

ESCWA 2011 Annual Report

Contents

Foreword	3
A Year that has Changed the Region	5
Inside ESCWA	8
ESCWA in Action	15
Integrated Management of Natural Resources for Sustainable Development	16
Social Development	22
Economic Development and Integration	26
Information and Communications Technology for Regional Integration	30
Statistics for Evidence-Based Policymaking	34
Advancement of Women	37
Conflict Mitigation and Development.....	41
Programme Planning and Technical Cooperation	45

Foreword

The year 2011 was a turning point for the Arab world. While it is still too early to predict the future of the Arab region, it is clear that a new social contract is being forged. The power of citizens has created new momentum for change, opening the door of opportunity for the Arab people.

As an institution that provides regional public goods, our approach to development had to be transformed. The increasing complexity of global, regional and national development challenges calls for a new approach to development; one that is interdisciplinary and intersectoral in nature. These challenges include demographic pressures, environmental fragility and food insecurity, widespread inequalities and increasing poverty especially among women, chronic unemployment, a governance deficit, as well as civic strife and regional spillover effects of conflicts and foreign occupation. A holistic approach is needed to consider the reciprocal impacts of growth and development, ecological and environmental sustainability and governance systems.

This Annual Report highlights the most significant efforts and achievements of the Economic and Social Commission for Western Asia (ESCWA) to promote regional integration and facilitate inclusive and sustainable development. Its most notable activities were designed in response to the rapidly changing situation in the Arab world.

In this regard, I am pleased to report that ESCWA has started preparatory work in earnest to launch three key flagship publications that will draw on the Commission's intellectual capacity in cooperation with intellectuals and researchers in the region to chart out alternative development trajectories. It is my hope that they will provide the needed intellectual space for new thinking, fresh viewpoints and analysis of emerging issues from thematic and interdisciplinary perspectives.

In addition, to ensure that ESCWA reflected the aspirations of youth and women in the region, a series of youth dialogues and women's discussion forums were organized over the past year. I am proud to report that the series was extremely fruitful. The dialogues, which aimed at engaging some of the youth leaders and women activists in the region, were critical in sharpening the Commission's thinking and response to some of the challenges facing these significant segments of society.

Throughout 2011, ESCWA built regional preparedness and momentum for the United Nations Conference on Sustainable Development (Rio+20) through a series of consultative events and publications. To match the scale and importance of the Conference, ESCWA led a regional preparatory process in collaboration with regional partners for stakeholders from Governments, civil society and the private sector to increase understanding of the issues at stake at Rio+20. The preparatory process succeeded in building a harmonized Arab position regarding the objectives and themes of the Conference, with a focus on the green economy and the new institutional framework for sustainable development. I am glad to report that ESCWA member countries are now in a better position to make a significant contribution to the Conference, through their support for a green economy that responds adequately to the challenges of job creation, cleaner production and the conservation of precious natural resources.

With the aim of promoting inter-agency coherence on development issues, ESCWA convened two Regional Coordination Mechanism meetings for the Arab States (RCM) in 2011, which included all United Nations agencies working in the region and such key regional organizations as the League of Arab States and the Organisation of Islamic Cooperation. The RCM meetings explored a number of pressing development challenges on the regional agenda, with a view to building synergies and ensuring coordination between all key development actors.

We have also revisited our work programme to ensure that it effectively addresses emerging needs and issues including enhancing our economic analysis and modelling towards evidence-based policy advice on alternative measurements of inclusive growth. The programme is aimed at deepening the impact of ESCWA in identified priority areas of equitable growth and sustainability, regional integration, good governance and resilience. It is my hope that this Annual Report will prove useful to member countries in assessing the effectiveness and impact of the Commission's work.

As a new reality emerges in the Arab region, ESCWA and the United Nations system as a whole have a decisive role to play. As the Arab people and ESCWA member countries work towards redefining their national priorities, our contribution and support span the key areas of sustainable inclusive growth, cohesive social protection programmes, the advancement of women, transitions to democracy, food security and climate change. We will also continue to provide support to Palestinian institutions and people as they deal with the ramifications of the longest occupation in history and attain their inalienable right to self-determination.

Lastly, I would like to thank all ESCWA staff members for their commitment and hard work in the past year, which was crucial for the Commission's adjustment and successful response to the new regional environment. I look forward to working with them on new initiatives and projects that serve the needs of our member countries in the coming year.

A Year that has Changed the Region

The United Nation system, and ESCWA in particular, were called upon to listen to the voices of Arab people and to make efforts to understand and respond to their needs. To better reflect the needs of the people, ESCWA has adjusted its vision and focus and revised its strategy and approach to regional development. This Report provides evidence of how the Commission's priorities and programmes in 2011 were reshaped to address those challenges.

Political state of affairs

Leaders, Government officials, decision makers and the international community have struggled with the political changes 2011 has brought to the Arab world. Prevalent patterns of socio-economic and political exclusion ignited unprecedented protests across the region. What started with a street vendor in Tunisia setting himself alight to protest against ill-treatment from a local official unleashed a wave of popular uprisings in the region and succeeded in toppling four Arab authoritarian regimes in 2011. The protests took the form of persistent campaigns, rallies and demonstrations. These remarkably successful events were driven by Arab youth, whose acts of confidence and determination have begun to reclaim the future of the region.

The expectations of immediate and far-reaching reforms among Arab people have posed challenges to progressive Governments. Those include: fostering inclusive institutions and democratic culture in the Arab region; preventing a relapse into violence; managing short-term expectations; and enacting adequate economic and social policies to meet regional socio-economic demands. Those challenges must be met.

Despite the overall optimistic outlook for the region following these democratic changes, the countries transitioning to democracy are now facing a rocky path, risking relapse into violence, or even to authoritarianism. Various forms of internal clashes continue in Bahrain, Oman, Saudi Arabia, the Sudan, the Syrian Arab Republic and Yemen. Conflicts persist also between the Sudan and South Sudan, while the occupation of Palestine continues.

Economic and social circumstances

According to estimates, the Arab Spring cost the region more than US\$55 billion. Nevertheless, the ESCWA region showed an improving economic outlook in 2010 and 2011 despite the incurred costs and repercussions of the global economic crisis.

Real gross domestic product (GDP) growth was estimated at 4.1 per cent in 2010, with an anticipated expansion to 5.2 percent in 2011. Gulf Cooperation Council (GCC) countries experienced growth due to higher crude oil prices and production levels, while the more diversified economies have experienced adverse economic effects due to political instabilities. Social movements are increasingly putting pressure on Governments, making predictions of events or their implications on economies unfeasible.

The region experienced varying inflation rates in 2011. On average the regional inflation rate was 5.7 per cent in 2011. GCC countries forecast an inflation rate of 4.1 per cent for 2012, while more diversified economies expect to see a significantly higher rate of 9.7 per cent.

Perceived political and socio-economic risk and regulatory uncertainties are the principal cause of declining foreign direct investments (FDI). The estimates show a decline in total FDI inflow in the ESCWA region by 13 per cent in 2011. Many studies and ESCWA reports

show that there is a high concentration of FDI inflows into oil-rich countries in the region, leaving the least developed countries without minimal investments in areas critical for development, namely infrastructure and agriculture.

In addition to FDI inflows, remittances play an important role in the Arab region: a segment of GDP that should be further exploited and channelled into productive use. The Middle East and North Africa (MENA) region represents one of the top ranking regions in per capita migrant remittances received in the period from 2001 to 2010.

High unemployment rates remain persistent. The rate of female participation in the labour force continues to be low in the region, varying from 13 to 52 per cent. The lack of adequate social policies and maternity insurance puts high costs on employers and restricts women's employability. Higher female participation rates are seen in the Gulf countries due to significant inward labour migration. Informal labour and underemployment have been difficult to measure, but it is clear that many workers engage in informal labour and are not covered by social protection schemes.

Structural unemployment is a long-standing obstacle and is characterized by outdated curricula and educational systems which create a mismatch between the skills demanded by employers and those available among recent graduates. These structural barriers have contributed to chronic unemployment rates, in particular among young people in the ESCWA region. Youth unemployment is well over the global average and accounts for almost half of total unemployment in the region. Educational barriers and labour market rigidities reinforce each other, maintaining structural unemployment challenges.

Health indicators across the region have shown progress. However, there is a correlation between the income level of citizens and the performance of member countries on health indicators. The region is characterized by private expenditures on health that now exceed the global average, while Government expenditures on health remain below the global average.

Environmental challenges

There are currently nearly 260 million inhabitants in the ESCWA region and there is an increasing discrepancy between food production and food consumption. The food import dependency ratio reached 50 per cent in recent years. Moreover, depletion of natural resources, climate change and the degradation of the environment have damaged food security, particularly in rural areas. Per capita availability of water resources has continued a declining trend. In 2009, 10 out of 14 ESCWA member countries had already fallen below the water scarcity threshold. Insufficient access to reliable water services has a very significant impact on food security, affecting food prices and worsening the economic conditions of both rural and urban residents.

Environmental degradation and water distress levels in the Arab region have a great impact on internal migration. High rates of forced internal migration create tension and in some cases ignite conflicts (examples today are seen in Iraq, the Sudan and the Syrian Arab Republic).

The poverty eradication process has slowed as a result of the economic situation and environmental degradation. Some 40 per cent of the Arab population are currently living under the poverty line (set at US\$2.75/day) and many of them are clustered below this level (at US\$1.25 per day). The risk of this group falling into extreme poverty has increased under the current socio-economic and political conditions. Impoverished populations are particularly vulnerable to the effects of environmental degradation and water scarcity.

Renewed hope and commitment

During this period of rapid transition, there are ample opportunities on many fronts for institutional changes that reflect the needs and priorities of the people. There is renewed hope for democratic culture, inclusive and sustainable growth, deeper regional integration and justice for all. In an atmosphere of change and transition, ESCWA is committed to advocating equitable growth and sustainability, encouraging regional integration and promoting good governance and resilience in the face of the challenges ahead.

Inside ESCWA

The mission of ESCWA is to support its member countries in the achievement of inclusive and integrated sustainable development. It also seeks to inform decision makers on policy formulation and the implementation of socio-economic and sectoral strategies that are founded on evidence-based research. In addition, ESCWA fosters multilateral dialogue and knowledge sharing. In doing so, it provides a platform for member countries to reach common positions on regional and global challenges.

ESCWA is a forward-looking organization, and a committed partner that supports the efforts of member countries as they chart their own development paths.

Programme planning and support

In the region, new opportunities were created by movements towards a more expansive social and political horizon. To capitalize on those opportunities and to take advantage of the full potential of the Commission, ESCWA engaged in an extensive process of internal and external consultation to ensure that the needs of member countries and their citizens were captured within the Commission's four-year vision (2012-2015).

The purpose of this exercise was to (a) establish a medium-term plan (2-4 years) up to the target date of 2015 as set forth by the Millennium Declaration; (b) provide a framework for more effectively integrating the Commission's work around three institutionally defined Strategic Pillars; (c) streamline the planning processes and ensure greater coherence between the top tier objectives and activities, outputs, and performance measures; and (d) enable subprogrammes to articulate how their work will impact the region's economic and social development challenges. Most importantly, this results-oriented view of the Commission's work will facilitate the evaluation, review and measurement of the impact of ESCWA at the regional level. This approach will increase the impact of ESCWA and its activities by focusing on accomplishments in the form of measurable outcomes.

Strategic Pillars

ESCWA will focus its work towards inclusive and sustainable development in the region. Through this new vision, ESCWA has adopted three Strategic Pillars: (a) equitable growth and sustainability; (b) regional integration; and (c) good governance and resilience. The Strategic Pillars will serve as guiding principles as ESCWA continues to engage in initiatives that address the cross-cutting issues of partnerships, knowledge management and gender equality.

Specifically, ESCWA is expanding its integrated planning approach to ensure that its subprogrammes contribute to each of the three Strategic Pillars. Under each priority area, ESCWA will target predetermined and measurable outcomes, introducing changes in line with the goals expressed in each integrated programme.

Technical cooperation programme

Through its technical cooperation programme, ESCWA continues to support member countries in their efforts to strengthen the formulation and effective implementation of national policies, strategies and programmes. The technical cooperation programme is funded by three distinct but interrelated modalities: the Regular Programme of Technical Cooperation, the Development Account, and extrabudgetary resources. Through the Regular

Programme of Technical Cooperation, ESCWA works to develop the capacity of Governments through both individuals and institutions to formulate and implement policies for sustainable economic and social development. The Development Account is a capacity development programme of the United Nations Secretariat aiming at enhancing the capacities of developing countries in the priority areas of the United Nations Development Agenda. It is funded from the Secretariat's regular budget. Complimentary to the Regular Programme of Technical Cooperation and Development Account projects, extrabudgetary resources are mobilized through the design of innovative, results-based programmes and projects that support and bolster the Commission's regular programme of work.

