

Part I

MDG Performance in the Arab Region

The Arab region has made impressive progress towards some MDGs. But achievements are uneven. The region lags behind on some important targets, particularly those related to combating hunger. Political, social and economic transitions since 2010 have had significant impacts, including halting or reversing MDG gains in some countries of the region. LDCs remain behind on many fronts.

Goal 1

Eradicate extreme poverty and hunger

Target

Halve, between 1990 and 2015, the proportion of people whose income is less than US\$1.25 a day

Although still very low, extreme poverty increased after 2010

Extreme poverty, measured by the proportion of people whose income is less than 1.25 United States dollars (US\$) a day, is low in the Arab region, but the 2015 target is unlikely to be met. After years of decline, poverty appears to be on

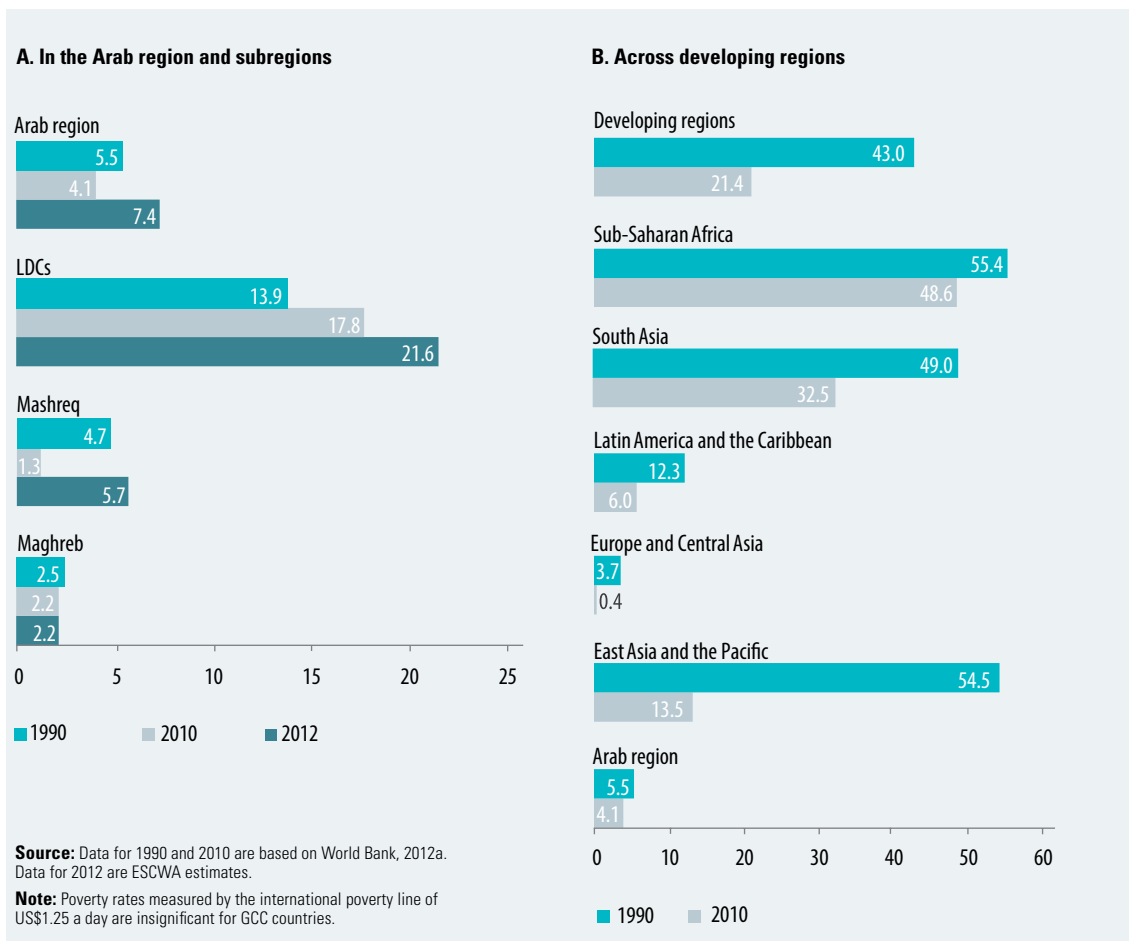
the rise and may be worse than what international poverty measurements capture.

Extreme poverty in the Arab region had decreased from 5.5 per cent in 1990 to 4.1 per cent in 2010, mainly due to progress in Egypt, Jordan and the Syrian Arab Republic. Most recent data and projections suggest that it may now surpass the 1990 level, with extreme poverty incidence in 2012 estimated at 7.4 per cent (figure I-1A)¹. Within the region, LDCs register the highest rate of extreme poverty: it rose from 13.9 per cent in 1990 to 21.6 per cent in 2012.

Extreme poverty is low in the Arab region, but the 2015 target is unlikely to be met

FIGURE I-1

Incidence of extreme poverty, based on the international poverty line of US\$1.25 a day

