

**المنتدى العربي للتنمية المستدامة
التعافي والمنعة**

15-17 March 2022 – آذار/مارس 2022



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SDG 17

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Strengthen the means of implementation
and revitalize the global partnership for
sustainable development

Financing

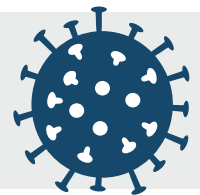
The present background note was initially prepared for AFSD-2021 and updated for AFSD-2022 by ESCWA and UNDP.

The Arab region faced critical SDG financing challenges prior to the COVID-19 pandemic. Before the outbreak, the gross financing needs for the Arab region amounted to \$6 trillion to meet national implied demand for SDG financing requirements.¹ The COVID-19 crisis has further exposed low levels of investment in health, education and social protection, weakened fiscal and external balances, exacerbated health and humanitarian emergencies, and amplified existing inequalities. The pandemic's impact on SDG financing in the region has also been aggravated by pre-existing factors, including limited fiscal space, high reliance on non-productive sectors, inefficiencies in tax systems and domestic resource mobilization capacity, and high levels of debt servicing. Moreover, the region has witnessed an alarming trend of increasing non-concessional borrowing, and a reduction in the grant element of official development assistance (ODA).

It is necessary to create the fiscal space to sustain urgently needed health and social spending, reduce debt-financing overhangs, tap liquidity lines to avoid insolvency, and ensure social cohesion by safeguarding overall economic, fiscal, monetary and financial stability. Affirmative action is needed to enhance the targeting and efficiency of public spending, and to pursue fiscal equalization and systemic approaches so as to mobilize all strands of financing (public, private, domestic, international, plurilateral, multilateral, innovative and traditional). Affirmative action is also needed to sustain investments (domestic and foreign) through a rights-based and gender responsive lens, so as to mitigate imminent health hazards and the socioeconomic impact of the pandemic.

In addition to the pressing challenges facing Arab countries in securing necessary financing at the national level, global economic structures must also adapt through a stronger implementation of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development.

Impact of COVID-19 on SDG financing in the Arab region



The pandemic hit the region amid multiple financing challenges, including financing insolvencies, funding shortfalls, fiscal space constraints, debt-financing overhangs, and severe financing inequalities.

Fiscal and external balances weakened across the region as poverty and unemployment rose. In 2020, the pandemic wiped out \$152 billion in potential economic gains across the region.² Arab capital markets lost nearly a quarter of their capitalization in just three months following the outbreak of the pandemic. ESCWA estimated that the crisis pushed about 18 million people into poverty, swelling the poverty headcount to 119 million, equivalent to 27 per cent of the Arab region's population.³ The region's unemployment increased to 12.5 per cent in 2021, an increase of 0.5 percentage point compared to 2020, with one of the highest rates of youth and female unemployment among all regions.⁴ Moreover, fiscal revenues were estimated to have

lost nearly \$20 billion in 2020 owing to COVID-19: \$5 billion in import tariffs and \$15 billion in other indirect taxes, including value added tax and specific consumption taxes.⁵

More productive capacities are expected to slip into informality, particularly small and medium enterprises (SMEs) that are not likely to return to formality without targeted policy interventions. According to recent estimates, the region's average general government revenue-to-GDP ratio dropped from 31.9 per cent in 2019 to 28.9 per cent in 2020, with the largest decline observed in Libya (a drop of approximately 19 percentage points).⁶

Increasing debts are projected to make things worse. Responding to the pandemic has further increased fiscal deficits from an average of 2.8 per cent of GDP in 2019 to around 9.2 per cent in 2020.⁷ Arab oil producers, notably the Gulf Cooperation Council (GCC) economies, have

1 ESCWA, SDG-Financing Dashboard, Integrated National Diagnostic and Financing Frameworks Project (forthcoming).

2 United Nations, Policy brief: The impact of COVID-19 on the Arab region: An opportunity to build back better, 2020.

3 ESCWA, Survey of Economic and Social Developments: Realities and Prospects in the Arab Region, 2020-2021.

4 ESCWA projections based on the World Economic Forecasting Model. The comparison was based on ILO modelled estimates for the other regions.

5 United Nations, Policy brief: The impact of COVID-19 on the Arab region: An opportunity to build back better, 2020.

6 IMF, Regional Economic Outlook: Middle East and Central Asia, 2021.

7 Ibid.

lost significant revenues, which led to the deterioration of the primary balance from -2.3 per cent of GDP in 2019 to -11 per cent in 2020.⁸ The gap between expenditures and revenues widened in Arab middle-income countries (MICs) and least developed countries (LDCs), reaching -3 per cent and -11 per cent of GDP, respectively, in 2020. These deficits were financed by increased borrowing and rollover of debt stocks, which caused the region's public debt to reach a historic high of \$1.4 trillion, or about 60 per cent of GDP in 2020, up from 46 per cent of GDP in 2019. The debt-to GDP ratio increased by more than 10 percentage points in GCC countries, reaching about 41 per cent in 2020. The ratio for Arab MICs rose to

91 per cent, up from 79 per cent in 2019, which puts some MICs and GCC countries at high risk of debt vulnerability.⁹

Foreign direct investments (FDI) were expected to plunge by an unprecedented 45 per cent.¹⁰ Latest estimates for 2020 reveal a significant drop in FDI inflows for some Arab countries. For instance, between 2019 and 2020, FDI inflows fell by 35 per cent in Egypt.¹¹ On the other hand, remittance inflows into the region have proven relatively resilient, growing by 3 per cent in 2020 compared with 3.8 per cent in 2019, but relatively lower than the compounded annual growth rate of 5.9 per cent that occurred over the past decade.¹²

COVID-19 financing needs

The United Nations and the International Monetary Fund (IMF) estimate that developing countries need an additional **\$2.5 trillion** to cope with the COVID-19 crisis. To date, advanced economies have responded to the pandemic through robust counter-cyclical measures, accounting for 88 per cent of global interventions, financed mainly through debt-financing fiscal and monetary expansion measures by central banks. In contrast, developing countries have been unable to mobilize equivalent domestic resources, or to tap capital markets under the same terms, conditions and spreads.

Source: IMF, Transcript of Press Briefing by Kristalina Georgieva following a Conference Call of the International Monetary and Financial Committee, 2020.

Measures taken by Arab Governments



1. The region's economic stimulus packages to counter the impact of the pandemic have fallen short. Collectively, Arab economies' stimulus represented 4 per cent of their GDP, which is significantly lower than the global average of 23 per cent.¹³ According to the COVID-19 Stimulus Tracker, the enacted measures fall into seven broad categories, namely social assistance, social insurance, health-related support, loans and tax benefits for individuals and businesses, labour market measures, financial policy support for SMEs and other enterprises, and general policy support, including fiscal expansion and expenditures, mainly related to research and development and ICT digital solutions.
2. Most measures have been asymmetric, uncoordinated and less effective given the limited fiscal space that

has long inhibited sustainable development efforts in the region. While most Arab countries have used available resources to implement fiscal stimulus packages, some, such as Algeria, have resorted to austerity to adjust to the new low oil price environment that coincided with the outbreak. Others, including Saudi Arabia, have increased taxes after setting out a large fiscal stimulus. In some instances, response measures have been slanted towards supporting markets and loosening monetary conditions to boost the health sector, support businesses, and assist households and individuals. In other cases, fiscal measures and special funds/vehicles have been established to mobilize voluntary contributions, including in Algeria, the Comoros, Kuwait, Lebanon, Mauritania, Morocco and the State of Palestine.

⁸ ESCWA, Liquidity shortage and debt: Obstacles to recovery in the Arab region, 2021.

⁹ Ibid.

¹⁰ ESCWA, The impact of COVID-19 on Arab economies: trade and foreign direct investment, 2020.

¹¹ UNCTAD, World Investment Report, 2021.

¹² World Bank Group, World Bank staff estimates based on IMF balance of payments data.

¹³ United Nations, COVID-19 social protection and economic policy responses of Governments, 2021.