Regional Coordination Mechanism

Regional and inter-agency coordination remains a challenge and a necessity. In its role as convener of Regional Coordination Mechanism (RCM), ESCWA organized two meetings in 2011, both attended by the majority of United Nations regional entities, the League of Arab States, as well as representatives of regional and international funding institutions. The meetings brought together high-level actors to focus on regional development initiatives, to push collective thinking on priority issues forward and to generate collaborative activities.

Publicity

Reliable, up-to-date information about ESCWA is always available through the United Nations Information Service (UNIS), which promotes the Commission's activities, work and vision throughout the region. A wide range of audiences have access to that information, including journalists, Government officials, decision makers, legislators, civil society representatives, students, educators, researchers and others.

During 2011, ESCWA sponsored 59 events in Lebanon and the region. The outcome of ESCWA meetings and the results of ESCWA activities were reported regularly on more than 10 Lebanese and regional TV stations. Throughout the year, senior ESCWA officials and participants in ESCWA meetings gave 90 audiovisual and print interviews. In total, over 700 press clippings appeared in national and regional newspapers and magazines, as well as online news websites. The *ESCWA Weekly News* and *Rio20 Times*, the regional newsletter of the United Nations Conference on Sustainable Development (Rio+20) provided regular updates for Governmental institutions, people in the member countries and beyond.

Administration and financial resources of ESCWA in 2010-2011

ESCWA manages and administers human and financial resources that are funded by the United Nations regular budget approved by the General Assembly for its regular programme of work, safety and security, Regular Programme of Technical Cooperation and the Development Account. It also received voluntary contributions from various donors to support the implementation of various technical cooperation and capacity-building activities.

For the biennium 2010-2011, funds available to ESCWA from various sources totalled US\$97.9 million. Table 1 provides a breakdown of the available resources.

TABLE 1: Budget for 2010-2011 from various sources (thousands of US\$)	
Regular budget	88 611.2
Regular programme of work	65 086.7
Safety and security	14 589.0
Regular Programme of Technical Cooperation	4 525.1

Development Account	4 410.4
Budget covered from voluntary contributions	8 770.3
Budget covered from programme support account	475.5
Total	97 856.9

Under the budget for the regular programme of work, almost half of the appropriated resources are devoted to the substantive work programme. The balance is shared between executive direction and management, information services, policymaking organs, programme management and administrative services. The following charts provide the distribution of those resources.

CHART 1: DISTRIBUTION OF ESCWA 2010-2011 REGULAR BUDGET RESOURCES BY FUNCTIONAL AREA (TOTAL: US\$65.09 MILLION)

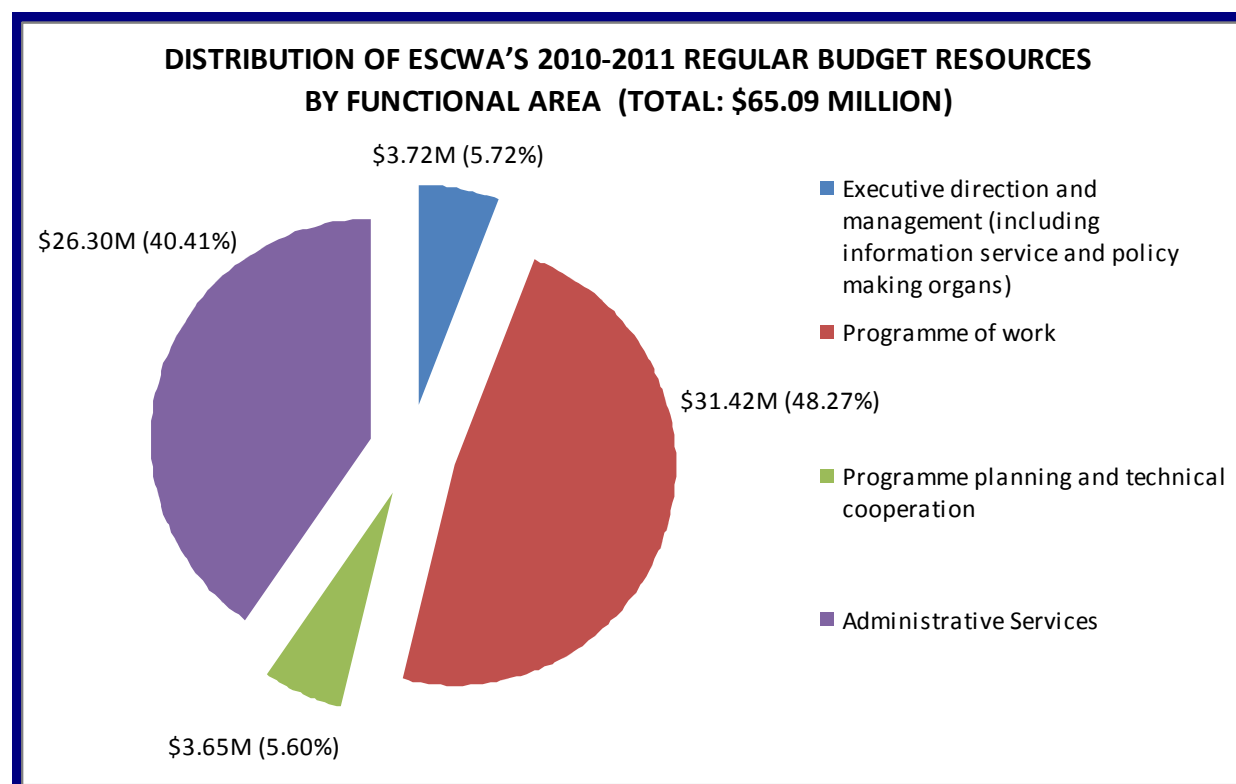
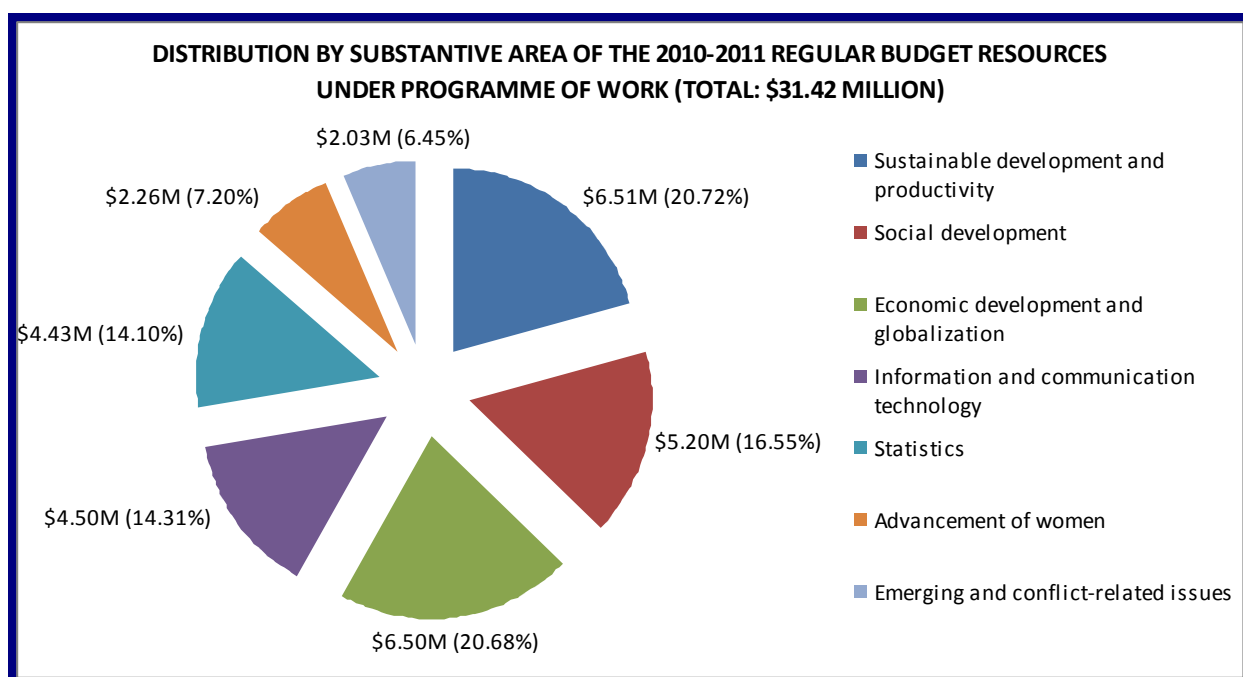


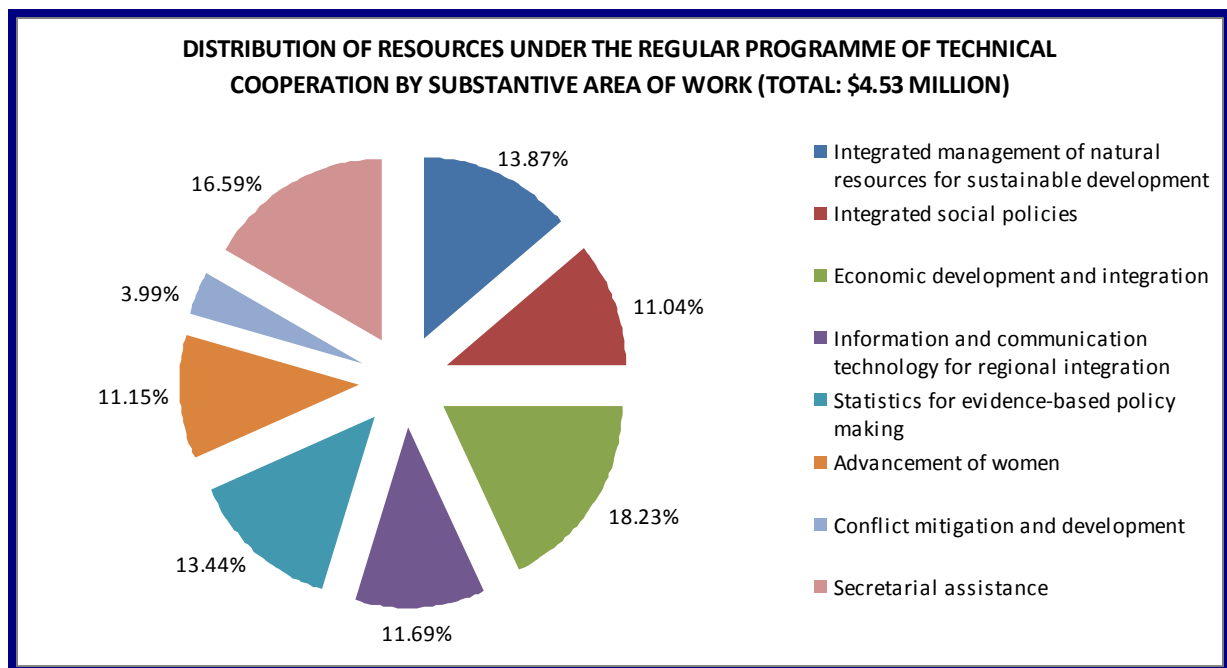
CHART 2: DISTRIBUTION OF ESCWA 2010-2011 RESOURCES BY SUBSTANTIVE AREA OF WORK (TOTAL: US\$31.42 MILLION)



Resources have also been appropriated by the General Assembly under the Regular Programme of Technical Cooperation, and the Development Account. The latter is used to fund multi-year projects to enhance the capacity of member countries in the priority areas of the United Nations Development Agenda.

For the biennium 2010-2011, total available resources under the Regular Programme of Technical Cooperation were US\$4.53 million. As of 31 December 2011, US\$4.50 million had been spent on technical cooperation activities and support to member countries, accounting for almost 100 per cent of the budget.

CHART 3: DISTRIBUTION OF RESOURCES UNDER THE REGULAR PROGRAMME OF TECHNICAL COOPERATION BY SUBSTANTIVE AREA OF WORK (TOTAL: US\$4.53 MILLION)



There are currently eight projects being implemented under the Development Account (table 3). Three of the projects were scheduled to be completed in 2011.

