Sustainable Development: A Focus on the MENA Region

FEMISE Annual Conference

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Senior Vice President
World Bank Group
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2. From the MDGs to the SDGs
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4. Achieving the SDGs
5. WBG Strategy for MENA
1. Global Megatrends

- Shifts in the global economy
- Climate Change
- Urbanization
- Demographic Transitions
- Market volatility and commodity cycles
- Fragility and violence
- Technological changes
- Renewed debate about globalization

Opportunities and Challenges
2. Looking back: MDG progress
Comparing Arab Countries to Developing Countries

<table>
<thead>
<tr>
<th>MDG</th>
<th>Indicator</th>
<th>Arab Countries</th>
<th>Developing Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Extreme Poverty</td>
<td>71</td>
<td>1</td>
</tr>
<tr>
<td>1.9</td>
<td>Undernutrition</td>
<td>11</td>
<td>2</td>
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<tr>
<td>2.1</td>
<td>Primary Completion</td>
<td>40</td>
<td>6</td>
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<tr>
<td>3.1</td>
<td>Education Gender Parity</td>
<td>67</td>
<td>6</td>
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<tr>
<td>4.1</td>
<td>Under-5 Mortality</td>
<td>18</td>
<td>1</td>
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<tr>
<td>4.2</td>
<td>Infant Mortality</td>
<td>16</td>
<td>1</td>
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<tr>
<td>5.1</td>
<td>Maternal Mortality</td>
<td>18</td>
<td>3</td>
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<tr>
<td>7.8</td>
<td>Improved Water</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>7.9</td>
<td>Improved Sanitation</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>

- **Target Met**
- **Sufficient Progress (by 2015)**
- **Insufficient Progress**
- **Moderately Off Target**
- **Seriously Off Target**
- **Insufficient Data**
2. The Millennium Development Goals to the Sustainable Development Goals

### MDGs (2000-2015) vs. SDGs (2016-2030)

<table>
<thead>
<tr>
<th>Category</th>
<th>MDGs (2000-2015)</th>
<th>SDGs (2016-2030)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goals</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td>Targets</td>
<td>21</td>
<td>169</td>
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<tr>
<td>Indicators</td>
<td>60</td>
<td>~230</td>
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<tr>
<td>Priority Areas</td>
<td>Human Development</td>
<td>Holistic: Economic, Social, Environmental</td>
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<tr>
<td>Scope</td>
<td>Developing Countries</td>
<td>Universal</td>
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</tbody>
</table>
2. From the MDGs to the SDGs

- Promote quality data
- Identify interrelatedness of goals at onset
- Improve policy coordination
- Increase cross-institutional collaboration
- Ensure strong government involvement
- Increase efficient allocation of resources
- Localize implementation

MDGs (2000-2015)

LESSONS LEARNED
Bridging the humanitarian and development agendas

SDGs (2016-2030)
2. The Sustainable Development Goals

**Economic Dimension**
1. Economic effects of lack of access to essential services
2. High levels of debt, especially in low-income countries
3. Prioritizing lower income countries
4. Partnerships are key

**Environmental Dimension**
01. Paris Agreement
02. Carbon Pricing
03. Funding requirements for investment in adaptation and mitigation

**Social Dimension**
- Income Equality
- Gender Equality

**Governance Dimension**
- The SDGs call for “effective, accountable and inclusive institutions at all levels.”
- Successful anti-corruption initiatives are built on institutional reforms.
- The challenges of tax avoidance and tax evasion.

Achieving the SDGs contributes to addressing the challenges of the 21st century.