High-level Event on Financing for Development in the Era of COVID-19 and Beyond

In an attempt to develop a global systemic response to the pandemic, several Arab countries took part in the High-level Event on Financing for Development in the Era of Covid-19 and Beyond, the largest gathering of world leaders in the context of COVID-19, to respond to the pandemic and maintain momentum towards financing the 2030 Agenda for Sustainable Development.

The menu of financing for development policy options presented at the High-level Event can be considered a needed addendum to the 2015 Addis Ababa Action Agenda. Several proposals remain highly contingent on decisions to be taken outside the realm of the United Nations, including by the G20, the Basel Committee, OECD and IMF.

Source: www.un.org/en/coronavirus/hle-financing-development.

In the Arab region, there was no regional coordination or high-level meeting to discuss stimulus packages and COVID-19 response plans. The lack of coordination on the size and timing of the stimulus packages dampened potential multiplier effects and reduced their impact on economic growth and

employment. In addition, the lack of coordination among Arab countries has weakened the stimulus effect, and placed Arab low- and middle-income countries at a disadvantage compared with high-income countries globally, given that 90 per cent of global stimulus is run by high-income countries.

Figure 1. Distribution of fiscal support across policy category (percentage)

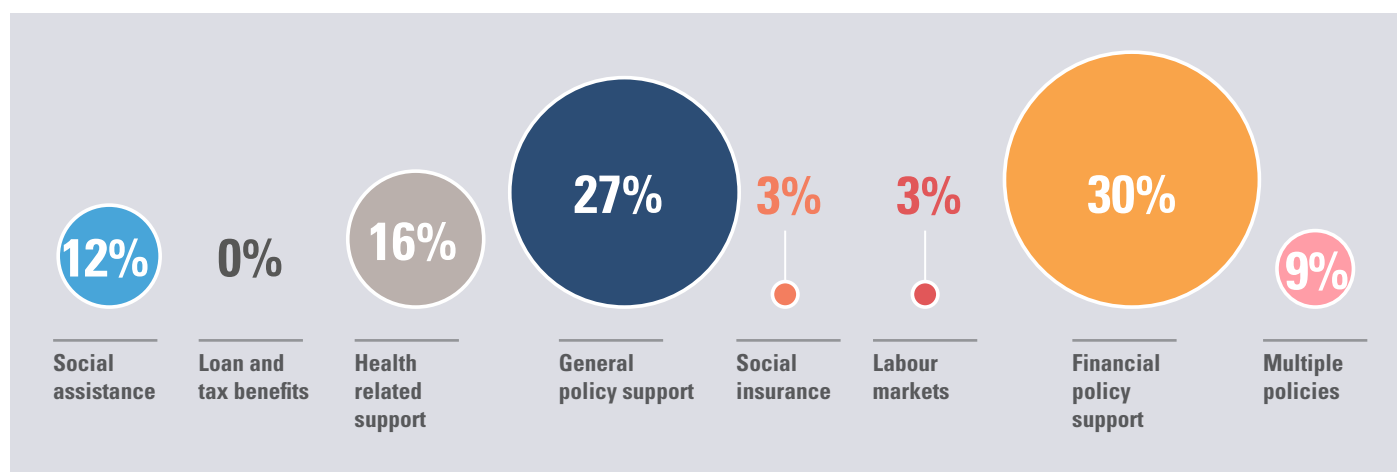
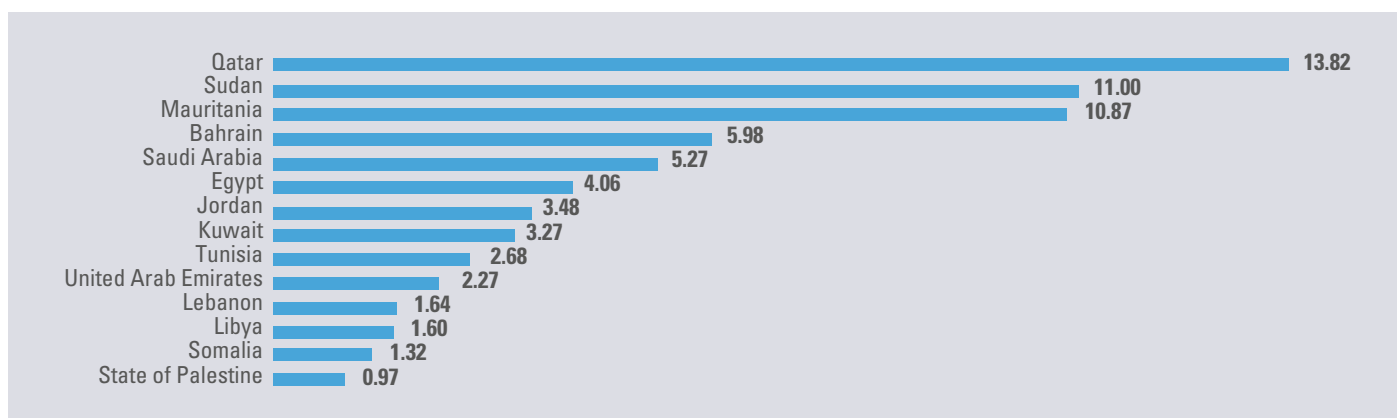


Figure 2. Government fiscal support in Arab countries since the start of the pandemic (percentage of GDP)



Source: United Nations COVID-19 Stimulus Tracker.

Note: "Multiple policies" implies that the disaggregated amount of support for each policy measure is not available. For further information, see the Q&A section of the COVID-19 Stimulus Tracker.

Policy recommendations on financing for ensuring an inclusive recovery and achieving SDG 17 by 2030



It is critical that Arab countries and the international community move forward with the Addis Ababa Action Agenda, and take into account corrective measures that enhance its recommendations. Arab countries also need to strengthen domestic resource mobilization, given the expected shortfall in external finance. Tax avoidance, evasion and havens, and aggressive tax planning practices diminish national revenues and lead to the erosion of the tax base, while corruption and financial crime divert resources away from investments in sustainable development. These abuses offset the positive impact of public and private investment and international assistance.¹⁴ Tackling them is a priority for the region to reduce inequalities, positively impact trust in institutions, and strengthen social and political stability.

The following are key policy recommendations to enhance financing for sustainable development in the Arab region:¹⁵

Enhance the delivery of public goods and services targeting both the revenue and expenditure sides of national budgets, through improved efficiency in public social expenditure and public investment. In parallel, improve equity and progressivity in taxation, tax administration, and compliance to curb tax-based illicit financial flows and increase tax revenue collection.

Establish integrated national financing frameworks to capture and exploit all sources/methods of financing the SDGs, including mobilizing public and private finance from domestic and foreign sources, and reassessing tax expenditures; and develop capital account guidance to limit speculative inflows and currency mismatches in times of economic boom and bust, and to minimize outflows during crises.

Align fiscal policies and State budgets with integrated national financing frameworks, medium-term revenue strategies and medium-term expenditure frameworks with an overall commitment to improving public financial management.

Change public incentives in multiple areas, such as energy and fossil fuels, climate change and food systems, to shape and accelerate the transition towards sustainable consumption patterns, and to ensure the necessary fiscal space for social spending towards SDG-centric accountable budgets.

Consider debt swap as an innovative financing instrument to free up fiscal space for meeting essential expenditures.¹⁶ This approach is also useful in the context of accelerating a green and inclusive recovery from the pandemic, when rising external debt and debt service across the region has reduced expenditure on climate action and achieving the SDGs.

Develop the necessary upstream policy and regulatory frameworks to create suitable incentives for businesses and crowd-in private investment, including scaling frameworks that drive the shift to health, education and other SDG-oriented investment.

Develop an integral regional road map to provide anti-corruption and anti-money laundering solutions to protect the efficacy of stimulus measures, and the transparency and integrity of public procurement in combatting illicit financial flows and other fraudulent activities, including by sharing information on beneficial ownership information, combatting tax abuses and aggressive tax planning, doubling international tax cooperation and capacity-building and ensuring the recovery of stolen assets, as presented by the FACTI Panel, in addition to addressing the tax challenges arising from digitization.