TABLE 3: Current Development Account projects with budget and expenditure to 2011 (in US\$)

Name of project	Start year	End year	Budget	Expenditure to 2011
Knowledge networks through information and communication technology access points for disadvantaged communities	2006	2011	970 000	959 530
Strengthening national capacities in environment statistics, indicators and accounts in support of progress toward achieving the internationally agreed development goals in the ESCWA and ECLAC regions	2007	2011	602 000	592 972
Participatory human development in post-conflict countries in the ESCWA region	2009	2011	500 000	480 288
Regional harmonization of cyber legislation to promote the knowledge society in the Arab world	2009	2012	401 000	246 392
Strengthening capacities in the ESCWA region to negotiate bilateral investment treaties	2010	2014	502 200	114 190
Strengthening capacities in the ESCWA region to formulate national youth policies and plans of action: Responding to the World Programme of Action for Youth (WPAY)	2011	2013	379 000	13 000
Capacity-building on climate change mitigation for poverty alleviation in Western Asia	2011	2013	547 200	24 413
Regional project for strengthening statistical capacity of ESCWA member countries in energy statistics and energy balance	2011	2014	509 000	25 626
Strengthening national capacity in the ESCWA region in developing green production sectors	2012	2014	491 000	-
Total			4 900 400	2 456 411

In addition, six ESCWA-led regional and global projects were endorsed in 2010 under the seventh and eighth tranches of the Development Account totalling US\$2.9 million. These projects will commence when funds are received from United Nations Headquarters.

In the biennium 2010-2011, the ESCWA Project Committee reviewed 41 projects for extrabudgetary and Development Account funding. During that period ESCWA successfully attracted voluntary contributions more than tripling the extrabudgetary resources received during the biennium 2008-2009. Major donors were the Swedish International Development Cooperation Agency, United Nations Development Programme, Arab Fund for Economic and Social Development, World Bank, Ministry of Planning and International Cooperation (Jordan) and the United Nations Population Fund.

TABLE 5: Voluntary contributions received in 2008-2011 (in US\$)

2008	
United Nations Development Programme	747 478
United Nations Office for Project Services	131 586
King Khaled Foundation	116 613
Salahaddin University	53 084
Arab Gulf Programme for Development	35 000
Others	53 127
Total 2008	1 136 888
2009	
United Nations Development Programme	827 144
Awqaf and Minors Affairs Foundation	125 000
United Nations Development Fund for Women	35 000
Ministry of Transport of Yemen	19 983
Community Development Authority of Dubai	19 210
Others	51 667
Total 2009	1 078 004
Total 2008-2009	2 214 892
2010	
United Nations Development Group Iraq Trust Fund	1 448 695
Swedish International Development Cooperation Agency	1 225 954
United Nations Development Programme	844 068
World Bank	200 000
Arab Gulf Programme for United Nations Development Organizations	60 000
UN-Women (formerly United Nations Development Fund for Women)	57 000
Total 2010	3 835 717
2011	
Swedish International Development Cooperation Agency	2 591 625
United Nations Development Programme	783 577
Arab Fund for Economic and Social Development	544 929
World Bank	300 000
Ministry of Planning and International Cooperation (Jordan)	249 648
United Nations Population Fund	161 250
Royal Scientific Society of Jordan	99 948
The Higher Council for Science and Technology	99 758
UN-Women	67 800
United Nations Children's Fund	25 000
Office of the United Nations High Commissioner for Refugees	11 000
Total 2011	4 934 535
Total 2010-2011	8 770 252

ESCWA in Action

Integrated Management of Natural Resources for Sustainable Development

Overview

Population growth, food insecurity demands, lack (or supply-demand gap) of water resources, climate change, extreme weather events, and regional tension over shared water resources contribute to the challenges facing the ESCWA region. Given the significance of those challenges, effective management of natural resources to promote sustainable development is a high regional priority. Member countries have expressed interest in climate change impact assessments and socio-economic vulnerability assessments which include the analysis of extreme weather events. They are also interested in supporting renewable energy, energy efficiency and the promotion of productive sectors, notably small and medium-sized enterprises (SMEs).

The Sustainable Development and Productivity Division (SDPD) of ESCWA seeks to achieve integrated sustainable management of natural resources, with an emphasis on water, energy and the production sectors, while incorporating climate change responses into sectoral strategies and plans. In addition, SDPD promotes regional cooperation in order to manage the region's natural resources more efficiently, shared water resources in particular. The Division also promotes the coordination of related economic policies.

SDPD supports the achievement of the Millennium Development Goals (MDGs), notably in relation to water supply and sanitation. It applies best practice and methods for improving sustainable agriculture and rural development to increase the productivity and competitiveness of rural SMEs through appropriate and affordable environmentally sound technology. It also promotes South-South cooperation in the integrated management of natural resources, with a focus on challenges related to water, energy and climate change.

In anticipation of the United Nations Conference on Sustainable Development (Rio+20) which will take place in 2012, ESCWA led the Arab regional preparatory process. An important global milestone, Rio+20 will assess progress towards sustainable development and gaps that remain in the implementation of the outcomes of the major summits on sustainable development. Rio+20 will address new and emerging challenges and secure renewed worldwide political commitment to sustainable development.

Activities and Achievements

A harmonized Arab position towards the Rio+20 agenda

In full cooperation with the League of Arab States and the United Nations Environment Programme (UNEP), ESCWA led a multi-stakeholder consultative process that involved ministries, civil society organizations, major groups and the private sector to raise awareness of the objectives, themes and issues at stake at Rio+20. Various specialized papers were prepared as inputs to the preparatory meetings, including a reference paper on *Green Economy in the Arab Region: Overall Concept and Available Options*. The bi-monthly newsletter *Rio20 Times* and a dedicated website kept stakeholders informed about Rio+20 developments at the national, regional and international levels. Regional meetings convened by ESCWA ensured that the concerns of the various stakeholders were voiced and reflected in a harmonized Arab position regarding Rio+20 objectives and themes.

Two key regional reports informed the consultative process and reflected its outcomes: *Review of Productivity and Sustainable Development in the ESCWA Region, No. 1*, and *Regional Review of Institutions for Sustainable Development in the Arab Region*.

Representatives of Governments, regional and international organizations and major groups attended the Arab Regional Preparatory Meeting for Rio+20 (Cairo, 16-17 October 2011), which resulted in a joint statement reflecting a harmonized Arab position towards the Rio+20 agenda and a reaffirmation of political commitment to sustainable development. The statement was adopted by the Council of Arab Ministers Responsible for the Environment in December 2011, and was submitted to the Rio+20 Preparatory Committee Bureau in New York to be taken in consideration in the Rio+20 input document.

Green economy

One of the primary focuses of Rio+20 is the green economy in the context of sustainable development and poverty eradication. According to the ESCWA report on *Opportunities for Small and Medium Enterprise Production and Consumption of Environmental Goods and Services in Selected ESCWA Member Countries*, environmental goods and services and associated business opportunities for SMEs hold tremendous potential for the economies of ESCWA member countries, notably in terms of job creation for educated youth. Through a variety of activities, ESCWA has actively promoted a just and advantageous transition to a green economy. The capacity of member countries to adopt effective green job strategies was developed by ESCWA in cooperation with the International Labour Organization during the Green Jobs Learning Forum (Turin, 4-22 April 2011) and the Green Jobs Kick-Off Workshop in the Arab States: Lebanon Case Study (Beirut, 28-29 July 2011). To promote the concept of green industries and related employment opportunities, ESCWA organized a specialized conference on the Role of Green Industries in Promoting Socio-Economic Development in the Arab Countries (Beirut, 28-29 September 2011) during which a paper on *Local Manufacturing of Electricity Generating Equipment from Solar and Wind Energy: Potentials and Prospects in the Arab Region* was presented. The conference was hosted in cooperation with the Arab Industrial Development and Mining Organization, United Nations Industrial Development Organization, German Agency for International Cooperation, UNEP and other partners. The conference explored the economic, social and environmental benefits resulting from the adoption of green industry policies and techniques. A draft action plan for the development of green industries for the years 2012-2014 resulted from the conference. In addition, ESCWA participated in a round-table meeting on green jobs organized within the Arab Forum for Environment and Development Conference on Green Economy in a Changing Arab World (Beirut, 27-28 October 2011).

Sustainable livelihoods and rural development

To promote sustainable livelihoods and rural development, ESCWA has studied the application of sustainable livelihoods approaches through the development and dissemination of the practical *Guide on the Application of Sustainable Livelihood Approaches in the ESCWA Region*. In addition, SME development opportunities and constraints in rural areas were the subject of a paper entitled *Approaches for Rural Development in the ESCWA Region: Enhancing Small and Medium Enterprise Competitiveness and Infrastructure Services*. The paper suggested ways in which support to rural SMEs could be integrated into rural development strategies. Finally, ESCWA promoted the adoption of voluntary sustainability standards, which have the potential to enhance market share and market access for agricultural products from the Arab region while safeguarding water resources which are scarce, precious and strategically significant.

Approaches for promoting emissions reductions in the transport sector

The transport sector is a major consumer of energy and one of the most important sectors within the framework of the climate change mitigation measures. To raise awareness and promote knowledge sharing on scientific and technological issues and best practice for energy use in the transport sector, ESCWA published *Policies and Measures Promoting Sustainable Energy Use in the Transport Sector in the ESCWA Region*. In addition, the Commission held an Expert Group Meeting on Promoting Emissions Reductions in the Transport Sector (Beirut, 5-6 July 2011), in cooperation with the United Nations Economic Commission for Europe Gas Centre. At the meeting, the most important characteristics of transport sector emissions were presented and their impact on climate change was discussed.

Regional Initiative for the Assessment of the Impact of Climate Change on Water Resources and Socio-Economic Vulnerability in the Arab Region

The impact of climate change on freshwater resources and socio-economic development in the region is a primary concern for ESCWA member countries. Assessments are needed to identify and quantify the expected impact of climate change on water resources, which will spread to other key socio-economic sectors such as agriculture, economic development, the environment, health and human settlements. In cooperation with many international partners, ESCWA is implementing a project funded by the Swedish International Development Cooperation Agency (SIDA), on the regional initiative for the assessment of the impact of climate change on water resources and socio-economic vulnerability in the Arab region.

To advance that cause, ESCWA hosted the first preparatory meeting for the regional initiative to discuss the integrated assessment methodological framework and identify data needs and its data collection strategy (Beirut, May 2011). The third Expert Group Meeting on Assessing Climate Change Impacts on Water Resources and Socio-Economic Development in the Arab Region (Beirut, 6-7 July 2011) convened to discuss the methodological framework for assessing climate change impacts. The second preparatory meeting for the regional initiative was held concurrent with the expert group meeting with the participation of SIDA and other project partners. In addition, ESCWA prepared a background document entitled *Assessing the Impact of Climate Change on Water Resources and Socio-economic Vulnerability in the Arab Region: A Methodological Framework for Pursuing an Integrated Assessment*. The document reviewed climate and hydrological modelling tools, and outlined the methodological framework for integrating impact assessment models and vulnerability assessment tools.

The project was modified in December 2011 to include analysis of floods, droughts and other extreme weather events in the region. The outcome of the regional initiative should provide a common platform for member countries to respond to climate change and address its impact on freshwater resources. It should serve as the basis for dialogue, priority setting and policy formulation on climate change adaptation.

Shared water resources

To strengthen the capacity of the Arab countries in the management of shared water resources, ESCWA prepared the *ESCWA Water Development Report 4: National Capacities for the Management of Shared Water Resources in ESCWA Member Countries*. The report included an overview of the state of shared groundwater and surface-water resources in the region. It explored water challenges, risks and response measures taken by ESCWA member countries. It also discussed legal instruments for the management of shared-water resources including the legal framework for shared waters in the Arab Region.

Legal framework for shared waters

ESCWA is engaged in the preparation of a draft legal framework for shared waters in the Arab region. In cooperation with the Center of Water Studies and Arab Water Security, and the Federal Institute for Geosciences and Natural Resources in Germany (BGR), ESCWA organized an Intergovernmental Consultative Meeting for the Draft Legal Framework for Shared Water Resources in the Arab Region (Beirut, 24-26 May 2011). Participants agreed on a draft legal framework and submitted it to the third session of the Arab Ministerial Water Council (AMWC) for review. AMWC revised the legal framework to focus on shared groundwater resources only. The process continued with the second Intergovernmental Consultative Meeting (Beirut, 13-14 December 2011), which considered the revisions, recommendations and resolutions adopted by AMWC. At that meeting, an agreement was reached on a new revised legal framework. That draft will be presented to AMWC in 2012.

Shared water inventory

The first United Nations-led effort to take stock of both shared groundwater and surface water resources in Western Asia in a comprehensive, systematic and unified manner is being implemented through the ESCWA-BGR cooperation. The inventory includes maps and detailed basin descriptions for over 30 shared groundwater and surface water basins covering the Western Asia Region in its geographic boundaries. The aims of this project are to: (a) document the state of shared water resources and their use; (b) improve the knowledge base by facilitating access to information on shared water resources; (c) create awareness among decision makers, experts and the general public; (d) stimulate an informed discussion within and among riparian countries; and (e) support regional processes towards improved dialogue and cooperation over shared water resources.