Source: International Monetary Fund, 2018
3. Leveraging the Potential of Disruptive Changes Requires a Comprehensive Policy Framework

Effects of technology:
- Changing skills
- Nature of production and market power

Public policy: manage the direction and effects of change

Policy:
- Invest in human capital
- Invest in resilience (incl. social protection)
- Invest in infrastructure

Enablers:
- Finance
- Data
- Implementation

Goal
Between 1990 – 2015, countries in the Middle East and North Africa reduced the proportion of people living on less that US$3.20 from 27 percent to 16 percent.
Overall, news on boosting shared prosperity is positive, however, the region has experienced slowdowns...
Growth in the region is projected to decrease to 1.3% in 2019 and to pick up to about 3% in 2020-21.

<table>
<thead>
<tr>
<th>Region</th>
<th>2012-16</th>
<th>2017</th>
<th>2018e</th>
<th>2019f</th>
<th>2020f</th>
<th>2019</th>
<th>2020</th>
</tr>
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<tbody>
<tr>
<td>World</td>
<td>2.7</td>
<td>3.1</td>
<td>3.0</td>
<td>2.6</td>
<td>2.7</td>
<td>-0.3</td>
<td>-0.1</td>
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<tr>
<td>Advanced economies</td>
<td>1.7</td>
<td>2.3</td>
<td>2.1</td>
<td>1.7</td>
<td>1.5</td>
<td>-0.3</td>
<td>-0.1</td>
</tr>
<tr>
<td>EMDEs</td>
<td>4.4</td>
<td>4.5</td>
<td>4.3</td>
<td>4.0</td>
<td>4.6</td>
<td>-0.3</td>
<td>0.0</td>
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<tr>
<td>East Asia and Pacific</td>
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<td>6.5</td>
<td>6.3</td>
<td>5.9</td>
<td>5.9</td>
<td>-0.1</td>
<td>-0.1</td>
</tr>
<tr>
<td>Europe and Central Asia</td>
<td>2.4</td>
<td>4.1</td>
<td>3.1</td>
<td>1.6</td>
<td>2.7</td>
<td>-0.7</td>
<td>0.0</td>
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<tr>
<td>Latin America and the Caribbean</td>
<td>1.3</td>
<td>1.7</td>
<td>1.6</td>
<td>1.7</td>
<td>2.5</td>
<td>-0.4</td>
<td>-0.2</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>3.4</td>
<td>1.2</td>
<td>1.4</td>
<td>1.3</td>
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<td>-0.6</td>
<td>0.5</td>
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<tr>
<td>South Asia</td>
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<td>6.7</td>
<td>7.0</td>
<td>6.9</td>
<td>7.0</td>
<td>-0.2</td>
<td>-0.1</td>
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<tr>
<td>Sub-Saharan Africa</td>
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<td>2.6</td>
<td>2.5</td>
<td>2.9</td>
<td>3.3</td>
<td>-0.5</td>
<td>-0.3</td>
</tr>
</tbody>
</table>

Note: e and f refer to estimates and forecasts, respectively.
Global poverty rate projections to 2030

"Human capital" – the potential of individuals – is going to be the most important long-term investment any country can make for its people’s future, prosperity and quality of life

The Human Capital Project

Three main objectives:
1. Build demand for more and better investments in people
2. Help countries strengthen their human capital strategies and investments for rapid improvements in outcomes
3. Improve how we measure human capital
Launched in 2018, the Human Capital Index assesses the building blocks of human capital:

1. **Survival** – Will kids born today survive to school age?
2. **School** – How much school will they complete and how much will they learn?
3. **Health** – Will kids leave school in good health and be ready for further learning and/or work?

<table>
<thead>
<tr>
<th>Rank</th>
<th>Economy</th>
<th>Lower Bound</th>
<th>Value</th>
<th>Upper Bound</th>
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<td>47</td>
<td>Bahrain</td>
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<td>49</td>
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<td>Oman</td>
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<td>Qatar</td>
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<td>0.63</td>
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<td>Saudi Arabia</td>
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<td>Kuwait</td>
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<td>79</td>
<td>Jordan</td>
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<td>0.56</td>
<td>0.58</td>
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<tr>
<td>82</td>
<td>West Bank &amp; Gaza</td>
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<tr>
<td>86</td>
<td>Lebanon</td>
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<td>0.52</td>
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<td>Morocco</td>
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<td>0.50</td>
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<td>129</td>
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<td>139</td>
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<td>0.39</td>
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<td>145</td>
<td>Yemen</td>
<td>0.35</td>
<td>0.37</td>
<td>0.38</td>
</tr>
</tbody>
</table>
Resilience is the ability to manage the wide range of shocks and stresses which may occur:
- natural
- Technological, or
- socioeconomic

