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Summary of the work of the Economic and Social Commission for Western Asia, 2023–2024

Note by the Secretary-General

The Secretary-General has the honour to transmit herewith a summary of the work of the Economic and Social Commission for Western Asia for the period 2023–2024.



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Summary

The Arab region holds ample potential in human and natural resources for achieving the Sustainable Development Goals, but faces significant challenges that are hindering progress. Ongoing conflicts are diverting attention and resources away from development, exacerbating fragility. The spillover effects of conflict disrupt regional trade and worsen transboundary issues. In response to some of the region's challenges, the Economic and Social Commission for Western Asia (ESCWA) played a pivotal role in supporting its member States in defining national commitments to catalyse the achievement of the Goals, which was highlighted at the Sustainable Development Goals Summit in 2023. To strengthen the means of implementation of the 2030 Agenda for Sustainable Development, ESCWA continued to leverage modern technology for policymaking, identify innovative development financing schemes, contextualize technological advancement and innovation, strengthen the ability of national institutions to deliver basic services, build human and institutional capacities and bolster existing partnerships while establishing new ones. Notably, in 2023, ESCWA supported significant legislative and policy reforms in member States, such as labour law amendments in Lebanon and national social justice strategies in Iraq, Libya and Mauritania. In addition, many areas of ESCWA support to and engagement with its member States, such as efforts to harness critical raw materials for energy transitions and the development of national strategies on emerging megatrends, including the development of metaverse technology, are aligned with preparations for the Summit of the Future. ESCWA has maintained a strong collaboration with the League of Arab States and other regional bodies to strengthen the alignment of regional development with the Goals and enhance private sector engagement in development initiatives. The Commission continues to strengthen its efforts in coordinating with various United Nations entities to further reinforce development initiatives, ensuring that interventions are both effective at the national level and supportive of broader regional development goals.

I. Introduction

1. While the Arab region has the required human and natural resources potential to attain the Sustainable Development Goals, it continues to face multiple challenges, many of which have a compounding, negative impact on actual progress towards meeting national development commitments. First and foremost, ongoing and protracted conflicts are precipitating serious setbacks and jeopardizing the still fragile development gains, shifting the attention and priorities of Governments away from development and limiting resources that could otherwise be deployed towards sustainable development initiatives. Moreover, it is important to recognize the spillover effects and regional dimensions of many of the conflicts, such as increased migration, disruption to regional trade and transport and loss of momentum in addressing transboundary issues.

2. From the operational perspective, conflict translates into limited access and ability to implement vital programmes. The region is also disproportionately affected by climate change, and in particular rapidly increasing water scarcity, which has an impact on agriculture and food production, among other sectors. Furthermore, while some Arab economies are experiencing economic growth, many of them remain underdiversified and overly reliant on extractive industries, the transformation of which remains vital for ensuring sustainability, addressing further environmental degradation and tackling climate change. Of note also is the uneven capacity of member States to absorb and optimize the benefits of rapid technological advancements and innovation, with many of them – in particular the five least developed countries – trailing furthest and most disproportionately behind the wealthier member States, including the Gulf States. Another key challenge is the lack of sufficient financial resources for the implementation of crucial development initiatives, with factors such as foreign debt, the preponderance of the informal sector in the economy (in particular in conflict settings) and suboptimal taxation systems all contributing to the lack or limited availability of financing for sustainable development.

3. The region also remains affected by global trends and dynamics, which further compound the effects of regional challenges on development. Most of the Arab economies are still only slowly recovering from the coronavirus disease (COVID-19) pandemic, which brought some economic sectors – such as tourism – to a standstill, overwhelmed health-care systems, resulted in significant loss of income by businesses and individuals, and required member States to introduce stimulus packages and divert significant resources away from development. Conflicts at the global level and geopolitical developments are also affecting the overall regional context, as are global economic trends, such as high inflation and shrinking economic growth.