MDG+ Initiative

While many countries in the ESCWA region have shown substantial progress towards meeting Target 7c of Goal 7 of the Millennium Development Goals (MDGs), which seeks to “halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation”, regional specificities are not well-reflected in the Target. At the request of AMWC, ESCWA has established region-specific indicators that are designed to more accurately reflect the quality and reliability of water supply and sanitation services in the region. This initiative will establish and institutionalize a regional mechanism for monitoring and reporting on access to water supply and sanitation services in the Arab region in partnership with the Arab Countries Water Utilities Association and in collaboration with other organizations. A funding agreement between SIDA and ESCWA was reached in December 2011 for the implementation of the MDG+ Initiative over the coming three years. It is anticipated that the new monitoring and reporting scheme will improve progress in the region towards achieving this Target.

ESCWA presented an overview of the main challenges and lessons learned for water management in Western Asia at the International UN-Water Conference on Water in the Green Economy in Practice: Towards Rio+20 (Zaragoza, Spain, 3-5 October 2011). The overview focused on how progress towards water supply and sanitation MDG targets can contribute to fostering a green economy within the context of sustainable development and poverty eradication.

Water harvesting in the Sudan

Because the Sudan lacked sufficient access to water in many of its arid, semi-arid and water-scarce regions, the Government began to locate additional sites for water harvesting and requested support from ESCWA. Over a period of one year (2010/11), ESCWA supported

the Ministry of Irrigation and Water Resources (MoIWR), in a number of ways. After conducting an initial review of the technical approach of MoIWR, ESCWA provided guidance, suggestions and information based on similar activities in other arid regions. On-the-job training enabled MoIWR staff to use the latest scientific knowledge and procedures in the assessment of potential water harvesting sites in pilot basins. With that assistance, MoIWR had access to comprehensive analysis of hydrological and meteorological data and was in a stronger position to identify optimum locations for water harvesting sites.

Desalination in Oman

Reverse osmosis for the desalination of drinking water is increasingly applied all over the region. Despite many advantages, reverse osmosis has a limited ability to remove Boron. To comply with restrictions on the level of Boron in drinking water, costly additional water treatment was needed. Within the framework of technical cooperation provided by ESCWA to member countries, the Public Authority for Electricity and Water of Oman (PAEW) requested assistance in reviewing the appropriate permissible concentrations of Boron in drinking water.

ESCWA conducted a study reviewing health-related effects of Boron intake, its removal by reverse osmosis desalination plants, as well as a comparison of standards in drinking water at global and regional level. Based on its findings, ESCWA recommended that PAEW allow higher limits for Boron concentrations in drinking water. The findings of the ESCWA study of Boron in drinking water were confirmed in the most recent edition of the World Health Organization's *Guidelines for Drinking-water Quality* which also recommended higher limits for Boron in drinking water. ESCWA presented these findings of the study to stakeholders at the national level and encouraged a discussion of the results. Based on those findings, PAEW has started procedures for modifying the national Boron guideline values in drinking water. This change will reduce the difficulty and expense of reverse osmosis desalination for Oman. Other countries facing the same challenge will benefit from the study, which has shown that the Technical Cooperation Programme at the national level benefits the whole ESCWA region.

Outlook

To support member countries and ensure that the region is prepared for Rio+20, ESCWA will scale up and consolidate its work at the regional and national levels. In particular, ESCWA will map regional activities and monitor policy changes related to Rio+20 objectives. This initiative will identify progress towards a green economy and highlight success stories and lessons learned in the Arab region. Field projects in the area of green production and clean technologies will operationalize some of the policy options identified at Rio+20.

To implement recent modifications to the SIDA-funded project on the Assessment of the Impact of Climate Change on Water Resources and Socio-Economic Vulnerability in the Arab Region, ESCWA will pursue basin-level case studies to support the analysis of extreme weather events and will help member countries keep up-to-date databases of disaster losses.

To promote improved rural livelihoods and rural development in the Arab region, ESCWA will explore the potential of greening agricultural value chains that link urban consumption to rural production. Member countries will benefit from better access to information on food security and agricultural development, and ESCWA will work closely with stakeholders to achieve that outcome.

Climate change mitigation and poverty alleviation are important objectives in Western Asia. Both objectives will be addressed by a training and skills development workshop on Scaling

Up the Use of Renewable Energy in Rural Areas in ESCWA Member Countries. The workshop is being organized in cooperation with the Regional Centre for Renewable Energy and Energy Efficiency. It will target policymakers and provide a practical and sustainable capacity-building programme to help them activate and disseminate renewable energy technology applications. It also aims to attract potential investors to initiate a nucleus for small business start-ups for the promotion of renewable energy technology applications that could spur development in rural areas.

Social Development

Overview

The year 2011 marked a turning point in the region's social development path. The popular uprisings that swept Arab countries during the year can be broadly summarized as a struggle for rights, freedoms and social justice. These uprisings reflected a range of key social challenges to the regional development agenda, including the lack of participation and social exclusion of youth and women, unemployment, inequitable growth, inadequate social protection and poor governance. Countries in the ESCWA region vary greatly in terms of the urgency or magnitude of these challenges but the uprisings have shown that citizens across the region will strive for a higher standard of socio-economic and socio-political rights in the future. There is no going back to the pre-2011 development and governance models in many countries of the ESCWA region.

A central theme of the uprisings that gripped various Arab countries in 2011 was the demand for greater participation in political and socio-economic decision-making. Over the years, ESCWA has developed a participatory approach which rests on the pillars of involving civil society, motivating youth and integrating marginalized communities. ESCWA is actively promoting its participatory approach through the implementation of capacity-building programmes to assist societies undergoing transition.

Given its long history of forward-looking social research, analysis and technical cooperation, ESCWA was particularly well-equipped to respond swiftly to the social development issues linked to the uprisings. The Social Development Division (SDD) of ESCWA supports member countries in formulating, implementing and monitoring social policies and strategies designed to ensure a more inclusive and equitable process of social development. The Division continued to target such vulnerable social groups as the poor, the unemployed, youth and the elderly, people living with disabilities and international migrants. In addition, SDD focused on participatory development approaches promoting partnerships between Governments and civil society in public policy formulation, implementation and monitoring.

The main objectives of SDD are to (a) support social development in member countries; (b) act as a regional platform for the exchange of experience and good practice; (c) provide technical assistance at the request of member countries; and (d) increase interaction in the area of social development between Western Asia and other regions of the world. In 2011, these objectives were implemented through many normative and technical cooperation activities. In this way, SDD made critical contributions to the Commission's broad goals and new Strategic Pillars in the areas of growth and sustainability, regional integration, good governance and resilience.

Activities and Achievements

Meeting the challenges of inclusive and equitable development

The ongoing socio-political developments in the region have underscored the need for integrated and inclusive development policies to ensure that vulnerable groups are at the centre of the development agenda. Their rights must be fully protected and their concerns must be heard and addressed.

Unemployment

After decades of market-oriented reforms, the ESCWA region continues to face fundamental challenges to inclusive, equitable and sustainable development. It was assumed that top-down economic stabilization, restructuring, market liberalization and privatization would inevitably lead to more competitive, diversified and inclusive economies, but those results have not fully materialized. High unemployment, in particular, remains a significant challenge.

ESCWA published the *Integrated Social Policy Report IV: Labour Markets and Labour Market Policy in the ESCWA Region* which reviewed labour market statistics collected in close collaboration with member countries, analysed labour market governance and active labour market policies, and looked at selected aspects of labour economic policy. It explored the causes and implications of low rates of participation in the labour market. The report concluded that labour market policies in member countries need to embrace a broader approach to reduce the fragmentation and segmentation of labour markets and social security systems. Therefore, member countries need to embrace more holistic national development plans and policies to deal with the employment challenges they face.

Bridging the urban divide

Countries in the ESCWA region are rapidly urbanizing and the urban population share is expected to increase from 54 per cent in 2010 to 72 per cent in 2050. To address the global and regional debate on the challenges of rapid urbanization and respond to the need for inclusive urban development, ESCWA published *Bridging the Urban Divide in the ESCWA Region: Towards Inclusive Cities*. The report underscored the vital role of spatial planning and management to address a broader social agenda that includes the root causes of poverty, inequality and social exclusion. The report also stressed that political will, strong commitment to the objectives of inclusive development and appropriate institutional set-up are needed to ensure that effective spatial interventions impact positively on the majority of urban dwellers, notably lower income groups.

Youth and the elderly

The region is facing demographic transition challenges associated with a sustained increase in the share of the population of working age and share of the population over 65 years of age. In response to those trends, ESCWA initiated a regional project on strengthening the capacity of policymakers to formulate national youth policies and plans of action. To advance the objectives of that project, ESCWA held an Expert Group Meeting on the Positions of ESCWA Member Countries towards the Development of a National Policy for Youth (Beirut, 29-30 March 2011), during which representatives of member countries exchanged experience, good practice and lessons learned. In addition, ESCWA published *Youth Exclusion in the ESCWA Region: Demographic, Socio-cultural and Economic Dimensions*. The report stressed the need to enact national policies targeting the needs of young people and to provide them with opportunities to reach their full potential.

ESCWA has also taken action concerning the expected ageing of the population in the region. Within the framework of the Madrid International Plan of Action on Ageing (MIPAA), ESCWA is guiding member countries in the preparation of national reports on the follow-up to the implementation of MIPAA. ESCWA organized the Second Regional Review Meeting of MIPAA (Beirut, 7-8 December 2011), which concluded with a set of recommendations designed to ensure the full implementation of the Plan of Action in the region.

Towards effective social protection

One of the main challenges facing countries in the ESCWA region is the need to build an effective social protection system that would guarantee a minimum level of protection to the

population. Ideally, social security systems should be universally accessible and financially sustainable. An appropriate balance between the coverage of the social security schemes and their financial sustainability depends on national conditions, needs and the availability of resources. Leading up to the World Social Security Forum to be held in Qatar in 2013, ESCWA held an Expert Group Meeting on Social Security in Western Asia: Accessibility and Sustainability (Beirut, 8-9 September 2011) to explore different policy options to strengthen social security systems in member countries and to promote closer regional collaboration on issues that will be addressed at the World Social Security Forum.

International migration and development

The United Nations Development Account project on Strengthening national capacities to deal with international migration: Maximizing development benefits and minimizing negative impact has addressed international migration at the global level and promoted research, dialogue, and knowledge sharing on the subject. Within the scope of that project, ESCWA collaborated with the Economic and Social Commission for Asia and the Pacific (ESCAP) to organize a workshop on Strengthening Dialogue between ESCWA and ESCAP Countries on International Migration and Development (Beirut, 28-30 June 2011). Representatives from countries that send and receive migrant workers participated in the workshop which featured presentations and panel discussions on migration trends and challenges and the relationship between migration, development and social protection. The workshop also presented an assessment of migration from a gender perspective. For countries in the ESCWA region, it is important to streamline international migration issues into development planning and ESCWA will monitor existing patterns and trends to assist them in that effort.

Promoting participation and good governance amidst transition

Capitalizing on its extensive previous work on issues related to social policy and participation, ESCWA responded swiftly and effectively to the challenges that resulted from recent socio-political developments in the region. With the emergence of popular uprisings, ESCWA began to track and document policy measures, including key social, economic and political concessions made by Arab Governments in response to the protestors' demands. That effort fed into an ESCWA-wide initiative which sought to assist member countries in dealing with the new priorities invoked by the Arab Spring and address emerging challenges.

Several programmed activities advocating a participatory development framework, transition towards democracy and good governance were implemented in 2011 to meet the needs of member countries. For example, ESCWA held a Civil Society Forum on Arab Uprisings and Prospects for Renaissance (Cairo, 9-10 April 2011) to respond to requests by key social actors involved in the uprisings. Following up on the forum's recommendations, ESCWA organized an interdivisional expert group meeting (Beirut, 25-26 August 2011) to identify key problems, examine relevant experiences and discuss the requirements of a smooth transition towards democratization. The meeting addressed the dynamics of the uprisings, their underlying causes and prospective outcomes. Participants discussed emerging challenges to governance and participation during times of transition. ESCWA also held an Interregional Seminar on Participatory Development and Conflict Resolution: Path of Democratic Transition and Social Justice (Beirut, 23-24 November 2011). The seminar addressed specific issues related to the promotion of partnerships among the various stakeholders and social actors involved in the process of peaceful democratic transition.

ESCWA continued to implement the project on Participatory Human Development in Post-Conflict Countries in Iraq, Lebanon, Palestine and Yemen. In connection with that project, ESCWA organized two resident workshops on Building Capacities in the Participatory

Research Approach for Development (Amman, 4-7 April 2011). The workshops aimed primarily to promote the participatory research approach and strengthen the capacity of individuals and institutions to apply this approach for development purposes. The workshop strengthened partnerships between Governments and civil society organizations in policy design, implementation and monitoring. A follow-up workshop introduced the *Guide on Strengthening Partnerships between Governments and Civil Society Organizations in Policy Processes* (Amman, 8 April 2011). One common finding of those meetings and several related ESCWA reports is the urgent need to build consensus among major social actors in areas of national priority, and to foster dynamic partnerships to ensure good governance and a smooth democratic transition.