¹⁴ ESCWA, Survey of Economic and Social Developments: Realities and Prospects in the Arab Region, 2020-2021.

¹⁵ Further information is available in the SDG 17 chapter of the ESCWA, Arab Sustainable Development Report, 2020.

¹⁶ One mechanism being operationalized in pilot countries is the ESCWA Climate/SDGs Debt Swap Donor Nexus Initiative (see ESCWA, Climate/SDGs Debt Swap Mechanism, 2021).

Key facts on SDG 17 - Financing

Financing reflux

The Arab region continues to sustain a financing reflux amounting to \$2.5 on average for every dollar gained in cross-border financing, as demonstrated by analysis of these exposures for the period 2012-2016.¹⁷

Illicit financial flows

The region has sustained an estimated \$77 billion in annual losses associated with illicit finance between 2008 and 2015.¹⁸

Tax revenue to GDP

Ratios of tax revenue to GDP vary between oil-rich and oil-poor countries in the Arab region. For example, the ratio stood at 2.95 per cent and 4.86 per cent in Iraq and Qatar, respectively, in 2017, compared with 21.82 per cent and 21.92 per cent in Morocco and Tunisia, respectively.¹⁹

Indiscriminate de-risking

Several conditions have led to indiscriminate de-risking in the region, with 35 per cent of Arab banks reporting a decline in their correspondent banking relations over the period 2012-2015.²⁰

Non-concessional lending as a share of ODA

The share of non-concessional lending has been growing, which puts into question whether ODA itself has been a contributing factor to the region's debt build-up over the period 2010-2017.

ODA to health, education and sanitation remain negligent.²¹

High transaction costs of remittances

Remittance transfers cost on average more than 7.1 per cent in 2020, 0.5 percentage points higher than the global average. The high cost of remittance corridors affects the lives of more than 26 million migrant families in the region.^{22, 23}

17 ESCWA, The State of Financing for Development Report, 2018.

18 ESCWA, Illicit Financial Flows in the Arab Region, 2018.

19 ESCWA, Arab Sustainable Development Report, 2020.

20 Arab Monetary Fund, Withdrawal of correspondent banking relationships (CBRs) in the Arab region: recent trends and thoughts for policy debate, 2016.

21 ESCWA, The Arab Financing for Development Scorecard: International Development Cooperation, 2019.

22 ESCWA, The State of Financing Development in the Arab Region, 2018.

23 The World Bank, Remittance Prices Worldwide.

Arab region

World

Personal remittances received as a proportion of GDP²⁴



2.5 per cent of GDP was personal remittances received in 2019
-1 per cent since 2005

0.8 per cent of GDP was personal remittances received in 2019
+2 per cent since 2005

Intra-Arab trade

The share of intra-Arab trade in goods traditionally hovers around 13 per cent, but remains well below the share of intraregional trade in the European Union (64 per cent) and the Association of Southeast Asian Nations (24 per cent).²⁵

²⁴ Arab SDG Monitor.

²⁵ ESCWA, Arab Sustainable Development Report, 2020.





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Technology

Technological disparities and gaps between the Arab region and the world persist, including in the digital sphere. Internet access and mobile penetration gaps are observed between the poor and well-off, between rural and urban areas, and between male and female users.¹ At the subregional level, high-income countries, namely Gulf Cooperation Council (GCC) countries, have implemented advanced infrastructural and service projects, whereas middle-income countries are still at less advanced levels. Conflict and post-conflict countries face the challenge of destroyed/ disrupted infrastructure and services, and least developed countries lag behind considerably.

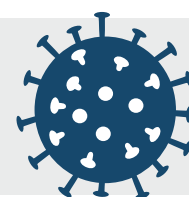
The role of technology in achieving the SDGs has become clearer owing to the COVID-19 pandemic. As disruptions affect various vital sectors and bring some to a complete halt, technology in general and digital technologies in particular have become key solutions, and sometimes the only means, to overcome sectoral disruptions, maintain continuity, provide access to information and services, and enhance the protection of vulnerable groups. Groups and countries that suffer from a digital gap face greater challenges in moving work to the digital space. In some Arab countries, emerging technologies, such as artificial intelligence, are gaining attention for their role in enhancing transparency and in analysing big data to monitor climate change and biodiversity loss, and to predict pollution. Emerging technologies are also being utilized for contact tracing and social distancing during the pandemic. Several Arab countries have recently adopted policies or strategies for digital transformation, including emerging technologies.

The pandemic highlighted the importance of science, technology and innovation (STI) in various fields and in facing the virus. While Arab countries have contributed, albeit to a limited extent, to research in therapeutics and vaccine development for COVID-19, historically, STI policies in the region have generally failed to catalyse knowledge production effectively or add value to products and services, because they focus on supporting research and development with little attention to commercialization aspects.

Arab countries are aware of the need, and have initiated action, to adopt ethical and legal frameworks which ensure that technology development, transfer and use serve society without causing harm to vulnerable individuals or the environment.

Today, the international community's role in achieving SDG 17 is more critical than ever. The global commitment to supporting developing countries through technology transfer and related instruments must be revitalized to strengthen the region's progress towards the SDGs and a sustainable recovery from the COVID-19 crisis.

Impact of COVID-19 on technology in the Arab region



Technological gaps and vulnerabilities have been revealed. Lockdown measures adopted worldwide and in the Arab region to contain the spread of the pandemic have resulted in severe disruptions to vital sectors. Arab countries that already had well-established digital infrastructure, good connectivity and advanced innovation have been able to ensure continuity in businesses, education and trade during the pandemic, which was mostly the case in GCC countries. One example from GCC countries is leveraging digital technology for the better protection of temporary

contractual workers, such as e-recruitment platforms.² Where available, e-government services have ensured the continuity of service delivery and maintained the relationship between Government and citizens. In contrast, Arab countries that do not have appropriate infrastructure and suitable platforms or e-services to ensure work continuity in Government, the private sector, schools and universities, and the provision of information and delivery of essential services, have struggled to adapt. This was mostly the case in the Arab least developed countries and those affected by conflict.

¹ ITU, Measuring digital development: Facts and figures, 2019.

² IOM, IOM and ILO launch joint report on promoting fair and ethical recruitment in a digital world, 2020; The sixth consultation of the Abu Dhabi Dialogue endorsed the role that electronic systems and digital technology can play in enhancing ethical recruitment.

The pandemic has driven digital transformation efforts as part of country response plans. The COVID-19 crisis has accelerated digital transformation efforts globally and in the Arab region, including the expansion of online education and use of digital open education resources; and the development of artificial intelligence systems, notably in the health sector, and for the recruitment and better employment protection of temporary contractual workers in GCC countries.

The crisis has also triggered government action and innovation in devising solutions to the pandemic. The role of Government has been reinforced, as has its

obligation to be agile and effective in providing a timely response that targets people's needs and safety requirements. Examples of this can be seen in Egypt and Lebanon, where digital capacity-building programmes have been organized for government employees. Kuwait implemented Social Watcher, an online open community service platform that provides a dashboard with daily statistical updates on COVID-19,³ resulting in legal and regulatory decisions to implement mechanisms that manage the crisis and provide an enabling environment for the post-pandemic period. Similar dashboards were set up in several other Arab countries.

Limited access to digital transformation opportunities for women and girls

Various studies have found that the digital transformation imposed by the pandemic has not been inclusive, further widening the digital divide for women and girls because of their unequal access to the Internet, lack of awareness of digital tools and limited access to investment finance in leap technology. Many women and girls in the region have therefore missed opportunities provided by this digital transformation. Women and girls have reported increased exposure to various forms of online violence.

Source: Compiled by ESCWA.

