weighted against 2010 population values

Knowledge has become a global good as well as a determining input in the new economy. Moving towards sustainable development in the Arab region requires among others creative ideas and building knowledge capacity at the regional and national levels. To move forward with that, enormous investments and efforts are necessary. While a major part of this investment needs to be financed from internal resources, exploring further resource avenues is a must given that the competing development needs are enormous. The region needs to explore how to capture the global opportunities and endeavor to develop the region's capacity through the global "Technology Facilitation Mechanism", a solid commitment to regional horizontal solidarity for sciences, technology and innovation, coupled with a strong political will to increase knowledge sharing between Arab countries. Furthermore, the transition of the Arab region to a knowledge economy requires the renegotiation of existing cooperation modalities for technology transfer, including north-south and south-south partnerships, to reduce the dependence of the region on global markets.

Strengthening the science-policy interface, as clarified in section 3 will be central if the region is to base its decision-making on the best and most up-to-date evidence and scientific findings.

Open, non-judgmental dialogues with other civilizations are important for the Arab region to be in complete harmony with its identity

- **An alternative sustainability pathway in the Arab Region needs to be paved through behavioral and structural changes.** These changes can be achieved through the formulation of collective policies, the implementation of joint programmes and the promotion of innovative financing tools for science, technology and innovation. **Such policies should be initiated under the recommended regional and national strategic frameworks on sustainable development.** This ensures that new dynamics are created to enhance the competitiveness of the Arab economies, benefit from existing complementarities and promote their integration into the global economy. In turn, this will also enable monitoring and reporting on progress over time.
- **Strengthening science-policy interfaces requires salience, credibility and legitimacy.** Scientific information should be relevant to policy demands and formulated in a way that is accessible to policy and decision makers, who, in turn, should formulate their demands in a way that are accessible for scientists. An effective dialogue between the scientific and policy-making communities, and processes of early warning and horizon scanning, can improve the science-policy interface in the Arab region.
- **A regional research institution that acts as an umbrella for Arab research institutions is also highly recommended.** Such a regional institution can increase the legitimacy of regional and national sustainability visions for the future of the Arab region through relevant prospective studies and scientific sustainable development inputs and analysis.
- **Adequate policies to meet the knowledge society challenges should target individuals from pre-school to the older age.** The objective is to inculcate the values of long life learning, and to contribute to the spread of a new culture in favor of sciences, technology and innovation, expressing the conviction in human creativity and intangible assets as an engine for wealth creation and smart economy, bridging the gap between innovation systems and industrialization, fostering start-ups and entrepreneurship and maximizing equal economic opportunities for youth and women in the Arab region.

7.2 National and Regional Institutional Frameworks for Sustainable Development¹⁰⁸

Implementing the post-2015 development agenda, by virtue of its broader and more integrated nature, will require more effective governance structures at the national and regional levels and tighter interlinkages between the two levels. Moreover, the particular context in the Arab region, characterized by the prevalence of conflict, occupation, state fragility, refugees, and terrorism, in addition to economic and social threats, imposes changes in mindset.

At the national level, the common view in the Arab countries that security must come first needs to change towards an understanding that long-term security, like sustainable development, can be achieved when the welfare of the population is the goal of policies, and when citizens are convinced that the institutions of the state and its enforcement mechanisms are working in their favor. To build this trust, national governance systems should protect the human rights of its people and organize social, economic and political life so that all citizens and everyone within the boundaries of the State feel that the government works for them and their interest, and that it is fair and just.¹⁰⁹

To implement the SDGs, governments will be in the driver seat, steering their countries through the necessary transitions and transformations.

To enhance governance at the national level for sustainable development, governments should focus on putting in place sound and resilient institutional foundations. This would comprise several key ingredients, namely: A civil service that is effective and capable of steering the transition; A government that is resource efficient with sound public financial management; A government that is representative, builds consensus and is participatory and inclusive; and institutions grounded in the rule of law with due consideration to transparency, accountability and adequate oversight mechanisms and separation of powers.