Outlook

Looking forward, ESCWA will promote social integration with particular emphasis on persons with disabilities. Guided by the Convention on the Rights of Persons with Disabilities and Optional Protocol, ESCWA will collaborate closely with member countries to develop a regional inventory of disability statistics and policies. This will be done to promote the rights of persons with disabilities and share innovative approaches to support equal access to services and opportunities. ESCWA will also collaborate with other United Nations regional commissions to implement an interregional project to identify good practice in designing, implementing and financing social protection schemes. The ultimate aim of this project is to develop a regional knowledge base on social protection schemes and provide support to national level initiatives on suitable policies for the unprotected.

ESCWA will continue to work towards enhancing the capacity of member countries to adopt social policies and institutional mechanisms that promote an equitable and inclusive process of development, with particular focus on civil society participation, youth development, social integration, employment generation and international migration. To contribute to the ongoing debate on the future regional and global development agendas, ESCWA will take the lead by producing a joint regional commission publication, tentatively entitled *Beyond 2015: The Future United Nations Development Agenda*.

Economic Development and Integration

Overview

The ESCWA region stands at a crossroads in history. The events of the 2011 have demonstrated that the economic policies of the past have failed to deliver equitable growth. Despite continued growth in recent years, unemployment remains high, especially among the youth. Economic governance has not been inclusive and inequalities have deepened. In parallel, the global economy has gone through its worst economic downturn since the great depression, which has had negative repercussions on the region. Those challenges have presented the region with a window of opportunity to embark on a new course towards sustained growth and human security in a more integrated region in which each individual can achieve a decent standard of living.

To better assist member countries as they face economic challenges the Economic Development and Globalization Division (EDGD) reconsidered its approach to economic development and adopted a new internal structure to reflect three core areas: economic analysis, regional integration and development policy. To complement these three areas, the Financing for Development Unit was established to address questions related to inclusive finance and pro-poor fiscal and monetary policy. The new structure has improved the ability of EDGD to respond to the most pressing development challenges in the region.

Countries in the ESCWA region benefit from a number of services provided by EDGD, including policy advice, capacity-building and technical cooperation all based on innovative in-house economic research. In addition, ESCWA has developed capacities in advanced modelling and empirical work that will continue to serve the region in the coming years. Furthermore, economic modelling and econometric techniques developed by the Economic Analysis Section will form the basis for policy discussions.

Our portfolio of expertise comprises such areas as transport, infrastructure, finance, trade and macroeconomic policy coordination and reflects our willingness to promote regional integration in all its facets. Improved regional coordination can be mutually beneficial for all ESCWA member countries through the achievement of coordinated inclusive development objectives. Through collaboration with other divisions of ESCWA and external partners, EDGD promotes an integrated approach to economic development by taking the social and institutional pillars of development into consideration, along with the specific challenges and opportunities facing the region.

Activities and Achievements

Survey of Economic and Social Developments in the ESCWA Region 2010-2011

On the occasion of the first anniversary of the beginning of the Arab Spring, the current edition of the *Survey of Economic and Social Developments* has special significance. The Survey documented the economic and social status of the region over a two-year period and established a baseline scenario against which the economic and social consequences of the Arab Spring can be measured. The Survey showed that improvement in social and governance indicators has been negligible despite another year of consistent growth. Translating the region's exceptional year of upheavals and dramatic change into numbers, data and socio-economic analysis leads to major conclusions and entry points for more inclusive policy decisions.

The Survey is a crucial decision-support tool for policymakers in the region. It established a policy nexus, integrating macroeconomics and social policies. A comprehensive social agenda linked to economic diversification, regional integration and the deepening of financial markets, are but some of the essential policy directions the region should embark upon immediately.

Arab Millennium Development Goals Report 2011

Underlying many of the demands, issues and slogans raised by the people during the Arab Spring, was the demand for social justice. The aspirations of the people are reflected in many of the Millennium Development Goals (MDGs) which promote equitable and inclusive development. Policymakers in the region must adjust to the demands of the people, and the *Arab Millennium Development Report 2011: An Inclusive Approach to Development in a Time of Transition* has contributed to the discussion of how to accomplish that objective. The report advocated an integrated policy framework including different aspects of the development process. It discussed how social and economic policies should be designed to ensure inclusive development that is conducive to MDG achievement and social justice. Finally, using Goal 8 (develop a global partnership for development) as a framework, the report recommended forming a regional partnership for development, in which regional cooperation can ensure development in the Arab region towards the achievement of MDGs and beyond.

Economic modelling

In July 2011, ESCWA established a modelling task force to provide the region with evidence-based policy recommendations. The aim of this project is to provide tools to assist policymakers in designing and implementing inclusive economic policies. Experts in this field gathered for a meeting to discuss Quantitative Analytical Models for the Arab Region (Beirut, 18-19 August 2011). The meeting resulted in the development of a work programme on modelling that included short, medium and long-term deliverables.

A short-term deliverable of the work programme concerned regional trade integration. The task force conducted a panel analysis to evaluate intra-Arab trade and investment to understand Arab trade integration. Simultaneously, a macroeconomic model was developed to evaluate two key scenarios related to regional integration. The model estimates the regional economic impact of increases in intraregional financial transfers and trade. At the Workshop on Macroeconomic Simulations for MDG Achievement (Beirut, 28-29 September 2011), experts from all over the world and policymakers from member countries met to discuss the preliminary results of the task force. Participants discussed the possibility of developing other modelling tools, such as a computable general equilibrium model.

In cooperation with the Department of Economic and Social Affairs (DESA), ESCWA is in the process of developing a Maquette for MDG Simulation (MAMS) for Jordan, which will help policymakers to assess the effects of different Government policies on social and economic performance.

Transport and road safety

During the twelfth session of the Committee on Transport (Beirut, 17-19 May 2011), three major events took place that are expected to shape the transport sector in the region. First, the Committee provided recommendations focusing on the facilitation of transport and trade and agreements on international roads and railways in the Arab Mashreq. Second, the World Health Organization Decade of Action for Road Safety was launched. This initiative will put road safety on the top of the agenda in the region by highlighting the importance of road safety to the general public as well as to policymakers. Third, the working group on the

Harmonization of Institutional Framework and Legislation in the Transport Sector in the ESCWA Region held its first meeting. The working group agreed on a set of recommendations and actions with respect to the harmonization in the transport sector which can have an important impact on integration in the ESCWA region.

Foreign direct investment

In the area of foreign direct investment (FDI), ESCWA completed two major activities in 2011. It released the *Foreign Direct Investment Report 2011*, which focused mainly on the performance of ESCWA member countries in attracting FDI. The report reviewed the latest developments in the institutional framework governing the activities of FDI enterprises and provided an overview of the latest FDI activities in ESCWA member countries. In addition, an econometric model was used to assess the comparative impact of FDI inflows on the welfare of different countries in the ESCWA region.

Second, ESCWA carried out two national training workshops on the Compilation of Foreign Direct Investment Abroad (FDIA) organized in cooperation with the Ministry of National Economy in Oman and the National Bureau of Statistics in the United Arab Emirates. The workshops enhanced the capacity of the involved Government institutions in the compilation, dissemination and analysis of data on FDI outflows. The training will enable these countries to independently maintain accurate, high quality databases and contributes to further regional integration between ESCWA member countries.

Notable publications

The Division continues to make a significant contribution to contemporary economic discussions in the region through publications that address current developments and challenges. The following short topic papers form a decision support system for top management and provide the basis for internal discussions and discussions with policymakers.

The first paper, *Impact of European Debt Crisis on ESCWA Economies* discussed how the debt downgrade in the United States and the debt crisis in Europe affected the Arab region. Initially the impact was felt in the financial system as the stock markets in the region plummeted following the United States debt downgrade. The paper discussed the long-term impact of stagnation in the United States and Europe and its effect on both trade and investment in the region.

The second paper, *The Economic Cost of the Arab Spring* explored the preliminary costs of transition in the Arab region. Based on an assessment of the status of socio-economic development before and during the Arab Spring, the paper examined two key areas that pose major challenges for the region: employment and food security. The paper provided projections for the next twelve months.

The third paper, *Evaluation of the Economic and Human Costs of the Sanctions by Arab Countries on the Syrian Arab Republic* estimated the impact of sanctions on the Syrian economy and discussed the wider impact on the region by evaluating the positive and negative impact of sanctions on neighbouring countries.

Outlook

A joint work programme for the Ministries of the Sudan is being developed by ESCWA in consultation with the Government of the Sudan and other donors. The work programme will be implemented over the next five years with the first programme activities beginning in 2012. The project takes an integrated approach to development and aims to ensure policy

coordination in the economic and social ministries. All the Divisions of ESCWA will be active participants in the project to ensure an interdisciplinary approach. Other member countries such as Bahrain, Iraq and Saudi Arabia have requested assistance from ESCWA to develop similar programmes for them.

The economic modelling exercise will be continued and expanded. The macroeconomic model will disaggregate the supply side of the model, improving the modelling of the labour market considering in particular intra-Arab regional migration and modelling the fiscal sector from a public debt sustainability perspective. Furthermore, Bahrain and the Sudan have requested technical assistance to develop a MAMS model similar to the one that is being developed for Jordan. ESCWA is also preparing to develop the first quantitative assessment of the impacts of deepening Arab economic integration using global computable general equilibrium modelling techniques.

Currently, ESCWA is discussing the possibility of producing an Arab Economic Outlook with the Organisation for Economic Co-operation and Development. ESCWA hopes to produce the first Arab Economic Outlook in 2012-2013. The modelling exercise will play a crucial role in this effort by providing forecasts for the next two years.

In the light of the paramount role of governance issues in the uprisings in the region, ESCWA will focus on the concept of efficient economic governance. Efficient economic governance can enhance transparency of governance and tax administration, encourage competition policies and support small and medium enterprises and promote inclusive finance. In-house research on these topics will provide the basis for technical assistance to member countries to ensure that public institutions serve in a manner that is transparent and accountable.

Information and Communications Technology for Regional Integration

Overview

In recent years, ESCWA member countries have taken significant steps towards closing the digital divide and building the information society. The use of information and communication technology (ICT) throughout the region has increased, with a dramatic increase in telecommunication penetration rates, and a rise in the adoption of broadband technologies. The region has witnessed higher levels of adoption and use of ICT applications and e-services among Governments and individuals. Furthermore, investments are underway to increase integration with regional and global communication networks.

Nevertheless, there are significant disparities between developing and developed countries in the region and the digital divide has continued to grow for developing countries that are more prone to reductions in productivity and economic capacity and more likely to suffer from increased unemployment, poverty, inequality, corruption and marginalization. The establishment of a sustainable ICT sector in the ESCWA region has the potential to increase employment opportunities, decrease poverty, improve quality of life and enable the full integration of member countries into the global economy.

The aim of the Information and Communication Technology Division (ICTD) of ESCWA is to close the digital divide and develop inclusive, development-oriented information societies and knowledge economies in the region. The Division comprises the ICT Policies and ICT Applications Sections, and the ESCWA Technology Centre that assists member countries and public and private organizations in the region as they build much-needed capabilities for attaining sustainable development and technological parity with other areas in the world. The activities of the Centre encourage member countries to base their economies on scientific and technological knowledge.

The Division provides support for the development of ICT policies, infrastructure, and applications to promote regional transition to knowledge-based societies that are competitive at the global level. To that end, ICTD continues to follow up on the outcomes of the World Summit on the Information Society (WSIS) and adapt them to the needs of the region. Those efforts aim to create an enabling environment for productive ICT sectors that contribute to sustainable development and regional integration. The Division is engaged in the implementation of the ESCWA Regional Plan of Action for Building the Information Society, in coordination with the Arab Strategy for Communications and Information. The Division aims to develop e-services in Arabic, formulate ICT policies and strategies, identify indicators for standardized measurement of progress, promote an enabling environment and build confidence and security.

To promote the development of information societies and knowledge economies in the region, ICTD produces analytical studies, carries out meetings and field projects and provides advisory services that aim to develop capacities and human resources while taking advantage of digital opportunities for development. The approach is based on partnerships, coordination mechanisms and regional collaboration to share knowledge and achieve more effective results.

Activities and Achievements

The ESCWA Technology Centre

The ESCWA Technology Centre (the Centre) commenced operations and became fully staffed in 2011. The Board of Governors was formed in accordance with the statute of the Centre, comprising official representatives from ten of the fourteen ESCWA member countries, namely Bahrain, Iraq, Jordan, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, the Sudan, and the Syrian Arab Republic. During the formal opening event of the Centre on 15 November 2011, the Board of Governors assembled for the first meeting, elected the President and Vice-President and presented the 2012 workplan for the Centre.