Limited participation in global research

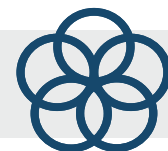
The pandemic instigated a global race for developing COVID-19 vaccines and therapeutics. The limited participation of the Arab region comes from low investment in research and development, whose expenditure as a proportion of GDP of the region is 0.6 per cent, which is less than half the global value of 1.7 per cent. The average of full-time researchers per million inhabitants for the Arab region is 577.3, whereas the world's value is 1,235.4. Disparities are noticeable between men and women in the science, technology, engineering and maths (STEM) fields. While the percentage of women enrolled in science studies in many Arab countries was similar to, and in some cases even exceeded, that of their male colleagues, the percentage of females among workers in the fields of science, technology and scientific research was estimated at less than 25 per cent. For example, 57 per cent of women in Saudi Arabia graduate with scientific specializations; however, they represent only 16 per cent of the total number of workers in research and development. In 2018, the percentage of females among research and development personnel was higher than 30 per cent in Tunisia (55.9 per cent), Algeria (41.6 per cent), Jordan (36.7 per cent), Bahrain (36.5 per cent) and Kuwait (35.5 per cent), whereas the percentage was lower than 20 per cent in Morocco (3.2 per cent), the United Arab Emirates (10.9 per cent), Iraq (14.2 per cent), Qatar (15.4 per cent) and Saudi Arabia (16 per cent).^a

The Global Knowledge Index (GKI) was developed to help countries understand the requirements for, and challenges facing, the building of effective knowledge economies. The GKI sub-indices factor in human resources qualifications; information and communication technology (ICT); and research, development and innovation (RDI). In 2021, the United Arab Emirates ranked first in the Arab region (eleventh globally), followed by Qatar (thirty-eighth globally) and Saudi Arabia (fortieth globally). Arab countries have a lower performance in the RDI sub-index, with only five countries registering a higher average than the world's average (the United Arab Emirates, Qatar, Saudi Arabia, Lebanon and Egypt). The ICT sub-index shows a higher performance, with nine Arab countries scoring higher than the world's average (the United Arab Emirates, Kuwait, Bahrain, Saudi Arabia, Oman, Qatar, Egypt, Tunisia and Morocco).^b

Sources:

a UNESCO Institute of Statistics.

b UNDP and Mohamed bin Rashid Al Maktoum Knowledge Foundation, Global Knowledge Index, 2021.



Technology is vital in responding to the COVID-19 health crisis, and to implementing recovery efforts following the pandemic. The virus has triggered government action, expediting national efforts towards digital transformation, and promoting openness and transparency in government operations.

1. E-services have been deployed and strengthened in several Arab countries to facilitate citizens' transactions during the pandemic. In Egypt, digital transformation has been expedited, with a transition to smart digital work environments, digital inclusion and digital literacy. E-payment has also been deployed for mobile phone bills, coupled with incentives to use e-transactions and enhance access to telecommunication services. In the Syrian Arab Republic, an e-government portal was launched to reduce in-person public services, and an e-payment system was established to provide 18 services from 10 public entities. In Tunisia, the *E7mi* application was developed to track and detect COVID-19 cases.⁴ It is connected to the database of the Ministry of Health, and relies on several technologies, including Bluetooth and encryption protocols, to protect personal information.

Role of technology in education during the pandemic

In a number of Arab countries, schools, universities and the Government have created innovative methods, tools and programmes to keep the education system operational. For example, through a ministerial resolution, Saudi Arabia has implemented distance learning for public and private universities, and tools and portals to ensure continued education for over 7 million students.^a In the United Arab Emirates, distance learning has been implemented in schools and higher education institutions, and complemented with teacher training, free satellite broadband services for students in areas lacking connectivity and free home Internet connection for households without Internet.^b In countries where Internet penetration remains low and where large numbers of households lack the hardware necessary to access online platforms, such as Yemen, traditional broadcast media such as radio and television were employed to reach as many students as possible.^c

Sources:

- a Saudi Ministry of Education, The Saudi MOE, 2020.
- b United Arab Emirates, Distance learning in times of COVID-19.
- c UNICEF, Yemen's hidden emergency: An education system in crisis, 2021.

2. Strategies, policies and laws have been formulated and enacted. For example, in Kuwait, a digital transformation strategy was published for public consultation, and the *Sanad* e-services gateway application was updated to include over 200 e-services to reduce in-person visits during the pandemic. In 2020, Jordan adopted a strategy for digital transformation, as did Saudi Arabia (Third Action Plan for 2020-2024),⁵ Morocco (Morocco Digital 2025)⁶ and Tunisia (Digital Tunisia 2020).⁷ Tunisia also issued new e-government laws to facilitate e-payments, the exchange of data and teleworking; and developed a national electronic identifier. Other countries have adopted dedicated strategies for artificial intelligence namely Jordan, Qatar, Saudi Arabia and the United Arab Emirates. Digital economy strategies are also used as tools for economic diversifications, including in Saudi Arabia and the United Arab Emirates.

3. Some Arab countries have launched digital or technology-focused initiatives to support the job market. To ensure employment stability in the private sector of the United Arab Emirates, the country adopted the Virtual Labour Market to help the foreign workforce negatively impacted by pandemic response measures to explore new job opportunities. E-recruitment and job placement platforms were deployed in GCC countries to enhance the protection of temporary contractual workers. Qatar launched an initiative to support small and medium enterprises (SMEs), and facilitate their digital transformation to increase business efficiency during and after the pandemic. Realizing the particular disadvantage of women migrant workers, GCC countries, through the declaration of the Abu Dhabi Dialogue Ministerial Consultation 2021, committed to more research on current and future labour market demand for women workers in technology-related, technology-facilitated and other relevant sectors; and to map and analyse good practices to enhance the employability, mobility and labour force participation of women workers in country corridors.⁸

4 <https://e7mi.tn/index.html>.

5 www.my.gov.sa/wps/portal/snp/aboutksa/digitaltransformation.

6 https://add.gov.ma/storage/pdf/Avril_NOG_ADD_fr_SITE_VF.pdf.

7 www.mtcen.gov.tn/index.php?id=14&L=2%27.

8 Abu Dhabi Dialogue Sixth Consultation, Joint Declaration, 2021.

4. Countries have engaged in STI activities in response to the pandemic. Some countries have engaged in research for or production of a COVID-19 vaccine. Algeria and Egypt partnered with China to produce the Sinovac vaccine,⁹ and Morocco, Saudi Arabia and the United Arab Emirates partnered with China to support vaccine research, including advanced trial phases.¹⁰ Research interest also extended to therapeutics. Bahrain, Egypt, Kuwait, Oman and Saudi Arabia participated in the WHO COVID-19 Solidarity Therapeutics Trial,¹¹ which was the largest global collaboration among countries on a randomized control trial for COVID-19 therapeutics. Five Arab countries, namely Egypt, Kuwait, Lebanon,

Oman and Saudi Arabia, have joined the Solidarity Trial Plus that aims to find additional treatments for COVID-19.¹²

5. Greater attention and investment were directed towards green technologies. While not part of the immediate response to the pandemic, countries have included measures in their longer-term recovery plans to invest in green technologies, such as renewable energy. Saudi Arabia, for example, has declared its intention to collaborate with Germany on green hydrogen.^{13, 14} Jordan has plans to install small solar power plants for at least 4,000 poor families. Both Algeria and Jordan have plans for electric mobility.^{15, 16}

Most at risk of being left behind



A detailed review of the Arab region revealed that SDG technology targets will not be met by 2030 for the following social groups,¹⁷ whose vulnerability has been amplified by the pandemic.



Groups and areas disadvantaged by the digital divide: In the Arab region, only 54.6 per cent of people use the Internet¹⁸ and only 57.1 per cent of households have a computer.¹⁹ The digital divide between urban and rural areas, and between men and women within countries, affects access to the Internet and its various services. In 2020, the share of women using a mobile was 47 per cent compared with 61 per cent for men,²⁰ thus impacting women's access to essential online goods and services, including education and health care, and their right to participate in public life. It is not yet clear how this picture is changing as a result of the pandemic and the increasing need to be digitally connected.



Digitally illiterate people: Digital literacy is crucial for the basic use of digital technology. Some people in the region still need training in basic ICT skill to take advantage of digital technology. According to the 2021 Network Readiness Index, the value of the ICT skills sub-indicator ranges from 61.25 for Saudi Arabia to 24.38 for Algeria.²¹



Countries with low levels of technological development and legal gaps: Some Arab countries still lack regulatory and ethical frameworks that protect individuals and the environment from being harmed as a result of inappropriate technology use. Only a few countries are using emerging technology to transform development sectors, such as agriculture, energy, transport and industry.