At the regional level, a long-term vision for sustainable development needs to be consolidated to better gear the various institutional mechanisms and actors in the Arab region towards the SDGs. The regional vision can also facilitate and guide the elaboration of national sustainable development strategies in the Arab countries. Furthermore, a regional assessment of needs in terms of financing, technology and capacity building, for achieving the SDGs in the Arab region will facilitate the identification of options for addressing these needs through existing or new initiatives and partnerships. This could be supported by a range of complementary strategies and initiatives including a regional financing strategy, a capacity building and training programme, an innovation and technology strategy, and other measures. Finally, the Arab Forum for Sustainable Development (AFSD) and the Arab Sustainable Development Report (ASDR) constitute important elements of a potential regional mechanism for review and follow-up.

Long-term security, like sustainable development, can be achieved when the welfare of the population is the goal of policies, and when citizens are convinced that the state is working in their favour.

¹⁰⁸ Allen C (2015).

¹⁰⁹ Azzam F 2015. A Human Rights Approach to Sustainable Development. Paper prepared for ESCWA as input to the ASDR.

7.2.1 Key ingredients for integrated and inclusive national institutions and development planning for the SDGs and post-2015 agenda in Arab countries

While the post-2015 agenda will shape international funding and capacity building programmes, it will ultimately be at the national level that the SDGs are adapted and mainstreamed into national development planning efforts to support implementation and enable monitoring and follow-up. Success in the post-2015 framework will require a renewed focus on **national long-term, integrated, and inclusive development planning**. Governments will be in the driver seat, steering their countries through the necessary transitions and transformations.

- **Arab governments need to consolidate, and conduct sustainability assessments of, their existing national plans.** Whether they are called national development plans, economic and social plans, vision documents or other, a sustainability lens needs to be applied and any contradictions or gaps between existing plans and strategies identified and remedied. Governments could also benefit from a new generation of approaches for integrated planning such as low-carbon, low-emission or climate compatible development; green economy/green growth plans; sustainable consumption and production strategies; and nexus-based approaches.
- **The post-2015 agenda and associated SDGs will need to be ‘nationalized’.** While goals and targets will be agreed upon, Arab governments will need to focus their often limited resources on areas where their action can make the biggest impact. To do so, they will need to be able to adequately evaluate different policy options, development pathways and investment decisions to identify potential interconnections, synergies and tradeoffs and select the ‘best’ options based on their particular circumstances, priorities and resources. This prioritization should not come at the expense of the social dimension or human rights.
- **Arab countries can benefit from the experiences of other transition economies.** For example, experience in the East Asian ‘Tigers’ and southern Europe highlights that while different countries took different courses, success in these countries relied upon policy makers being able to convey a credible vision for the future, a clear roadmap or strategy for getting there in order to manage a long transition period, and an inclusive development planning process.
- **Enhanced mechanisms for national dialogue and ownership and multi-stakeholder engagement must be established.** Country ownership will be critical, and can be supported through inclusive development planning as well as the creation of a dedicated body to ensure multi-stakeholder engagement, including civil society organizations, NGOs and social partners (workers and employers organizations).
- **Enhanced mechanisms for institutional coordination and implementation need to be put in place.** This would include multi-tiered development planning involving the preparation of long-term visions, medium-term national development plans and sector-based plans that are funded through annual budget plans and allocations. The use of quantitative (SMART) targets can ensure a results-orientation and enables evidence-based analysis and monitoring of progress. To enhance horizontal and vertical coordination, a dedicated inter-ministerial steering or oversight committee with high-level representation could be tasked with strategy formulation and implementation.
- **Advanced decision-support tools must be used to enable integrated analysis, monitoring, accountability and follow-up.** These tools, such as scenario planning and computer-based simulation

models, provide the necessary data and information for quantitative analysis and evidence-based decision making.

7.2.2 A Regional Institutional Framework and Roadmap for Sustainable Development and Post-2015 in the Arab Region

While the global institutional framework for sustainable development has been taking shape with greater clarity over the past couple of years, the format and function of a regional institutional framework for sustainable development has received limited attention by governments to date, with key resolutions providing only vague invitations and references. Therefore, now is a good opportunity to build an effective regional institutional framework for sustainable development that is fit-for-purpose and addresses past challenges and weaknesses experienced with the MDGs.