The Centre convened two meetings on the Promotion of South-South Cooperation in Technology Transfer (Amman, 20-21 April 2011, and Beirut, 25-26 October 2011) held in cooperation with the Royal Scientific Society of Jordan, and the Federation of the Chambers of Commerce, Industry and Agriculture of Lebanon. The meetings addressed priority areas of cooperation in technology transfer with the highest impact. The meetings provided a venue for sharing best practice and successful case studies. At the first meeting, areas of discussion included water, energy, agriculture, information, and communication. At the follow-up meeting the discussion focused on manufacturing, construction, technological innovation, and technology for education.

The Centre organized a workshop on Entrepreneurship for Scientists and Engineers (Beirut, 12-14 September 2011) in cooperation with the Institute of Physics, the National Council for Scientific Research of Lebanon and the Lebanese Industrial Research Achievements Programme. The workshop was hosted by the Berytech Technological Pole in Beirut. In cooperation with the World Intellectual Property Organization and the United Nations Educational, Scientific and Cultural Organization, the Centre organized a workshop on Intellectual Property and Technology Transfer for Universities and Research Institutions (Amman, 16-17 November 2011).

Regional Profile of the Information Society

In view of the expanding digital divide, the transition to the information society and knowledge-based economy represents a real challenge to developing countries in the region. As a follow-up to WSIS outcomes, ESCWA publishes the *Regional Profile of the Information Society* every two years. The 2011 issue provided essential information and profiled the region's progress in developing the information society. It has provided decision makers and researchers with reference information for analysis and planning including comparative analysis of countries in the region and the world. The publication of this information promotes cooperation and regional integration in a global economy that is increasingly knowledge-based.

Towards standardized measurement models

In the ESCWA region, there is a need for standardized information society measurement models. To promote standardized models, ESCWA published *Information Society Measurement: Building a Common Benchmarking Model for the ESCWA Region*. The study presented an overview of the information society in the region and the global information society measurement models. It explored the interplay between the value of evidence-based decision-making, the limitations of available data and the relevance of existing models in diverse regional contexts. The study concluded with recommendations for adjustments and refinements to available measurement methodologies and benchmarking models. Two meetings were held to address and discuss Standardizing Information Society Measurement Models in the ESCWA Region (Beirut, 3-4 May and 14-15 December 2011). With these

insights, decision makers in public and private sectors will be empowered with more useful information to drive effective decision-making.

Internet governance and Arabic domain names

In partnership with the League of Arab States and the International Telecommunication Union (ITU), ESCWA is developing a road map for Internet Governance in Western Asia to promote the formation of an Arab Internet Governance Forum. These activities facilitate stakeholder collaboration in the region towards developing a common position and technical recommendations and policies related to Internet multilingualism and governance for the ESCWA region. In addition, ESCWA and its partner organizations continued to work towards the establishment of an Arabic domain names system. A significant goal of this partnership is to acquire the Arab top-level domain (TLD) ".arab" and its equivalent in Arabic "برء." and to form the Arab TLDs Registry.

The Partnership Building Forum for the Implementation of the Arab TLDs ".arab" and "برء." (Cairo, 5-6 July 2011) was co-organized by ESCWA and the League of Arab States. Held in cooperation with ITU and hosted by the Egyptian National Telecommunications Regulatory Authority, the Forum enhanced awareness of the importance of the domain name industry and of the regional strategic opportunity posed by the Arab TLDs Registry. The Forum engaged marketers and potential funding and investment partners in view of establishing the Arab TLDs Registry and built capacities among related business entities in the region, such as Internet service providers, registry operators, registrars, and country code TLD managers.

Regional harmonization of cyberlegislation

Appropriate legal and regulatory structures are important elements of a resilient and sustainable ICT sector in the region. To enhance regional integration and build capacity at the national level to develop appropriate legal structures, ESCWA continued to work on a project to harmonize cyberlegislation and promote the knowledge society. The project produced cyberlegislation directives in six areas, including templates for easy adoption at the national level. The directives cover personal data protection, e-communication, e-signature and e-transactions, e-commerce and consumer protection, intellectual property and cybercrime. They include model laws enabling the regulated use of cyberspace, ICT applications and e-services.

The cyberlegislation directives were reviewed, discussed and evaluated at an Expert Group Meeting on the Regional Harmonization of Cyberlegislation in the Arab Region (Beirut, 16-17 February 2011). Participants proposed improvements to the directives and the establishment of a regional network of experts and institutions working on cyberlegislation in the region.

To build the capacity of legislators to apply the cyberlegislation directives in the formulation of national cyberlaws or the review and adjustment of existing laws, ESCWA hosted a Workshop on Regional Directives of Cyber Legislation to Promote the Knowledge Society in the Arab World (Beirut, 13-15 September 2011). The workshop promoted the advantages of cyberlegislation harmonization across the Arab region. Participants emphasized the importance of these directives for legislators involved in regulating, protecting and securing cyberspace and recognized the need for specialized activities to raise awareness of the directives. A virtual regional network for cyberlegislation is needed to sustain and preserve the effort that has been invested in this project. The meetings clearly showed the key role ESCWA plays in promoting collaboration between stakeholder organizations.

Promoting the ICT sector

ESCWA published an in-depth study, *Promoting the ICT Sector to Meet the Challenges of the Knowledge Economy*. It analysed the status of the ICT sector in the region from the perspective of business and government, to determine suitable options for development. It proposed guidelines for Governments to accelerate the evolution of the sector to meet the needs of the emerging knowledge economy. The study identified obstacles inhibiting the development of a regional ICT economic sector and suggested solutions. The publication presented case studies from selected ESCWA member countries on the contribution of the ICT sector to national economic growth, and highlighted methodologies and indicators to measure that contribution. It suggested a future vision to promote the ICT sector in the region based on the findings of the regional status analysis and the World Bank's knowledge economy framework.

Outlook

The outlook for the implementation of information societies in Western Asia is hopeful. The rates of ICT adoption are higher than they were in 2005, costs are comparatively lower and Governments and other stakeholders are paying closer attention to the ICT sector.

In 2012, follow-up on the outcome of WSIS will continue with a number of activities. ESCWA will convene the sixth meeting of the Consultative Committee on Scientific and Technological Development and Technological Innovation. In addition, ESCWA will host a conference and public consultation for the establishment of the Arab Internet Governance Forum, and continue with Internet governance activities in collaboration with the League of Arab States.

The Information Society Portal for the ESCWA Region (ISPER) is an important tool to track the progress of the implementation of WSIS outcomes in the region, and ESCWA will continue to maintain it. The portal is a dynamic database-driven English/Arabic platform and uses an open-source application. It provides access to up-to-date ICT Division publications and real-time discussion forums for stakeholders. Users can connect to the ESCWA Statistical Information System (ESIS) through ISPER to search for relevant statistics.

Activities targeting the development of the ICT sector are proceeding in preparation for a study on the regional competitiveness of the ICT sector in the ESCWA member countries. A publication will be issued on the impact of selected e-services on socio-economic development.

Statistics for Evidence-Based Policymaking

Overview

The information society of the twenty-first century requires the timely availability of information about the status of the economy, society and environment. Such information is needed for decision-making by policymakers and private individuals. Official statistics, therefore, must be relevant, reliable, impartial and available to all users.

Developing the capacity of member countries to generate official statistics remains the central focus of the ESCWA Statistics Division. The Statistics Division works with national statistical offices and other producers of official statistics to exchange experience, share knowledge and improve the technical and substantive skills of national statisticians. The Division also assists member countries in introducing new surveys, increasing timeliness of data collection and resolving issues and problems of a statistical nature.

Throughout the region, ESCWA is engaged in collecting, processing and publishing a wide variety of statistical data. The professional capacity of the staff of the Statistics Division includes expertise in demographics, social indicators, gender and other population groups of special interest. The Division's expertise extends to statistics of national accounts, prices, finance and industry, merchandise trade and trade in services, accounting, environment and energy. Through partnerships, the Statistics Division can support member countries in additional areas, namely agriculture and rural development. The Statistics Division generates data that covers the needs of internal and external users on progress towards achievement of the Millennium Development Goals. In addition, the Division maintains the ESCWA Statistical Information System and four specialised databases.

To further develop and strengthen statistical systems in the region, the Statistics Division is involved in a dialogue with national, regional and international partners to better coordinate and harmonize statistical activities. The Statistics Division of ESCWA fulfils its role as a regional arm of the Statistics Division of the Department of Economic and Social Affairs and other United Nations departments, programmes and agencies.

Activities and Achievements

Strategic development of official statistics in the ESCWA region

The Statistical Committee of ESCWA is engaged in discussions on the strategic direction of official statistics in the region. On the occasion of the forty-second session of the United Nations Statistical Commission (New York, 22-25 February 2011), ESCWA Statistics Division presented a paper on regional statistical developments that reflected the shared views of member countries on substantive agenda items. Among other issues, the paper highlighted the need to minimize the response burden in statistical reporting and to reconcile variations between national and international data sets. The contribution of ESCWA and its member countries has shown that a relatively small group of countries can impact strategic and managerial issues of official statistics that are debated and decided at the global level.

National statistical offices throughout the region contributed to the exhibition of the Western Asia region held at the margin of the forty-second session of the United Nations Statistical Commission. Member countries supplied exhibits in the form of posters, wall charts,

publications, electronic media and audiovisual programmes. Materials exhibited by the region attracted attention of a considerable number of visitors.

Coordination with the League of Arab States

Coordinated statistical work in the broader Arab region is an important objective, and ESCWA is working towards this objective in partnership with the Statistics Department of the League of Arab States. This effort resulted in several statistical publications covering data of 22 Arab countries. Countries within the ESCWA region and other Arab countries benefit from coordinated statistical capacity-building programmes and other activities organized by ESCWA.

Statistical capacity development

In response to requests from member countries, ESCWA provided regional advisory services, technical assistance, group trainings and workshops and facilitated the exchange of experience between national statistical offices.

The staff of the Statistics Division contributed in substance to conferences and seminars organized by several international agencies. These included: the Regional Workshop on Human Development organized by the United Nations Development Programme and the Gulf Cooperation Council; the Workshop on Harmonizing Social Indicators in the Mediterranean Region; and the Meeting of Directors of National Statistical Institutes organized by the MEDSTAT project of the European Union fostering Euro-Mediterranean cooperation on statistical matters. Furthermore, ESCWA participated in a conference on Palestinian Refugees – Different Generations but One Identity (Birzeit, Palestine, 21-22 November 2011) and co-organized the Fifth Forum on Statistical Capacity Building for Arab Countries (Amman, 4-5 July 2011).

Task Force on Statistical Coordination

The Statistics Division acts as the convener of the Task Force on Statistical Coordination following recommendations by the Regional Coordination Mechanism (RCM) for the Arab States. Members of the Task Force include member organizations of the RCM, as well as other major players in official statistics in the region. The Task Force agreed on a framework for joint work, identified priority areas (population and vital statistics, social indicators, environment statistics, national accounts and agriculture and rural statistics) and agreed on joint outputs.

Initial results of those partnerships and a coordinated approach are already available. The League of Arab States co-sponsored workshops with ESCWA, namely the Workshop on Industrial Statistics, which included Arab countries from North Africa. This enlarged the opportunities for exchange of experience in statistical surveys methods and techniques, and also increased the impact of the work of ESCWA. Similarly, ESCWA cooperated with the African Development Bank to organize the Workshop on Statistical Data and Metadata Exchange. Cooperation with the United Nations Population Fund allowed ESCWA to embark on a multi-year programme on improving population statistics. Partnerships with the Food and Agriculture Organization of the United Nations, MEDSTAT project of the European Union and the Arab Institute for Training and Research in Statistics have prepared a foundation for future engagement on agriculture and rural issues, enhancing the capacity of ESCWA to be involved in the field of agriculture statistics.

International Comparison Programme

The International Comparison Programme is a worldwide initiative to collect price-related data and calculate purchasing power parities that serve to compare macroeconomic and social

indicators based on prices. The use of purchasing power parities helps to eliminate the impact of financial market fluctuations on price-related data. In other regions, the Programme is being implemented by regional development banks, the European Union and the Organization for Economic Cooperation and Development. In Western Asia, ESCWA continued its role as the regional implementation agency for the International Comparison Programme.

Of the 14 ESCWA member countries, 12 collected quarterly price data in 2011. This required significant effort on the part of national statistical offices, in particular in undertaking resource-intensive quarterly price surveys. Capacity-building and data validation activities were carried out by ESCWA to support the efforts of member countries to fulfil the requirements of the programme. The combined efforts of the Statistics Division and the national statistical offices in the region have kept the Western Asia region on track with respect to the established work programme and timetable of the International Comparison Programme.