II. Advancing implementation of the 2030 Agenda for Sustainable Development in the region

4. Considering the overall context and in response to the challenges that the region is facing, the Economic and Social Commission for Western Asia (ESCWA) played a pivotal role in supporting its member States (Egypt, Jordan and, to some extent, Oman) in defining national commitments to catalyse the achievement of the Sustainable Development Goals by 2030. Those commitments were presented at the Sustainable Development Goals Summit in September 2023. The Commission also continued to focus its interventions on the five least developed member States, against the backdrop of the Doha Programme of Action for the Least Developed Countries, which covers the period 2022–2031.

5. Specifically, ESCWA continued to make strides in making available to its member States statistics and data to enable evidence-based decision-making and policymaking. Further investments in rolling out user-friendly, modern technology and artificial intelligence-enabled policy simulation tools, together with efforts to incorporate geospatial components into statistics and develop a knowledge repository and a data ecosystem (a one-stop shop for all data produced by key development stakeholders) resulted in enhanced access by member States to quality data on trade, finance and other areas.

6. The Commission has also contributed to a global toolkit for innovative development financing and played a pivotal role in the adoption by Egypt of a successful integrated, national financing framework – a first in the region that is currently being replicated for Jordan. This is in addition to ongoing work with several member States (Egypt, Jordan, Tunisia and others) related to fiscal policies, identifying greater fiscal space for social investments using the Social Expenditure Monitor, supporting member States in designing and operationalizing debt-swap initiatives and defining investable projects aimed at tackling water scarcity in the region. The Commission has also reinvigorated its engagement with financial institutions (Union of Arab Banks) and the private sector, with the aim of boosting development investments. Moreover, ESCWA is collaborating with the United Nations Conference on Trade and Development (UNCTAD) and other regional commissions on the measuring and limiting of illicit financial flows as a means of generating additional resources for development initiatives.

7. Improving the competitiveness of the business environment and strengthening legal frameworks and support for small and medium-sized enterprises were also prioritized, considering the positive long-term effect on Arab economies.

8. Another important pillar of the work done by ESCWA pertained to the transformation of the extractive industries sector as a key prerequisite for transitioning to cleaner and more sustainable energy systems.

9. Furthermore, the Commission contributed to the strengthening of national institutions by enhancing their ability to provide services in more accessible and equitable ways and to assess a variety of risks and means of mitigating them through risk-informed development planning.

III. Strengthening the means of implementation of the 2030 Agenda

10. ESCWA continued to tailor its support to member States around several axes, including by deploying modern technologies and artificial intelligence in support of evidence-based decision-making and policymaking (by implementing the Data Strategy of the Secretary-General for Action by Everyone, Everywhere); identifying innovative development financing schemes; contextualizing technological advancement and innovation to facilitate trade, transport and logistics; strengthening the ability of national institutions to deliver basic services in an inclusive and accessible manner, while improving their transparency and accountability; building human and institutional capacities, including capacities for assessing, preventing and mitigating risks; and strengthening existing partnerships and establishing new ones, including with the private sector.

11. More specifically, in addition to supporting Egypt in adopting the first integrated national financing framework in the region, the Commission supported two other member States (Jordan and Tunisia) in the development of national frameworks for operationalizing debt swap for improved resources for climate and development

finance, and two additional member States (Mauritania and Oman) in the development of sustainable debt financing and optimization strategies. Concurrently, ESCWA has been contributing to a joint effort with UNCTAD, the Department of Economic and Social Affairs and the other four regional commissions that promotes South-South cooperation in the area of financing for development, and that is focused on identifying innovative approaches and best practices, as well as peer-to-peer learning opportunities. In addition, ESCWA is collaborating with the Economic Commission for Africa and the Economic Commission for Latin America and the Caribbean on identifying innovative financing instruments for climate action and sustainable development.