Examples of investments include:
- Expansion of social protection coverage while giving priority to the poorest people
- Strengthening of all aspects of climate and disaster resilient development, including coordinating institutions, risk identification and reduction, preparedness, financial and social protection, and resilient reconstruction
4. Invest in Infrastructure

Infrastructure Outlook: Africa

- **Current trends**
- **Investment need**
- **Investment need inc. SDGs**

Infrastructure Outlook: Asia

- **Current trends**
- **Investment need**
- **Investment need inc. SDGs**

Source: Global Infrastructure Hub, 2018
In low income countries, only 12 percent of people use the internet, but usage is growing.

Features of digital infrastructure in MENA

1. High prices, low speed: limited access to broadband internet
2. Good backbone networks, lack of investment in local access; monopolies in international access
3. Affordability constraints deepen the digital divide across regions and people
4. Highly concentrated markets
5. Challenges with storage capacity
6. Lack of competition in international and data communications
7. Outdated business model
8. Lack of investment in broadband

Technology enables human development. In low-income countries only 12 percent of people use the Internet, but usage is growing.

Source: ITU. World Development Indicators (IT.NET.USER.ZS).
4. What will the SDGs require?
Data, finance and implementation

ADEQUATE DATA
Ensure availability of household budget surveys in 78 poorest countries every three years; data revolution; statistical capacity building

BETTER FINANCING
Domestic resource mobilization; leveraging private sector; addressing needs of regional and global public goods

EFFECTIVE IMPLEMENTATION
Provide integrated solutions and work across sectors/ministries
4. The SDGs are interlinked
Data is critical to understanding those relationships

Japan as an example:
Japan’s goals are interlinked to SDG 1
4. Data availability is a universal challenge

Seventy-eight of 169 SDG targets describe potentially assessable outcomes for Canada.

Source: “Counting who gets Left Behind” Brookings report, 2018
4. Financing the SDGs

To meet the investment needs of the SDGs, the global community needs a paradigm shift - move the discussion from “billions” in ODA to the “trillions” in investments of all kinds.

Achieving the SDGs will require the best possible use of each available grant dollar, beginning with ODA from governments and philanthropy, remittances, South-South flows, other ODA, and FDI.

To reach the needed trillions, additional flows must come from two main pillars: public domestic resources and private sector finance.
4. Finance will Need to Come from Multiple Sources

Foreign Direct Investment (net inflows as % of GDP)

ODA and FDI to the Arab World

- Foreign direct investment, net inflows (BoP, current US$)
- Net official development assistance and official aid received (current US$)
4. Sample municipal budget

**Expenses**

1. Preschool education
2. Primary and secondary school
3. Health care
4. Social assistance and poverty alleviation
5. Public order and civil protection
6. Infrastructure and public services
7. Environment protection
8. Social, cultural, recreational expenditures
9. Local economic development
10. Social housing
11. Urban development
12. Civil security
13. Transfer to sub-local government entities
14. (subsidies, grants, equity, in-kind)
15. Loan repayment
16. Interest charges
17. Guarantees called (paid by the municipality)