9 Arab News, After Sinovac, Egypt seeks to produce Moderna vaccine locally, 2021.

10 OECD, COVID-19 crisis response in MENA countries, 2020.

11 www.who.int/emergencies/diseases/novel-coronavirus-2019/global-research-on-novel-coronavirus-2019-ncov/solidarity-clinical-trial-for-covid-19-treatments.

12 ISRCTN Registry, Solidarity Trial Plus: An international randomized trial of additional treatments for COVID-19 in hospitalized patients who are all receiving the local standard of care, 2021.

13 Vivid Economics, The Greenness of Stimulus Index, 2021.

14 Green hydrogen is hydrogen fuel that is created using renewable energy instead of fossil fuels. It has the potential to provide clean power for manufacturing, transportation, and more - and its only byproduct is water.

15 www.premier-ministre.gov.dz/ressources/front/files/pdf/plans-d-actions/bilan-2021/Plan%20de%20relance%20C3%A9conomique%202020-2024-fr.pdf.

16 www.greengrowthknowledge.org/sites/default/files/downloads/policy-database/20022_Jordan_Transport_v11_HL_Web.pdf.

17 ESCWA, Arab Sustainable Development Report, 2020.

18 ESCWA Arab SDG Monitor.

19 ITU, Measuring digital development: Facts and figures, 2019.

20 ITU, Measuring digital development: Facts and figures, 2021.

21 Portulans Institute, Network Readiness Index, 2021. The Index covers 12 Arab countries.



Persons with disabilities: In the Arab region, persons with disabilities do not always have suitable access to computers and the Internet nor to e-content that is adapted to their needs, and are at a higher risk of being digitally excluded.



Young people: The post-COVID-19 job market will demand a new set of skills, which may not be compatible with the majority of the 1.5 million young people who enter the informal sector annually.²² Young people who live in underprivileged areas are the most vulnerable to being left behind, and the pandemic has further limited their prospects of receiving training.

Fourth Industrial Revolution

Countries are fostering the use of Fourth Industrial Revolution technologies, namely artificial intelligence (AI), through strategies and specialized national bodies. Examples include the National Programme for Artificial Intelligence of the United Arab Emirates^a and the National Council for Artificial Intelligence of Egypt.^b Several AI higher education programmes and AI incubators are being established, including the Faculty of Computers and AI at Cairo University^c and the AI incubator at Alexandria University.^d Although these examples are not in response to the pandemic, they build a strong digital ecosystem to mitigate the pandemic's impact. If a structured and phased approach is adopted, and Arab countries collaborate to build a robust ecosystem that supports this transformation, the region will be better able to weather future crises.

Sources:

a <https://ai.gov.ae/>.

b https://micit.gov.eg/en/Artificial_Intelligence.

c <https://cu.edu.eg/Faculties>.

d www.arabfinance.com/en/news/details/egypt-economy/517405.



22 www.arabstates.undp.org/content/rbas/en/home/coronavirus/socio-economic-impact-of-covid-19.html.

Policy recommendations on technology for ensuring an inclusive recovery and achieving SDG 17 by 2030



The following recommendations have been identified to accelerate the achievement of SDG 17 in the region and support action on other SDGs. These recommendations also facilitate the COVID-19 recovery and enhance resilience to future shocks and crises.²³

Ensure inclusive and safe access to technology, equitable to men and women and all demographics; and accelerate the digital transformation of the public and private sectors, including by improving ICT infrastructure and strengthening broadband services.

Prioritize and invest in building the absorptive capacity of populations, including migrants and refugees, to use, adapt, customize and develop technology applications according to development needs.

Introduce strategies to improve research and development, and strengthen the local technological capacity of researchers, innovators and entrepreneurs, especially women and young people, communities of practice, policymakers and the media.

Invest in research and development that target technological solutions to the gendered challenges of sustainable development.

Implement measures to reduce the gender gap between men and women in STEM jobs by providing incentives to women STEM graduates and raising public awareness of this issue.

Facilitate the emergence and establishment of SMEs and encourage entrepreneurship in its various types, including social entrepreneurship, and fields such as agritech and healthtech, by implementing an entrepreneurship ecosystem that allows access to investment and provides growth potential and integration into value chains.

Promote the use of digital and emerging technologies in development sectors, including the health, agricultural, energy and transport sectors; and promote artificial intelligence and build an enabling environment for it, including by developing sectoral strategies and ethical frameworks.

Increase investments and regional collaboration for the transfer of green technologies, and the development and implementation of guidelines and mechanisms for the utilization and procurement of such technologies.

Revitalize the global commitment to supporting developing countries through related instruments, including the Technology Facilitation Mechanism.

Technology Facilitation Mechanism

The Technology Facilitation Mechanism was launched within the framework of the 2030 Agenda for Sustainable Development to leverage technology for implementing the SDGs. It is intended to facilitate multi-stakeholder collaboration and partnerships by sharing best practices, experiences and policy advice. The wealth of knowledge available through the mechanism can help inform decision makers in the Arab region on innovations and technological pathways.

Source: <https://sdgs.un.org/tfm>.

23 Further information is available in the SDG 17 chapter of the ESCWA, Arab Sustainable Development Report, 2020.

Key facts on SDG 17 - Technology

Arab region

World

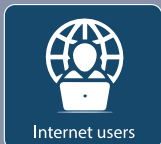
Fixed Internet broadband subscriptions per 100 inhabitants



8.1 per 100 inhabitants had fixed broadband subscription in 2020
+23 per cent since 2005

15.2 per 100 inhabitants had fixed broadband subscription in 2020
+10 per cent since 2005

Internet users per 100 inhabitants



54.6 per 100 inhabitants were Internet users in 2019
+13 per cent since 2005

51.4 per 100 inhabitants were Internet users in 2019
+8 per cent since 2005

Proportion of the population covered by mobile network



90.8 per cent of the population was covered by 3G mobile network in 2020
+3 per cent since 2015

93.1 per cent of the population was covered by 3G mobile network in 2020
+3 per cent since 2015

Proportion of the population with primary reliance on clean fuels and technology



87 per cent of the population had access to clean fuels and technology in 2019
+1 per cent since 2000

66 per cent of the population had access to clean fuels and technology in 2019
+1 per cent since 2000

Proportion of medium and high-tech industry value added in total value added



30.9 per cent of total value added was medium and high-tech industry in 2018
+0.98 per cent since 2000

45.1 per cent of total value added was medium and high-tech industry in 2018
-0.17 per cent since 2000

Research and development expenditure as a proportion of GDP



0.6 per cent of GDP was spent on research and development in 2018
+2 per cent since 2000

1.7 per cent of GDP was spent on research and development in 2018
+0.72 per cent since 2000

Full time researchers per million inhabitants



577.3 full time researchers per million inhabitants in 2018
+2 per cent since 2000

1,235.4 full time researchers per million inhabitants in 2018
+2 per cent since 2000

Source: ESCWA, Arab SDG Monitor (figures have been rounded).



17 PARTNERSHIPS
FOR THE GOALS



SDG 17

PARTNERSHIPS FOR THE GOALS

Strengthen the means of implementation
and revitalize the global partnership for
sustainable development

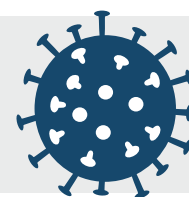
Data

Relevant, timely and usable data are essential for countries to set priorities, make informed choices, and implement better policies for sustainable development. Arab countries, through their national statistical systems, are making significant efforts to produce data to inform and monitor the implementation of the SDGs and national priorities. Considerable progress in data availability has been recorded in recent years. Arab countries are also increasingly using voluntary national reviews as opportunities to broaden the scope of data collection and enhance data quality.

However, large gaps in data availability still exist in several areas related to sustainable development in Arab countries. Key challenges also include the quality and frequency of the statistical information produced nationally, and their international comparability, as well as data transparency and accessibility.