12. The Social Expenditure Monitor is a tool that enables analysis of national expenditure on social investments and allows member States to realign expenditure across priorities – as a foundation for boosting the effectiveness of investment in social programming. Three member States (Jordan, Kuwait and Tunisia) were supported in the roll-out and application of the contextualized Social Expenditure Monitor. In Jordan, the Ministry of Finance not only adopted the tool, but also assumed national ownership of it. ESCWA also engaged with three additional member States (Egypt, Libya and Yemen) and is currently providing the necessary support, including through capacity-building, to enable social expenditure analysis at the national level.

13. The ESCWA Risk Monitor – a tool that is endorsed by the League of Arab States Committee on Sustainable Development and dedicated to support the attainment of the Sustainable Development Goals in conflict-affected countries (Iraq, Jordan, Lebanon, Libya, Somalia, Sudan, Syrian Arab Republic, Yemen and State of Palestine) – served as a basis for building the capacity of civil servants in Libya (Ministry of Planning) to mainstream a risk-informed approach to programming that is anchored in assessing vulnerability and resilience. As a result, a dedicated risk team was formed within the Ministry to regularly conduct, in collaboration with other government entities and partners, risk analysis and monitoring. With support from ESCWA, the team has already produced the first national risk report. A parallel process was launched in the State of Palestine. However, due to the ongoing conflict, the related activities had to be put on hold.

14. ESCWA and Morocco co-hosted the second regional summit on small and medium-sized enterprises, under the theme “From resilience to prosperity”, which enabled Government officials and representatives of small and medium-sized enterprises from Arab member States to discuss opportunities and challenges related to boosting the market competitiveness of small and medium-sized enterprises through enhanced operational environments and regulatory frameworks. Participants announced their commitment to provide up to \$177 million in support of small and medium-sized enterprises in Arab countries, as well as plans to digitize an additional 200 enterprises that have not yet embraced e-commerce, and provide training for 55,000 young men and women to develop their skills. In addition, the Commission launched a platform for promoting creative industries across the Arab region and held a series of webinars for small and medium-sized enterprises in the Arab region on how to foster cross-border e-commerce by leveraging digital marketing to expand to international markets. The workshops allowed staff from such enterprises to connect with major technology companies and digital marketing agencies, as well as experts in the field, to share knowledge and insights, give access to resources and practical tools and discuss trends that are shaping the world of e-commerce.

15. ESCWA has also expanded its Skills Monitor tool to an additional 7 member States, bringing the total number of Arab member States having access to evidence on factors affecting job markets to 11 (Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia and United Arab Emirates). The tool enables member States to design targeted reskilling and upskilling programmes as a means of

tackling unemployment, and is being rolled out to academic institutions in support of young people preparing to enter the labour market.

IV. Spotlight on key initiatives of the Commission

16. ESCWA provided support to the committee responsible for overseeing women's and children's affairs in the Lebanese Parliament, which resulted in a draft proposal for amending the national labour law to include special provisions related to flexible working arrangements linked to women and care economies. In the Sudan, ESCWA supported the Ministry of Labour and Social Development in carrying out a participatory process for assessing, reviewing and developing sectoral practical plans and priorities for the country's national action plan for the implementation of Security Council resolution [1325 \(2000\)](#).

17. In addition, ESCWA engagement with three member States (Iraq, Libya and Mauritania) resulted in enhanced capacities for civil servants and policymakers in the area of social justice. As a result, the three member States established national committees on social justice that are mandated to lead the development of national strategies and policy framework on social justice. Two additional member States (Somalia and Yemen) requested ESCWA support to build their human and institutional capacity to develop social justice frameworks. However, due to funding constraints, the related activities were postponed to 2024.

18. In addition, ESCWA sustained its contribution to the Economic Commission for Europe-led collaboration with the other regional commissions on the sustainable production of critical raw materials required for low-carbon transitions and increasing energy security and resilience through energy transition.