Outlook

The 2012 work programme was adjusted following intensive discussions with national statistical offices and an in-depth review by the Bureau of the Statistical Committee. Members of the Bureau of the Statistical Committee and the Working Group of the Statistical Committee will guide the statistical activities of ESCWA through direct contacts. The Statistics Division of ESCWA will further strengthen links with national statistical offices, aiming at being even more responsive to their needs

The ambition of the Statistics Division is to create a centre of knowledge in statistical methodologies to increase the capacity of national statistical offices and other producers of official statistics in the region. The Statistics Division anticipates that the majority of its resources will be invested in statistical capacity-building.

A significant portion of the Division's resources will also be invested in data-related activities. These include collecting, processing and disseminating statistical data, but also implementing data sharing tools and reconciling discrepancies and variations of data between national and international sources. The focus will be on improving electronic dissemination, making data more easily accessible to users and more relevant to their needs. The Statistics Division will meet the challenge of delivering data for flagship publications to be issued in the course of the biennium 2012-2013.

The remainder of the Division's resources will be applied to the regional coordination activities of ESCWA. The Statistics Division will use the potential of data sharing offered by the Task Force on Statistical Coordination. Coordination of data-related activities within ESCWA itself will get equal attention, and ESCWA will implement a new model for the coordinated management of statistical activities.

Advancement of Women

Overview

The prominent role women played in uprisings that swept many Arab countries in 2011 was an extraordinary development. There has been much heated debate about the role of women in these movements and the future implications of newly established Governments. The newly emerging and changing political environment seemingly promotes democracy, good governance and justice for all members of society. The empowerment of women hangs in the balance during this vulnerable period of change. Supporting member countries in their efforts to fully respect, promote and safeguard the rights of women, reduce existing gender imbalances, and mainstream gender into policies and programmes are key elements of the vision of the ESCWA Centre for Women.

To strengthen its impact towards promoting the empowerment of women, ECW was upgraded into a full division of ESCWA in 2011. Guided by the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and United Nations Security Council resolution 1325 (2000) concerning women and peace and security, the Centre focused its work on three priorities, namely: progressing towards the equal participation of women in political leadership; encouraging member countries to eliminate discriminatory legislation and practices; and combating violence against women particularly in conflict-affected areas.

Women in the Arab region have one of the lowest rates of political participation in the world, holding only 11.4 per cent of national parliament seats in 2011. The Centre supports greater access to decision-making roles for women and seeks to encourage higher rates of political participation and representation for women. The Centre promotes affirmative action measures (such as quotas for women) to ensure that more women can participate in the political process and take on political leadership roles.

Most Arab countries have constitutions which enshrine the principle of equality between men and women. Nevertheless, there is often a gap between legislation and practice, and better enforcement of existing laws is needed to achieve gender equality. Additionally, discriminatory laws are still in existence in the region and ESCWA has encouraged member countries to amend or overturn those laws. The Centre supports member countries in their efforts to protect the rights of women in theory and in practice.

The third focus area of the Centre has been to combat violence against women, with a special focus on conflict-affected countries. Violence against women is an increasingly wide-spread phenomenon in the region. The Centre has made unprecedented efforts to mobilize conflict-affected member countries to consider responsive initiatives and develop action plans for ensuring the security and well-being of women in such circumstances.

Activities and Achievements

Continued efforts towards full implementation of CEDAW

Most member countries have now ratified CEDAW with the exception of Palestine and the Sudan, the former due to its observer status in the United Nations. However, many Arab States have placed numerous reservations on the Convention's substantive articles, thereby preventing its full implementation. Reservations were mostly placed on article 2 concerning

the State's obligation to guarantee equality and article 16 concerning the rights of women in family and marriage including divorce and custody of children. The Centre continues to encourage Member States to endorse the Convention, withdraw reservations on important articles and ensure full implementation of the Convention through amending discriminatory national laws, or enacting new ones that safeguard the rights of women.

In the past, the efforts of ESCWA have succeeded in helping Member States withdraw reservations to CEDAW and ESCWA continues to work towards this objective. During the fifth session of the Committee on Women, parliamentary documentation on CEDAW was presented. *Implementation of the Convention in the Arab Countries: Comparative Analysis of Achievements and Challenges* highlighted achievements made and called upon Governments to address the legal, structural and behavioural discrimination against women that impedes their advancement and achievement of gender equality. The paper concluded by offering policy-oriented recommendations to overcome some of the challenges to the full implementation of CEDAW in the region.

In cooperation with the Economic Commission for Africa (ECA), ESCWA prepared a publication entitled *Good Practice and Successful Experiences in the Implementation of the Convention on the Elimination of All Kinds of Discrimination Against Women in Arab States*. The document is part of a series of publications on women and development.

Countries which have ratified CEDAW are required to report detailed information to the CEDAW Committee on measures they have taken to implement the Convention. Two workshops were conducted by ESCWA to assist member countries in meeting this requirement: the Workshop to Raise Awareness of Key Concepts and Items (Bahrain, 17-20 January 2011) and the Awareness Raising Workshop for Public Institutions (Qatar, 10-14 October 2011). The workshops enabled participants to improve their technical skills and ensure that their reports are produced in accordance with CEDAW Committee guidelines.

Towards equal participation in political leadership

The participation of women in politics and their presence at decision-making levels is a major concern for ESCWA and constituted the main agenda item for the fifth session of Committee on Women (Beirut, 19-21 December 2011). The Committee discussed detailed mapping and analysis of the status and situation of women in political participation, with the aim of calling upon member countries to take affirmative measures to redress the gender imbalance in political life. That imbalance is characterized by insufficient representation of women, or their absence from political leadership and decision-making roles. Inadequate entitlements and opportunities for women to contribute to society at large are symptoms of imbalanced representation. The recommendations of the Committee have formed a common road map for the region to pursue in the next five years to advance gender equality especially in political representation and participation.

Directly following the session, ESCWA convened an expert group meeting (Beirut, 22 December 2011) to discuss its flagship report *Political Leadership and Participation in Decision-Making* which addressed the political participation of women in legislative, executive and judiciary posts. The report introduced ground-breaking research and in-depth analysis of the participation of women in political parties at the decision-making level. A correlation was established between the presence of women in political parties' leadership and the ideologies of these parties, be they secular or religious. Also of importance was the assessment of the role of political parties in promoting or excluding female candidates in local and parliamentary election campaigns.

To promote the empowerment of women and facilitate their access to decision-making posts, ESCWA extends technical cooperation and assistance to member countries. In 2011, ESCWA organized a workshop on Building the Leadership and Decision-Making of Women in Civil Society Organizations (Bahrain, 26-27 July 2011).

Protecting the well-being of women living in conflicts and cultivating their role as peacemakers

Many women in the region live in conflict-affected areas. They are constantly subjected to social and economic ills perpetuated by armed conflict and displacement and may also suffer from gender-based violence. United Nations Security Council resolution 1325 (2000), called for:

1. Increasing the political participation of women at all levels of decision-making mechanisms;
2. Protecting the rights of women and children during wars and armed conflicts and according due attention to their special needs;
3. Including women in peace talks, conflict resolution, and peacebuilding and post-conflict reconstruction and rehabilitation efforts;
4. Gender mainstreaming in peace operations and the security sector.

To meet those objectives, ESCWA organized a regional workshop on the Protection of Women in Conflict Situations (Beirut, 8-9 December 2011). The workshop introduced participants from member countries to the principles of resolution 1325 (2000) and built their capacity to develop national action plans to implement those principles.

Outlook

In the year ahead, ESCWA will continue to provide member countries with the most up-to-date policy research and analysis on gender issues. Resources will be fully dedicated towards building on past experience to best assist countries in achieving tangible advancements on behalf of Arab women.

ESCWA will continue to pursue the achievement of more equitable representation of Arab women in economic and political processes. Addressing these barriers and developing policies and measures to induce significant changes will be the subject matter of two ad hoc expert group meetings. In addition ESCWA will publish a paper to address Innovative Approaches for Promoting Women's Political Representation in the ESCWA Region. In coordination with the International Labour Organization and UN-Women, ESCWA anticipates a publication Addressing the Barriers Hindering Women's Economic Participation in the ESCWA Region.

Secondly, ESCWA will build consensus among member countries on the best practice of implementing gender mainstreaming strategies for national policies and institutions. During the sixth session of the Committee on Women, parliamentary documentation will be presented on the Review of the Status of Gender Mainstreaming in Government Institutions in ESCWA Member Countries. An expert group meeting will convene in 2013 to discuss the issue in depth.

Enhancing member country capacity to take effective measures towards ending gender-based violence is a priority for ESCWA. Training workshops will be organized to encourage member countries to strengthen legislative frameworks to address all forms of violence against women. In addition, ESCWA will be releasing a series of important publications,

including: a study on Trafficking of Women and Children in Selected ESCWA Member Countries: A Regional Perspective which will be conducted in coordination with the United Nations Office on Drugs and Crime; Success Stories and Best Practice in Multi-sectoral Partnership to Combat Gender-based Violence in Selected ESCWA Member Countries; and a flagship study on Policies to Empower Women in the ESCWA Region: Gender-Based Violence.

Conflict Mitigation and Development

Overview

Throughout the region, continued instability, conflict, occupation and the spillover effects of those conditions have jeopardized development in general and the attainment of the Millennium Development Goals (MDGs) by 2015, particularly in conflict-affected countries and the least developed countries (LDCs). Member countries are increasingly calling upon the United Nations for assistance in formulating policies and programmes for conflict prevention, reconciliation and revitalization. Furthermore, the uprisings in the Arab region in 2011 indicated overwhelming popular support for changes in governance including transparency, accountability and participation.

To respond to popular demands and the requests of member countries, the Emerging and Conflict-Related Issues Section (ECRI) of ESCWA assists member countries in strengthening State institutions to overcome adverse effects of conflict and lead national reconciliation processes. Indeed, the overarching objective of ECRI is to reduce the impact of conflict and instability on people and socio-economic development in the region. Given that occupation and conflict are ongoing concerns for several countries in the ESCWA region, that objective continues to be highly relevant.

The negative impact of conflict and communal tension in the region is compounded by inequitable resource distribution and limited participation. To enhance the capacity of member countries to face those challenges, ECRI encourages them to adopt and implement good governance practices and inclusive approaches. Through those practices and approaches, member countries can increase the productivity of the public sector, enhance access to essential services and reduce the gap between citizens and State structures.

To address governance and resilience in member countries, ECRI is engaged in a fourfold approach that includes: (a) analysis and policy formulation for reducing causes of conflict; (b) creation of partnerships between regional and local civic entities to enhance networking, cooperation and coordination; (c) mainstreaming conflict prevention while catering to the distinct needs of individual countries; and (d) promoting good governance practice, improving the quality and effectiveness of public administration and enhancing the rule of law.

To safeguard the stability of member countries and their development efforts, ECRI works through a complementary approach with one team dedicated to Governance, Instability and Development, and another dedicated to Emerging Trends and Conflict Mitigation. The teams support member countries in creating an enabling environment for development, modernizing the public sector and promoting good governance practices. They also address emerging issues that could impact the stability of member countries or jeopardize development efforts.

Activities and Achievements

Conflict and the Millennium Development Goals

Conflict, occupation and their spillover effects have had a detrimental effect on sustainable development and the achievement of the MDGs in the region. In response to this issue, ESCWA published the second issue of *Trends and Impacts in Conflict Settings: Conflict and MDGs*, which focused on five conflict-affected member countries: Iraq, Lebanon, Palestine,

the Sudan and Yemen. The study examined the exogenous relationship between MDGs and conflict encapsulating development.

To enhance the capacity of member countries to achieve MDGs, ESCWA hosted the Expert Group Meeting on Sustainable Development under Crisis Conditions: Conflict and MDGs (Beirut, 27 September 2011). The meeting allowed participants to debate the conflict-MDG nexus in the Middle East and emphasized the need to look at both as joint rather than separate issues. Participants included Government representatives from Iraq, Palestine, the Sudan and Yemen, representatives of international organizations and academic experts in the field of conflict and development.

The Workshop on Macroeconomic Simulations for MDG Achievement (Beirut, 28-29 September 2011) brought participants together to review innovative tools such as the Maquette for MDG Simulation (MAMS) that can provide data for decision makers to improve the design and implementation of policies towards achieving MDGs. Although the short-term costs of achieving MDGs are high, they contribute to future stability and prosperity. The workshop recommended that policymakers identify macroeconomic trade-offs that offset investments in MDG attainment.