The lack of comparable and disaggregated data on people with disabilities, older persons, women, girls, refugees, migrants, displaced persons and other vulnerable and marginalized groups is a critical development issue in the Arab region. Without robust data, it is not possible to adequately plan and allocate the resources necessary to ensure that programmes and services achieve their objectives and reach the intended population groups. This effectively limits Arab countries' ability to respond to crises such as the COVID-19 pandemic, to prioritize action and resources, and to design responsive measures that leave no one behind. Consequently, the production of timely high-quality disaggregated data is not only a technical pillar for achieving the 2030 Agenda for Sustainable Development, but also a political one as it is fundamental to ensuring inclusivity and justice, and to enhancing institutional and societal resilience to future shocks.

Impact of COVID-19 on data collection in the Arab region



The functioning of national statistical offices has been heavily impacted across the region.¹

Lockdown and emergency measures have affected the work of statistical offices, especially operations requiring field data collection. The pandemic has also halted operations related to household surveys and censuses. Around 80 per cent of national statistical offices have fully or partially suspended face-to-face data collection as a result of the crisis. Only 20 per cent have continued preparatory work activities for the population census, with 80 per cent postponing until after 2021-2022, or not announcing plans for resumption. Moreover, 69 per cent of Arab countries indicated that the pandemic had negatively impacted their ability to work on price statistics.

In addition, several disruptions were witnessed to the 2030 Agenda frameworks of cooperation, coordination mechanisms, and partnerships with line ministries, private producers and funding entities, including efforts to monitor SDG data. Such disruptions have been

compounded by instability in some Arab countries, namely Libya, Somalia, the Sudan and Yemen. Across the region, these disruptions were further exacerbated as efforts were diverted towards rapid and humanitarian responses to address the pandemic's repercussions. This has slowed progress towards harmonized statistical frameworks linked to long-term national development plans.

The complex crises unleashed by the pandemic have highlighted existing data gaps, and the importance of coordination and data sharing between various ministries and institutions. A cohesive and integrated statistical system that leaves no one behind is absent in most Arab countries, causing difficulties in effectively responding to the crisis. The pandemic has also highlighted the need for new indicators that measure the ability to produce rapid assessments at any time. This was particularly evident with regard to socioeconomic data for the health sector, whose availability would have increased the effectiveness of efforts to address the health crisis.

¹ ESCWA, Effect of COVID-19 on price and expenditure statistics, 2020; and the World Bank, Monitoring the state of statistical operations under the COVID-19 pandemic, 2020.



1. National statistical offices across the region have adapted planned activities in response to the pandemic, and introduced innovative data collection practices. Measures include changing data collection dates, organizing new surveys, adapting new collection tools, and using administrative data in countries such as Lebanon, Morocco, Oman and the State of Palestine. Around 44 per cent of surveyed national statistical offices have changed or adapted planned data collection activities. As a result, existing surveys have been amended to include new questions, administrative data is being used more widely, and phone surveys are the most used approach to analyse or monitor aspects of the pandemic.

2. National statistical offices are considering new data sources and partnerships. National statistical offices have forged new partnerships during the pandemic to enhance data collection efforts, including between national statistical offices

and the ministries of communication in Lebanon, Morocco and Oman. Of all the new partnerships, 45 per cent are with the public sector, 34 per cent are with international partners, and 18 per cent are with the private sector. However, nearly a quarter of national statistical offices have not developed new partnerships. Only a handful of surveys were implemented during 2021 in some countries. National statistical offices resumed some household surveys by adopting precautionary measures in face-to-face field operations.

3. A number of Arab countries are enhancing efforts to make data more accessible by adapting new dissemination tools, such as online dashboards. Around 93 per cent of national statistical offices in the region have set up, or are planning to set up, national data platforms to serve government and public data needs. The pandemic may also open new horizons for transparency and data sharing with various stakeholders.



Policy recommendations on data for ensuring an inclusive recovery and achieving the SDGs by 2030



The following recommendations have been identified to accelerate the achievement of SDG 17 in the region, and support action on other SDGs. These recommendations also facilitate the COVID-19 recovery and enhance resilience to future shocks and crises.²

Update and modernize statistical legislation, in line with the Fundamental Principles of Official Statistics, to authorize national statistical offices to play their new role as 'chief data managers' in adopting new data collection modes, forging new partnerships, openly disseminating data from the statistical system, coordinating and validating national information beyond official statistics, and integrating geospatial information and big data.

Promote statistical literacy programmes to encourage the use of data and evidence-based decision-making by engaging different stakeholders in monitoring and evaluating policies and interventions; improve data accessibility by adopting open data policies; and advance intersectoral analyses to leave no one behind.

Increase support for data collection and capacity development needs, as stipulated in the National Strategies for the Development of Statistics, in the following six major categories essential for producing SDG-relevant statistics: national survey programmes; decennial censuses; administrative data, including civil registration and vital statistics systems; economic statistics, including national accounts; geospatial infrastructure; and environmental monitoring.³

Embrace the data revolution by using new sources of data, adopting innovative methods for producing and using statistics, modernizing administrative records for statistical purposes, integrating statistical and geospatial data, using big data and other data for high frequency statistics, including linking microdata from surveys and administrative sources through registers of people and businesses, and forging partnerships with other data producer and user communities.

Prioritize the production of high-quality and timely data disaggregated by income, sex, age, ethnicity, migratory status, disability, geographic location and other characteristics relevant to national contexts; and implement the recommended disaggregation of 12 priority SDGs by forced displacement status.⁴

Establish and fully operationalize national reporting platforms with transparent and standardized use of metadata, and develop systematic coordination channels between all data sources to increase data flow and avoid wasted resources and duplication of efforts.

Urge the United Nations and the international community to scale up technical support to national statistical offices, and increase partnerships with academia and the private sector to enhance innovation and the use of new technologies, tools and methodologies in data collection and analysis, including capacity-building for national statistical offices on adopting the International Recommendations on Internally Displaced Persons Statistics, and include such statistics in national statistical frameworks.

² Further information are available in the SDG 17 chapter of the ESCWA, Arab Sustainable Development Report, 2020.

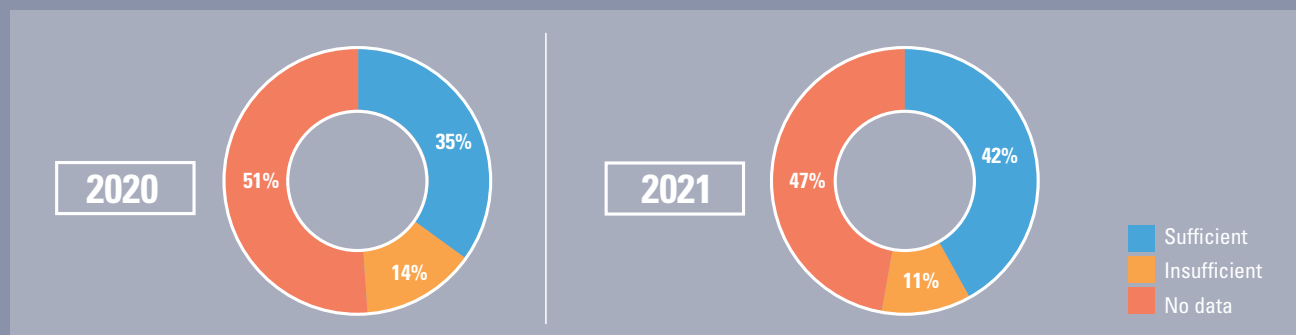
³ Sustainable Development Solutions Network, Indicators and a Monitoring Framework for the Sustainable Development Goals, 2015.

⁴ Statistical Commission, Data Disaggregation and SDG Indicators: Policy Priorities and Current and Future Disaggregation Plans, 2019.