**Revenues**

1. Property tax (rates) on land and/or buildings
2. Tax on the transfer of immovable property
3. Tax on motor vehicles
4. Local sales tax and/or tax on the sale of local products (or surcharge)
5. Tax on local businesses and services
6. Tax on electricity consumption (surcharge)
7. Tax on nonmotorized vehicles
8. Tax on tourism, hotels, restaurants, and entertainment
9. Tolls on roads, bridges, etc., within the limits of the local government
10. Charges for public works and public utilities such as waste collection, drainage, sewerage, and water supply
11. Charges for markets and rents for market stalls
12. Charges for the use of bus stations and taxi parks
13. Fees for approval of building plans and erection and re-erection of buildings
14. Fees for fairs, agricultural shows, industrial exhibitions, tournaments, and other public events
15. Fees for licensing of businesses, professions, and vocations
16. Fees for other licenses or permits and penalties or fines for violations
17. Fees for advertisement
18. Fees on sales of animals in cattle markets
19. Fees for registration and certification of births, marriages, and deaths
20. Fees for education and health facilities established or maintained by the local government
21. Fees for other specific services rendered by the local government
22. Rent from land, buildings, equipment, machinery, and vehicles
23. Surpluses from local commercial enterprises
24. Interest on bank deposits or other funds
4. Localization and Implementation

U.K. Midlands: Successful locally owned businesses help develop local markets, create innovation, success and redistribution in a self-reinforcing cycle.


Egypt: Government services development program provides speedy delivery on such as education enrolment and legal services.

Indonesia: A program is being implemented to enhance the capacity of local governments to improve efficiency and effectiveness of local public spending. Also implemented the PNPM program: community driven development.

Ghana: MasterCard and IFC use big data to promote access to financial services for the poor.

Kenya: Open data initiative makes government data available to the public. E-government portal facilitates ‘one stop shop’ for citizens.

Colombia: 100 National Governments 110 Actions Required by the National Governments and multilevel coordination. 110 Actions Required by the National Governments and multilevel coordination.

Tunisia:
E-government services and portal stimulates citizen engagement and policy discussions. Big Data Hackathon (2017) encourages start-ups and institutions to make Big Data innovations.

Ghana:
MasterCard and IFC use big data to promote access to financial services for the poor.

Kenya:
Open data initiative makes government data available to the public. E-government portal facilitates ‘one stop shop’ for citizens.

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A program is being implemented to enhance the capacity of local governments to improve efficiency and effectiveness of local public spending. Also implemented the PNPM program: community driven development.

U.K. Midlands: Successful locally owned businesses help develop local markets, create innovation, success and redistribution in a self-reinforcing cycle.
4. With Under 11 Years to go to Achieve the SDGs...

Source: UNDP (2019).
4. 103 countries have presented VNRs to date during the High-Level Political Forum
### 4. MENA Countries’ VNRs

<table>
<thead>
<tr>
<th>Already presented</th>
<th>Presenting in 2019</th>
<th>Have not yet presented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahrain</td>
<td>Algeria</td>
<td>Djibouti</td>
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<tr>
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<td>Iran</td>
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<td>Sudan</td>
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<tr>
<td>UAE</td>
<td></td>
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</tr>
</tbody>
</table>
4. High-Level Political Forum

Countries’ Most Frequently Identified Priority Areas

1. Sequencing implementation of goals within context of national priorities
2. Working in partnership to determine national development strategy
3. Coordination within governments; across and within ministries
4. Securing enough financial resources and efficiently allocating them
5. Data availability and institutional capacity
6. Localization and implementation of the goals at the local level
7. Incorporating and mainstreaming gender
8. Integrating action on climate change
5. WBG Strategy for MENA

End Extreme Poverty

Boost Shared Prosperity

Meeting the Aspirations of MENA’s Youth - Reinventing the Economic Model

Renewing the Social Contract

Resilience to Shocks

Regional Cooperation

Recovery and Reconstruction

Rapid and Inclusive Job Creation for The Youth

Build Human Capital
Education, skills, health, social protection, youth and female inclusion

Digital Transformation
Research and innovation, investment in high speed networks

Maximize Finance for Development
Role of state, unleash private sector, access to finance
Thank You

[Link to website: worldbankgroup.org/sdgs]

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