Governance deficit and conflict relapse in the ESCWA region

To build regional partnerships and provide networking opportunities, ESCWA organized the Expert Group Meeting on Governance and Conflict Relapse (Beirut, 31 May 2011), which facilitated the discussion of ways to improve governance practice in the Middle East and break the cycle of governance deficit and conflict relapse. The meeting highlighted the need to look at both conflict and governance as regional phenomena, and the need to employ and educate youth to prevent conflict relapse. Participants explored challenges and opportunities in the region for the development of solid institutions in the light of the events of the Arab Spring.

In addition, ESCWA published *The Governance Deficit and Conflict Relapse in the ESCWA Region: An Overview*, which analysed the driving forces of the vicious cycle of governance deficit, conflict relapse and de-development in the region. The link between development, governance and conflict was investigated through two proxy-indicators: infant mortality and the proportion of the population that has attained secondary education. The study found that education and good governance reduce the risk of conflict relapse considerably, while repression and poor governance prolong the period in which countries are at risk of conflict relapse.

Solidarity with Palestine

In observance of the International Day of Solidarity with the Palestinian People (29 November 2011), ESCWA organized a number of special events. The purpose of those events was to raise awareness among the general public on the plight of the Palestinian people, the potential means to support them in attaining their rights, and the role of the United Nations therein. In partnership with a number of civil society and academic organizations, ESCWA organized a series of exhibitions, a poetry recital and a film screening, all of which served to highlight various aspects of the plight of the Palestinian people. Approximately 1,000 people attended the various activities, while wide media coverage expanded the reach of those events to around 4.5 million people through print and online media, 18 TV airings and 2 radio airings during peak times.

Lebanon

During 2011, ESCWA promoted trans-sectoral dialogue on national sustainable development policymaking in Lebanon. In partnership with the Department of Economic and Social Affairs, ESCWA engaged in capacity-building initiatives with the Government of Lebanon in the framework of the project to promote the integration of sustainable development principles into development strategies. Within the scope of the project, ESCWA produced the *Review and Assessment of Capacity for Sustainable Development in Lebanon* to highlight the achievements and challenges of planning, drafting and implementing national strategies and policies that would integrate sustainable development and peacebuilding approaches in Lebanon's political context. A Stakeholder Consultation Workshop on Strengthening Capacity to Utilize Sustainable Development Principles in National Policymaking in Lebanon was organized by ESCWA (Beirut, 6-7 September 2011). The workshop gathered key stakeholders from Government and civil society organizations and facilitated dialogue to effectively promote sustainable development in Lebanon.

Conflict and the least developed countries

To build the capacity of member countries to understand the political and socio-economic dynamics, sources and root causes of instability and the consequences of the governance deficit, ESCWA engaged efforts including (a) analysing the development fallout caused by conflict and occupation; (b) closely monitoring the developments of the Arab Spring and studying their impact and potential future development; (c) analysing the governance deficit in the region and identifying and implementing public institution-building schemes and public sector modernization; and (d) studying the impact of emerging global challenges on the most vulnerable ESCWA member countries, LDCs in particular. Those activities were conducted to increase the resilience of member countries in the face of conflict and other crises.

At the Fourth United Nations Conference on the Least Developed Countries (UNLDC IV) (Istanbul, 9-13 May 2011), ESCWA ensured that conflict and LDCs was included as one of the thematic in the Conference declaration. In cooperation with the World Bank and the International Dialogue on Peacebuilding and Statebuilding, ESCWA organized a side event entitled Delivering for Development in Conflict-affected LDCs: The Role of Governance and Statebuilding. At the event, ESCWA delivered a presentation on Good Governance in Conflict-Affected LDCs: A Regional Perspective Towards a New Paradigm.

Training workshops in the Sudan

As part of its technical cooperation programme, ESCWA held two training programmes in the Sudan. The first programme on Project Design and Formulation included a capacity-building component and resulted in a comprehensive project proposal on Boosting and Upgrading the Production of Gum Arabic in the Sudan (Khartoum, 22-26 May and 1-6 October 2011). Participants honed their skills in the design and formulation of development projects. This programme will conclude in 2012.

In addition, a training workshop on human rights was held in cooperation with the United Nations Office of the High Commissioner for Human Rights (Khartoum, 9-13 October 2011). The Ministry of Foreign Affairs of the Sudan and the Consultative Council on Human Rights of the Ministry of Justice also contributed to the organization of the workshop. The workshop built the capacity of participants and encouraged the transfer of knowledge in the field of human rights in the Sudan.

Peacebuilding and capacity-building in Iraq

To mitigate the impact of conflict and strengthen peacebuilding efforts in Iraq, ESCWA conducted a national assessment on existing perceptions and factors that undermine nation-

building, citizenship and the adoption of tolerance, human rights and gender equity. The assessment was linked to the Public Sector Modernization project. The assessment was piloted in four Iraqi governorates and the survey was administered to more than 600 young people through 16 focus groups. Based on that assessment, ESCWA is currently engaged in devising a national action plan to be presented to concerned stakeholders for enactment.

At the Governmental level, ESCWA promoted capacity-building and knowledge transfer activities to benefit Iraqi officials. Two study tours were carried out to promote best practice in the fields of decentralization and local governance. The first tour included presentations on the Senior Executive Service in Canada, its federalist governmental structure and the autonomy of the provincial governments in a highly decentralized system (Ottawa, 27-30 September 2011). Participants had the opportunity to interact with Canadian officials on related issues. The second tour emphasized the best practice of participatory planning and fiscal and financial management for enhanced service delivery (Piedmonte and Trento, Italy, 18-21 October 2011). Iraqi officials were exposed to the Italian decentralized model of government.

Outlook

To facilitate the achievement of MDGs and the attainment of other development objectives, ESCWA aims to strengthen public administration and promote the adoption of good governance measures, contribute to more efficient and effective actions to eradicate poverty and hunger, enhance social equity and economic vitality of communities, and empower youth and women to partake in development. Interventions will be developed to address the institutional needs and challenges of ESCWA member countries. The Commission will support new standard-setting based on policy and programme analyses. The potential for conflict and instability can be reduced by advancing the accountability of the public sector, eliminating sources of social inequality and improving the living standards and livelihoods of all citizens.

The development deficit and conflict and its regional spillover effects necessitate a multitrack approach to peacebuilding strategies and development across the ESCWA region. Conflicts evolve in distinct phases and ESCWA is prepared to assist member countries at every stage. Capacity development and national ownership are central elements of peacebuilding and conflict prevention and the support of regional organizations can enhance crisis management capacities.

The diversity of countries in the ESCWA region requires tailor-made interventions adapted to the unique effect of each conflict. Development schemes must reflect those specificities and address issues or crises as they emerge. Financial crises, food insecurity, water scarcity and emerging local or regional conflicts all exacerbate regional development challenges.

To address the needs of member countries, ESCWA will continue to monitor and identify trends that have the potential to create tension and instability in the region. Potential sources of tension will be reported to member countries as an early warning mechanism and ESCWA will recommend possible pre-emptive measures. Operational programmes will be devised and implemented by ESCWA to help member countries mitigate existing crises and their impact. Finally, ESCWA will formulate capacity-building activities and share regional and international success models.

In the light of unfolding developments in the region and the transitions that a number of member countries are undergoing, ESCWA will continue to assess emerging needs and challenges in this context and formulate activities to contribute to addressing them.

Programme Planning and Technical Cooperation

Since late 2010, the ESCWA region has experienced dramatic transformations as a result of social uprisings. ESCWA is expected to play a crucial and unique role in assisting Governments in the region as they respond to and meet the needs of their citizens. ESCWA will assist member countries in addressing current policy weaknesses and enhancing their capacity to effectively address existing inequalities. It will use its convening power to provide a forum for member countries to discuss and share views on overall economic, social and sustainable development issues in the region.

The Programme Planning and Technical Cooperation Division (PPTCD) is responsible for programme planning and budgeting, programme monitoring and evaluation, technical cooperation management, inter-agency coordination and partnership development. Within a framework of results-based management, PPTCD coordinates all ESCWA operational activities across a range of economic and social development sectors in order to meet member country priorities and global development agendas.

Strategic Pillars

ESCWA will focus its work towards inclusive and sustainable development in the region. Through this new vision, ESCWA will focus on three Strategic Pillars: (1) equitable growth and sustainability; (2) regional integration; and (3) good governance and resilience. The Strategic Pillars will serve as the foundation for work to be implemented on twelve priority areas underpinned by three cross-cutting issues (partnerships, knowledge management and gender). The agreed priority areas under each Strategic Pillar are as follows:

Equitable growth and sustainability: (1) equity, inclusion and employment; (2) competitive knowledge-based economies; and (3) sustainable natural resource management.

Regional integration: (4) knowledge and technology management; (5) sustainable infrastructure; (6) socio-economic policy coordination; (7) food, water and energy security; and (8) gender sensitive policies and integration.

Good governance and resilience: (9) participation and citizenship; (10) socio-economic impacts of conflict and occupation; (11) institutional development; and (12) resilience to natural and human made crises.

ESCWA Performance Monitor

In 2011, ESCWA officially launched the ESCWA Performance Monitor (EPM) for the benefit of the entire organization. This online tool has allowed all of the Commission's subprogrammes to jointly manage programme and budget performance and has been a critical component of the improved performance of ESCWA during the biennium 2010-2011.

Technical cooperation programme

Through its technical cooperation programme, ESCWA supports the efforts of member countries to strengthen the formulation and effective implementation of national policies, strategies and programmes towards the fulfilment of sustainable human development. ESCWA staff, regional advisors, and consultants work on-site in various member countries, providing tangible and immediate assistance, finding practical solutions and supporting Government-led policies and initiatives. The programme is funded by three distinct but interrelated modalities.

Regular Programme of Technical Cooperation

The Regular Programme of Technical Cooperation is part of the Commission's regular budget and provides funding to support and advance capacity development for member countries in the formulation and implementation of policies for sustainable social and economic development. The Regular Programme of Technical Cooperation is often called "the operational arm of ESCWA's regular programme" as it allows for fast, flexible and on the ground technical application of the normative and analytical work of ESCWA. For example, in 2011 ESCWA joined forces with United Nations Country Teams in Iraq, Jordan and the Sudan to tailor and localize the Millennium Development Goals (MDGs) to specific national contexts allowing development partners to refine their targets and "fast track" action plans towards the achievement of MDGs.

Development Account

The Development Account is a global programme established by the United Nations Secretariat to enhance the capacity of developing countries in the priority areas of the United Nations Development Agenda. Development Account projects promote country ownership and intercountry cooperation, be it South-South, regional or sub-regional, and cooperation among United Nations entities. In the past nine years, ESCWA has led 14 regional and global projects worth US\$7.8 million. ESCWA participated in more than 22 Development Account projects worldwide. Development Account projects allow ESCWA member countries to participate in and benefit from new global and regional initiatives. Recent examples include preparation of the ESCWA Cyberlegislation Directives in 2011. The Directives provide the legal and regulatory framework for legislation related to the information society and were developed based on global best practice in close consultation with member countries. The Directives are already guiding technical and policy advisory work at the national level.

Extrabudgetary resources

Extrabudgetary resources are mobilized by ESCWA for innovative outside-the-box projects that engage donors and nurture important partnerships for the region. Examples include the launch of projects for the preparation of two key reports on Arab Integration and the Arab Region in 2025, and a strategic partnership with the Swedish International Development Cooperation Agency to assess the impact of climate change on water resources and socio-economic vulnerability in the Arab region. In 2011, ESCWA succeeded in raising around US\$4.6 million for the implementation of 11 new programmes and projects.

Regional Coordination Mechanism

Regional and inter-agency coordination remains a challenge and a necessity. As convener of the Regional Coordination Mechanism (RCM), ESCWA organized two RCM meetings in 2011, both attended by the majority of United Nations regional entities, the League of Arab States and representatives of regional and international funding institutions. In both cases, RCM meetings brought together various actors to give focus to regional development initiatives, push collective thinking on priority issues forward, and generate collaborative activities at a time when all development actors must do more with less.

The RCM is the most organic regional coordination opportunity: it is specific to the region and it ensures that regional perspectives on global concerns are transmitted as needed. The first RCM (1 June 2011) reflected the preoccupation of regional entities with transition to democracy and the ways and means of responding immediately and effectively to quickly unfolding events, with an eye to the emerging needs of the countries of the region as they grapple to varying degrees with the effects of political change.

The second RCM (25-26 November 2011) focused on what may well prove to be the most significant global development conference of this decade, the United Nations Conference on Sustainable Development (Rio+20), to be held in the summer of 2012. Chaired by the Deputy Secretary General of the United Nations, the meeting reviewed regional preparations for Rio+20, anticipated the strengths and weaknesses of the Arab position and outlined recommendations to ensure a fully integrated approach to the promotion of sustainable development in the Arab Region. Upcoming RCM meetings will follow up on the implementation of these collective decisions and will contribute further to a post-Rio development agenda that is attentive to the needs and capacity of the Arab region.