Key facts on SDG data in the Arab region

As per the official global indicator framework for the SDGs, the indicators available for the Arab region in the Global SDG database increased from 35 per cent in 2020 to 42 per cent in 2021.⁵

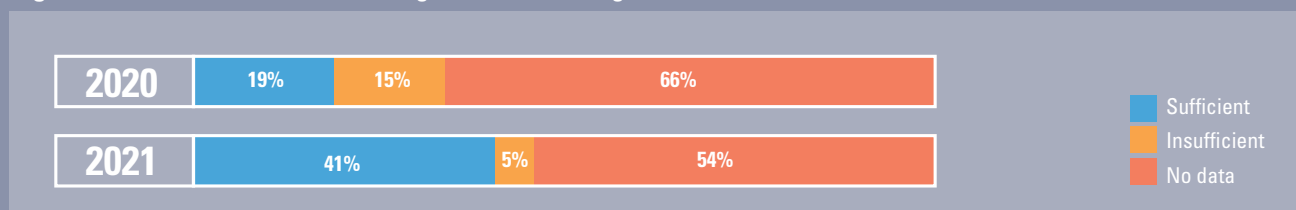
Figure 1. SDG indicator coverage in the Arab region



Source: ESCWA, Arab SDG Monitor – Monitoring SDG Progress and Data availability (accessed 26 January 2022).

For SDG 17 for example, the availability of sufficient data (two data points or more) has improved from 19 per cent in 2020 to 41 per cent in 2021; whereas data unavailability for this goal was reduced from 66 per cent to 54 per cent in the same period.⁶

Figure 2. SDG 17 indicator coverage in the Arab region



Source: ESCWA, Arab SDG Monitor – Monitoring SDG Progress and Data availability (accessed 26 January 2022).

Regional improvement was mainly due to enhanced country data flow to the Global SDG database, which increased by 5 per cent from 2020 to 2021.⁷ However, more efforts and capacity-building are needed to increase data availability and to reduce estimation and modelling methods, where possible.

Figure 3. Progress of available country data flow to the Global SDG database



Source: ESCWA, Arab SDG Monitor – Monitoring SDG Progress and Data availability (accessed 26 January 2022).

5 ESCWA, Arab SDG Monitor – Monitoring SDG Progress and Data availability (accessed 26 January 2022).

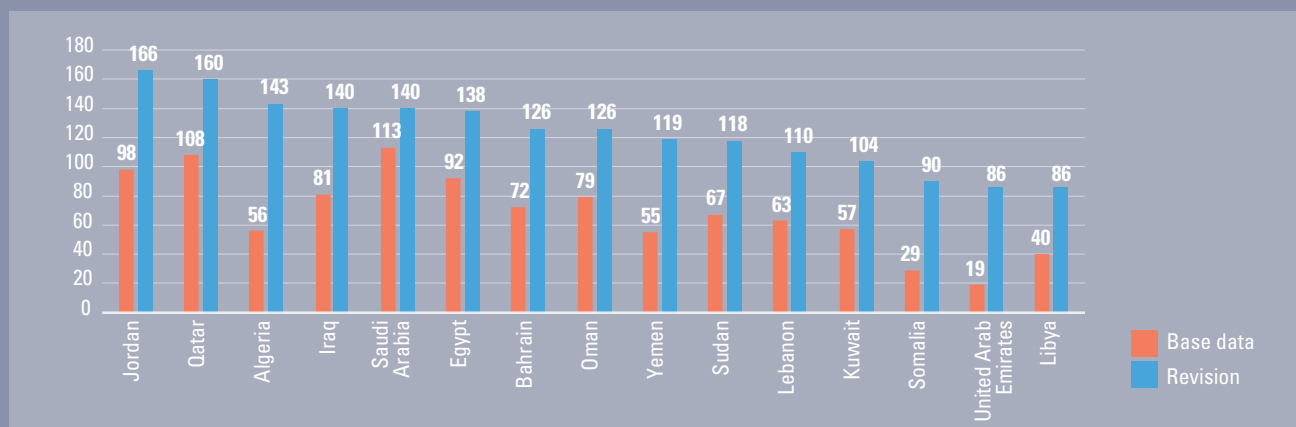
6 Ibid.

7 Ibid.

There has been an increase in the release of SDG national data over the years in the Arab region. In 2019, there were only nine countries that disseminated their SDGs on the websites of national statistical offices. ESCWA has committed itself to developing national reporting platforms (NRPs), in collaboration with national statistical offices, to facilitate access to SDG data, accessible through the Arab SDG Monitor. By the end of 2021, ESCWA had worked with 15 Arab countries, namely Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Somalia, the Sudan, the United Arab Emirates and Yemen.

Figure 4 illustrates the significant impact of the joint collaboration between ESCWA and national statistical offices to improve national data availability and quality; and shows the increase before revision (base data) and after it.

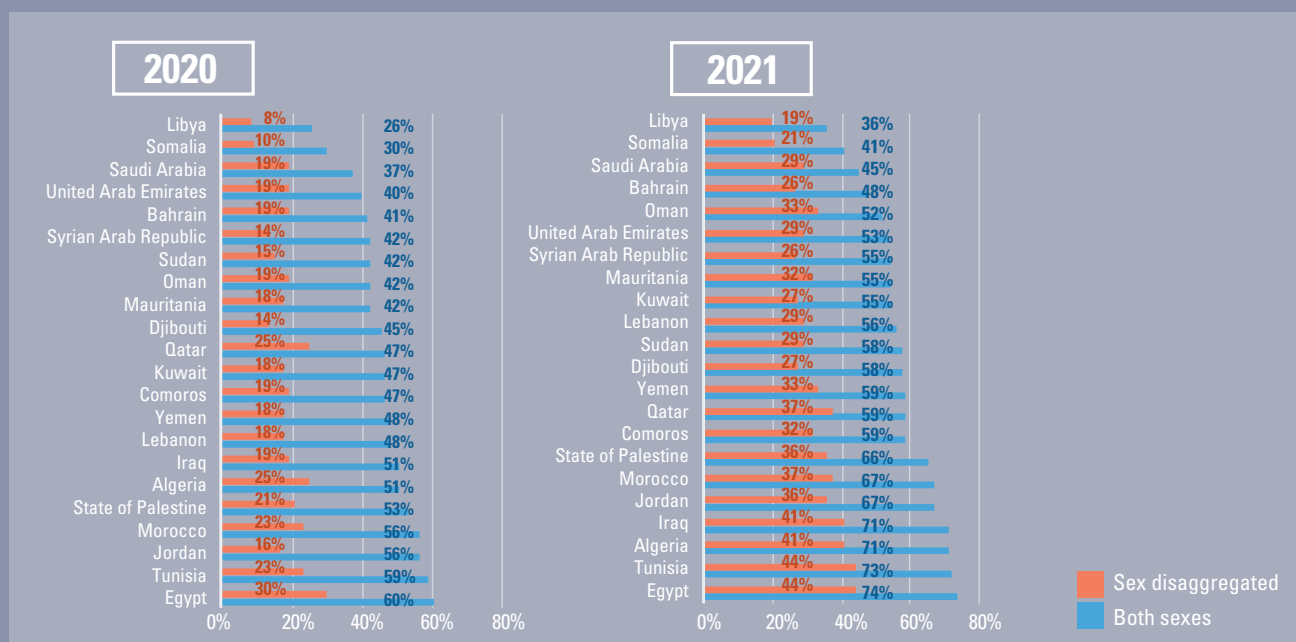
Figure 4. Increase in number of indicators available on NRPs



Source: ESCWA, Arab SDG Monitor – Monitoring SDG Progress and Data availability (accessed 26 January 2022).

ESCWA analysis of countries' performance shows that the data collection for 73 gender-related indicators that can be disaggregated by sex continues to improve over the years. However, countries still publish those indicators in totals rather than disaggregated by sex. Egypt, for example, ranks first in this area, having improved its dissemination of gender indicators, including sex disaggregated data, by 14 per cent over the one-year period from 2020 to 2021, as per data in the Global SDG database. However, many of the available disaggregated data remains unpublished.