The time has come to build an effective regional institutional framework for sustainable development

- **The concepts of legitimacy, accountability, integration, implementation, and coherence** need to be central to any discussion on the regional institutional framework for sustainable development. These five concepts represent useful terms of reference for further articulating an effective regional institutional framework for sustainable development that adds value and engages all relevant actors in the Arab region.
- **The AFSD has the potential to be a major component of the regional institutional framework for sustainable development.** Member countries have supported this proposal through recommendations and resolutions adopted in different platforms. The Arab region needs to take ownership of the Forum and establish a regionally-attuned mechanism that supports implementation of the SDGs and post-2015 agenda at the regional and national levels.
- **The form of the AFSD should ensure a high degree of legitimacy in the eyes of all stakeholders, coherence with existing institutions, and coordination with a variety of actors.** In particular, it should integrate with the formal institutional framework provided by LAS and the UN, facilitate the participation of high-level decision-makers, engage a range of ministries and portfolio interests, as well as the full spectrum of stakeholders and non-state actors, including parliamentarians and civil society.
- **The AFSD should be well timed to ensure efficiency and participation.** The timing could coincide with other major regional forums, including the ESCWA Ministerial Sessions (every two years at the Ministerial level) and the Arab Economic and Social Development Summits (every four years at the heads-of-state level). ESCWA is well-positioned to coordinate the AFSD and can utilize its role as Chair of the RCM to ensure that the UN system and financial institutions are engaged at all levels of preparations. However, to do so, ESCWA will need to be adequately resourced with human and financial resources.
- **The function of the AFSD should support the integration of the pillars of sustainable development.** In particular, the AFSD could adopt a cross-sectoral agenda that covers a cluster of issues of critical and empirical relevance to the Arab region. It should also strengthen the science-policy interface by bringing together dispersed information and assessments, enhancing evidence-based decision-making at all levels, and strengthening capacity building for data collection and analysis. The ASDR provides a new mechanism for achieving this, and could be prepared every 2 or 4 years in advance of the AFSD.

- **The AFSD could also provide a regional platform for reviewing sustainable development achievements, promoting partnerships and enhancing accountability.** It could facilitate regional exchange of experiences, knowledge and leading practices, and identify constraints and capacity needs to support implementation. To promote partnerships and voluntary commitments, a regional registry of commitments to sustainable development could be established and maintained. Side events and partnership fairs could further the engagement of non-state actors by providing them with a platform for showcasing innovations and enlisting support for partnerships.

7.3 Aligning finance with sustainable development requirements

The financial system needs to be aligned with sustainable development requirements. A substantial increase in the level of investments is required to bridge the financing gap and ensure the implementation of the SDGs. As estimated by ESCWA, the financing gap will reach between \$80 billion and \$85 billion annually in 2015 and 2016, in upper middle, lower middle income and least developed Arab countries¹¹⁰. However, it is expected that the actual financing gap will be larger if the costs of environmental resources degradation, conflicts and humanitarian needs are to be considered.

In the Arab region where significant disparities exist between countries in terms of economic development and financial systems maturity, public and private financing cannot be put on an equal footing for all. Such a mix needs to be tailored to the needs as reflected in public budgets under national planning systems.

The implementation of the SDGs requires a considerable increase in the level of investments to bridge the financing gap

In the region, there is an important role for the financial market in creating new dynamics in favor of small and medium enterprises, channeling of remittances, foreign direct investment and supporting *new models for public-private partnership*. However, for the Arab LDCs, ODA and other official flows remain significant sources of financing for their development. In addition, the region needs to unlock untapped global sources of financing such as climate finance and other innovative financing.

- **The financing gap in the Arab Region should be adequately assessed and estimates revised in view of emerging issues.** The cumulative financing requirements for selected Arab countries to achieve sustained growth over the period 2015-2030 are estimated at \$3.6 trillion, with great variability across countries. Indeed, such estimates should be revised to take into account both the cost of environmental resources degradation and the cost of conflicts in the Arab region. Environmental degradation was estimated at 5% of GDP in the region¹¹¹. While the cost of conflict was estimated according to recent studies to reach more than 2% of reduced GDP for each fighting year under internal conflicts. Conflict affected countries would take 5-15 years on average to regain their pre-conflict growth trajectory. Some of the losses could be permanent¹¹².

¹¹⁰ Technical Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development in the Countries of the ESCWA Region Ninth session Amman, 7-8 April 2015 Item 6 of the provisional agenda Sustainable development: financing gap in the Arab region. <http://css.escwa.org.lb/edgd/3607/1500208.pdf>.