19. ESCWA also continued to support member States with the analysis of megatrends and challenges that impact regional and national development trajectories. That work resulted in the development of the Arab Vision 2045, which was welcomed by member States. Concurrently, ESCWA supported three member States (Egypt, Lebanon and Yemen) with their national assessments of development challenges. Furthermore, a thorough analysis of the emerging metaverse technology, its impact on the region and the opportunities it represents in terms of public policies was completed, and a dedicated e-learning resource is currently being developed with the aim of building institutional and human capacities for strategic foresight in the Arab region.

20. It should be noted that many areas of ESCWA support to and engagement with its member States align with preparations for the Summit of the Future, including: analysis, preparedness for and mitigation of risks and shocks; measurement and reduction of multidimensional poverty (going beyond the traditional money-metric approaches); fostering of a regional approach to technological advancements, for example, through the adoption of the Arab Digital Agenda; and overhaul of the global financial architecture through initiatives such as debt swaps and debt optimization, the enhancement of fiscal policies and the combating of illicit flows.

V. Leveraging partnerships for sustainable development

21. ESCWA membership overlaps almost entirely with that of the League of Arab States, the key regional organization with which the Commission maintains a long-standing partnership. Of particular note for the current reporting period is the preparatory work on the Arab Vision 2045. This is in addition to the strengthening of collaboration in the area of sustainable production and consumption and the

assessment of food systems being carried out jointly by ESCWA and the Arab Organization for Agricultural Development.

22. ESCWA has also engaged with the Union of Arab Banks to better understand and track private sector contributions to development initiatives in the region. The initiative is currently being expanded at both the regional and national levels, with the aim of assisting member States to identify, in collaboration with representatives of the national private sector, key or priority development areas for future private sector investments, as a means of boosting the funding available for the implementation of national priorities with regard to the Sustainable Development Goals and targets.

23. Building on existing partnerships with a variety of stakeholders, including United Nations and non-United Nations partners, ESCWA has continued to contribute to the maintaining and expanding of databases and knowledge and modelling platforms, which enable its member States to nowcast and forecast evidence pertaining to climate change and utilize such evidence to advance national policies and regional cooperation on climate change action and climate adaptation.

24. ESCWA is leading joint efforts by regional commissions and UNCTAD on the application of blockchain technology to facilitate trade and enhance competitiveness.

VI. Conclusions

25. Strategic partnerships with key regional development organizations are critical to ensuring the continued relevance of the Commission's work in support of its member States. This is evident in the work carried out by ESCWA with the League of Arab States, the Islamic Development Bank and the Union of Arab Banks.

26. Continued investment in improving the quality, timeliness and accessibility of data, through innovative technology, optimization simulation tools, artificial intelligence and capacity-building, is indispensable for laying the foundation for evidence-based, future-looking and more impactful public policies.

27. There are opportunities for further strengthening the convening function of the Commission, with intergovernmental platforms being the key vehicle for forging consensus on a variety of issues pertaining to sustainable development, in particular transboundary issues such as climate change, water management, migration and trade.

28. At the same time, there are opportunities for strengthening coordination among United Nations entities, both at the regional and national levels. While the regional commissions play a key role in leading and co-coordinating the regional collaborative platforms, coordination among the regional commissions is yielding tangible results at the regional and national levels. For example, in a joint effort with UNCTAD, the five commissions are supporting member States with the deployment of blockchain technology in customs and cross-border trade operations as a means of boosting trade and competitiveness. Furthermore, together with the Economic Commission for Africa and the Economic Commission for Latin America and the Caribbean, ESCWA has been working on enhancing the capacity of policymakers in selected member States to access innovative financing instruments for climate action and sustainable development in response to the triple crisis of food, energy and finance. The level of collaboration between the regional commissions and the country offices of specific agencies and/or United Nations country teams can be further strengthened to help to enhance the uptake and sustainability of interventions carried out by regional commissions at the country level.