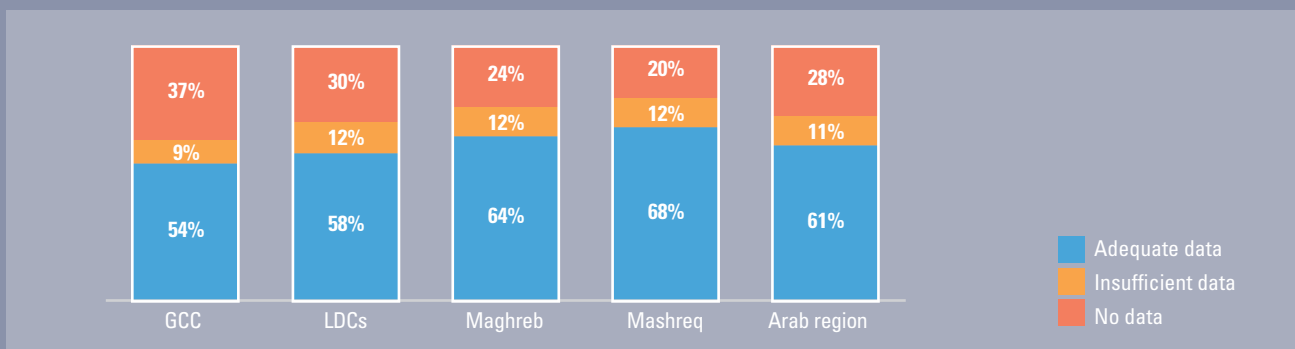
Figure 5. Availability of gender indicators disseminated in totals and disaggregated by sex (percentage)



Source: ESCWA, Arab SDG Monitor – Monitoring SDG Progress and Data availability (accessed 26 January 2022).

Only 61 per cent of the child-related SDG indicators in the Arab region have adequate country-level data, allowing trend analysis. The lowest availability is in the GCC subregion.⁸

Figure 6. Availability of data for the 50 child-related SDG indicators



Source: ESCWA, Arab SDG Monitor – Monitoring SDG Progress and Data availability (accessed 26 January 2022).

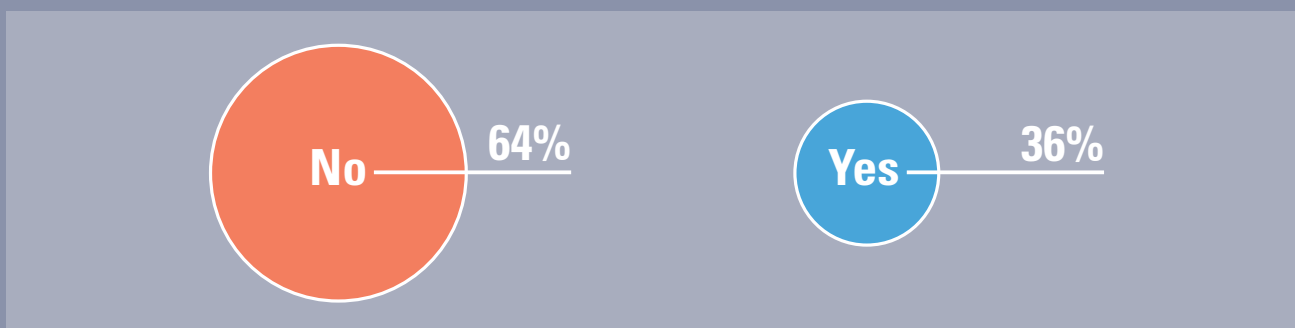
National statistical offices are often trapped in a vicious cycle of statistical underdevelopment, where limited awareness and appreciation of the importance of data has led to inadequate funding and untimely approval of programme budgets for statistics. Only 8 of 22 Arab countries have updated and approved national strategies for the development of statistics (NSDS), and have disseminated them online.⁹ Many of the remaining countries still have draft plans under consideration for approval.

Furthermore, national statistical legislation in almost half of Arab countries are old and outdated the endorsement of the Fundamental Principles of Official Statistics by the Statistical Commission in 1994. To support countries in improving their statistical legislation, ESCWA has published the Guide on the Generic Law for Official Statistics in the Arab Countries.¹⁰

The COVID-19 pandemic has affected the implementation of many planned household surveys and population and housing censuses in the region. A total of 11 countries, namely Algeria, Bahrain, Djibouti, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, Somalia, the Sudan and the United Arab Emirates, have postponed their Population and Housing Censuses that were due in at least the past two years, and other household surveys were not implemented in their regular periodicity. Population and Housing Censuses are overdue in countries such as Lebanon, the Syrian Arab Republic and Yemen, as a result of conflict and instability.

A total of 13 Arab countries stated that their birth registration data were at least 90 per cent complete, and 10 noted that their death registration data were at least 75 per cent complete.¹¹

Figure 7. Availability of an updated NSDS in Arab countries



Source: ESCWA, Arab SDG Monitor – Monitoring SDG Progress and Data availability (accessed 26 January 2022).

⁸ Ibid.

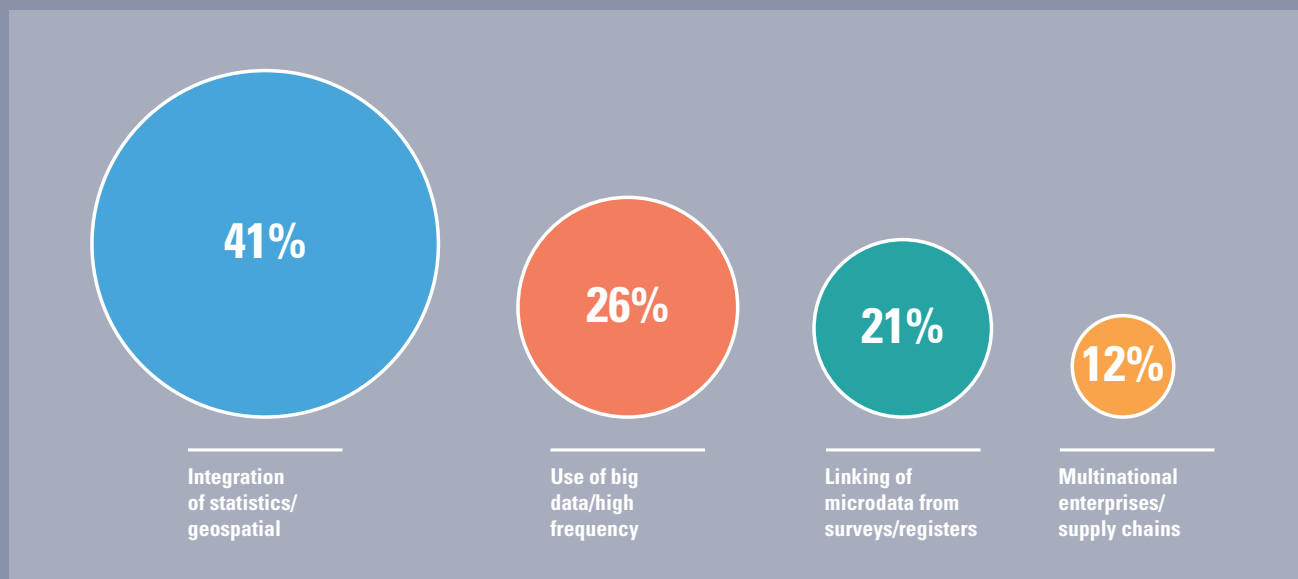
⁹ Ibid.

¹⁰ ESCWA, Guide on the Generic Law for Official Statistics in the Arab Countries, 2021.

¹¹ Global SDG database.

Arab countries are embracing the data revolution, and starting to make use of new technologies and methods. In 2020, the World Bank conducted an assessment showing that 41 per cent of Arab countries consider that the integration of statistical and geospatial data is highly important, followed by the use of big data and other data for high frequency statistics (26 per cent), linking of microdata from surveys and administrative sources through registers of people and businesses (21 per cent), and the role of multinational enterprises including their integration into global and domestic supply chains (12 per cent).¹²

Figure 8. Data issues considered important by Arab countries



Source: World Bank, Monitoring the state of statistical operations under the COVID-19 pandemic: Highlights from the second round of a global COVID-19 survey of national statistical offices, 2020.

¹² World Bank, Monitoring the State of Statistical Operations under the COVID-19 Pandemic: Highlights from the Second Round of a Global COVID-19 Survey of National Statistical Offices, 2020.