¹¹¹ Arab Forum for Environment and Development, Arab Environment 5 by AFED Survival Options: Ecological Footprint of Arab Countries (2012).

¹¹² ECRI contribution to the Post 2015 development Agenda task force on governance and conflicts.

- **The region needs to push donor countries to separate the humanitarian aid, and climate change financing from their Official Development Assistance ODA commitments.** Concessional finance through ODA and other official flows remain significant as a source of capital. This is true particularly for the least developed (LDCs) and for the middle income countries. Developed countries should meet their commitment to allocate 0.7 per cent of their gross national income as ODA to developing countries by 2020. South-South and triangular cooperation complements North-South cooperation and horizontal solidarity for mobilizing financing for development needs to be explored in the special context of the Arab region.
- **Development of a dedicated regional bank for reconstruction and development need to be further researched.** This regional bank will provide both financial and technical services to Arab countries and will attempt to explore regional and global funding resources.
- **Social protection floors should be seen as an investment in the Arab region, given its multiplier effects on growth and tax revenues.** This echoes the growing global recognition that decent work is both a source of domestic resource mobilization as well as an area for which investments may be targeted to help spur demand and build social cohesion. The region could consider establishing a regional social protection fund to contribute to making social protection floors a national reality in Arab countries.
- **Several innovative financing sources, such as green bonds, Islamic finance assets and green sukuk should be tapped in the Arab region:** Green sukuk represent an opportunity to finance renewable energy generation projects, given the challenges of energy security, the fluctuation of oil prices and within the climate change context. The green sukuk guidelines and other supportive legal, institutional, capacity and technological frameworks should be put in place, building on the experiences of other countries and with the technical support of donor organizations.
- **ESCWA should contribute to developing the national capacities of its member countries for accessing climate finance including the Green Climate Fund.** Regional Framework on Green Economy Investment is needed to provide ESCWA member countries with the necessary advisory services for developing resilient-climate green economy strategies. The transition to green economy is highly needed to safeguard natural assets. It holds the promise of achieving integrated outcomes that simultaneously link socio-economic benefits with environmental sustainability.

7.4 Enhancing data capacity and collection in the Arab region¹¹³

The Arab region needs to be well prepared for monitoring and evaluating the implementation of the post-2015 development agenda. Challenges related to data quality, accessibility and availability along with limited human and financial capacity and the agreement on a shared approach to measuring sustainable development are all hurdles that will have to be overcome as the region enters a new era of sustainable development monitoring and evaluation. The following recommendations deserve particular attention:

- Strengthen governance for sustainable development in the Arab region, including the role of national statistical offices and the need for the fullest transparency possible with respect to information collected by the government.

¹¹³ Smith 2015.

- Develop a new smaller set of more relevant sustainable development indicators for the Arab region that can be used for regular, long-term monitoring.
- SD indicator sets in the Arab region should be modified as little as possible from one report to the next so that long time series may be compiled for analytical purposes.
- Arab countries should put more effort into ensuring the regular production of SD indicator reports, ideally on an annual or biennial frequency.
- The System of Environmental-economic Accounts (SEEA) and the Framework for the Development of Environment Statistics (FDES) should be actively promoted within the Arab region as the basis for improving environmental data.
- Consideration should be given to creating, at both the regional and national levels, independent offices with responsibility for advancing sustainable development.
- The Arab region should embrace the new technologies and innovations of the data revolution.
- Create a Regional Forum for Sustainable Development Data to support the initiative to create a Global Partnership for Sustainable Development Data (or assign this role to the existing Arab High-Level Forum on Sustainable Development).

As the region enters a new era of sustainable development monitoring and evaluation, attending to the issues of data quality, accessibility and availability, becomes a priority

Finally, at the time of writing this report, it seems that the Arab world is at a cross-road with two diverging paths: The first representing the status quo with persistent occupation, inequality among and within countries including between men and women, subdivisions often fuelled by outside powers, and general disintegration and development stagnation and frustrated youth. The second path, represents the aspirations of people in the Arab region, namely in ending the occupation of Palestine, providing quality education, empowering women, and embarking on the road of sustainable development and peace, dignity and wellbeing for all, men and women alike, irrespective of age, origin, religion, ability and social and economic backgrounds.