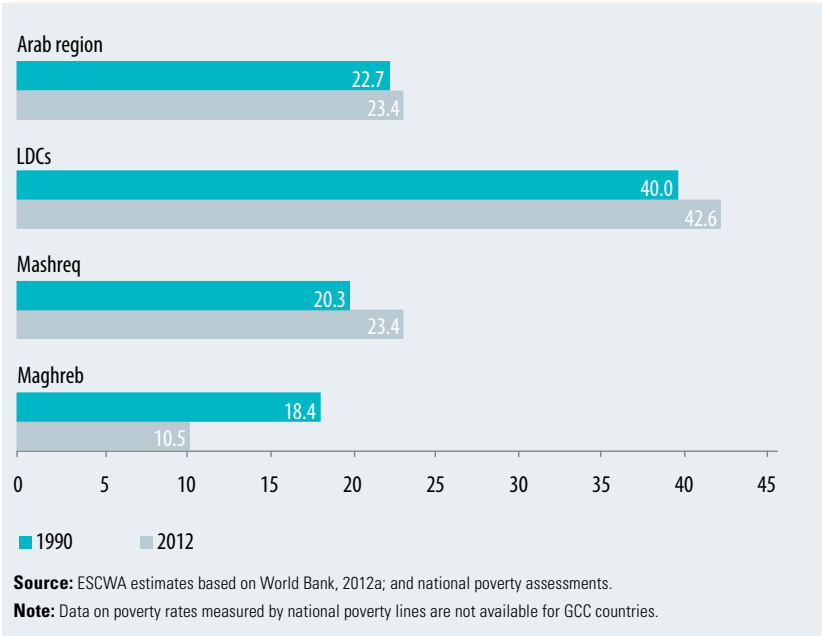


Gains in reducing poverty in some countries were reversed due to political transition and conflicts. In the Syrian Arab Republic, the current conflict has wiped out a decade of progress. In 1997, extreme poverty there was estimated at 7.9 per cent; it fell to 0.3 per cent in 2007 and increased again to 7.2 per cent in 2012-2013, as a result of the current conflict.²

The proportion of people living in extreme poverty is lower than in other developing regions (figure I-1B). With the exception of Europe and Central Asia, the Arab region showed the lowest incidence of extreme poverty in 1990 and 2010; however, with the exception of sub-Saharan Africa, it also registered the slowest progress between 1990 and 2010 in terms of halving extreme poverty.

FIGURE I-2

Incidence of poverty based on national poverty lines



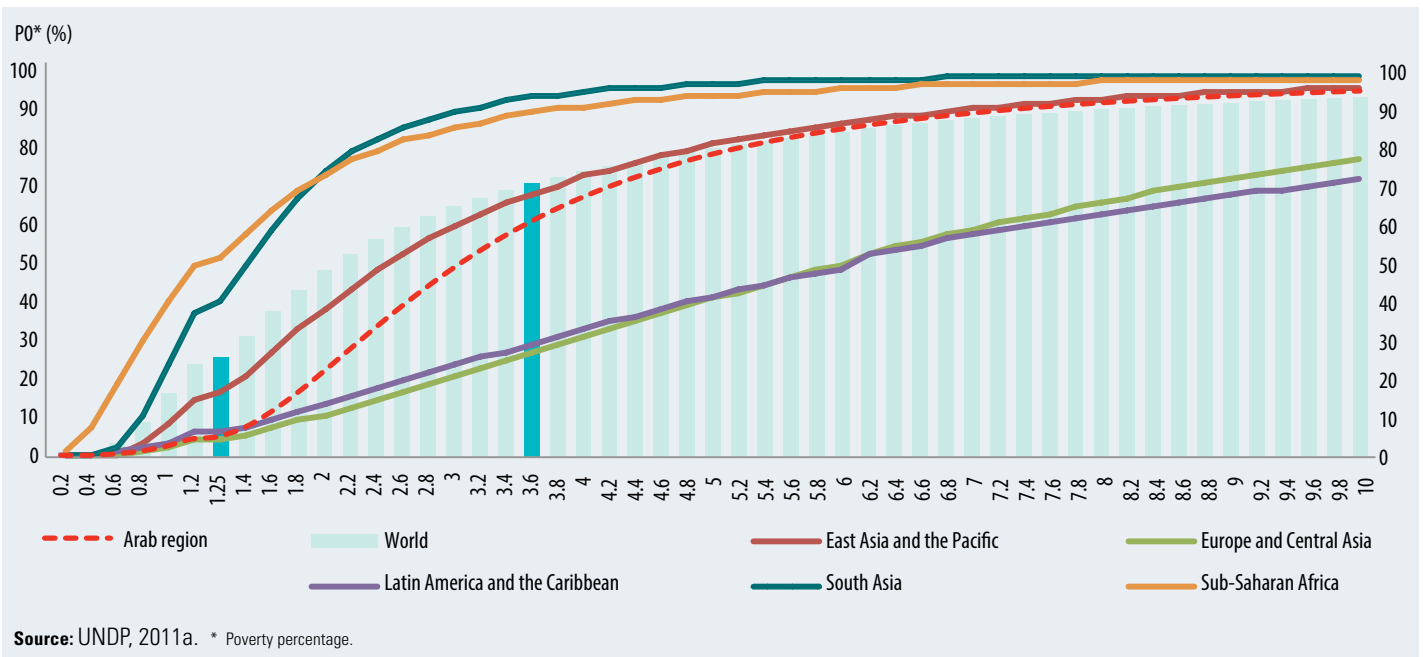
Poverty rates vary significantly, depending on international and national baselines

Fixed international poverty baselines such as US\$1.25 are of limited effectiveness in capturing extreme poverty in Arab countries.³ The region in fact demonstrates how poverty measurement can deviate from reality: while it has a low poverty rate when the US\$1.25 line is applied, individual countries report much higher poverty rates under their national poverty lines. Based on these, poverty in the region rose from 22.7 per cent in 1990 to 23.4 per cent in 2011, due to increases in LDCs and the Mashreq and Maghreb subregions (figure I-2). Considering these significant discrepancies, the 2010 Arab MDG Report⁴ argued for a more relevant and locally-informed measure of poverty.

The choice of poverty lines appears to be decisive for Arab countries. Figure I-3 plots poverty incidence curves over multiple poverty lines, ranging from US\$0.2 to US\$10 in 2005 purchasing power parity (PPP). This exercise

FIGURE I-3

Poverty rates for the Arab region and developing regions across a range of poverty lines, in 2005 PPP, 2000-2009



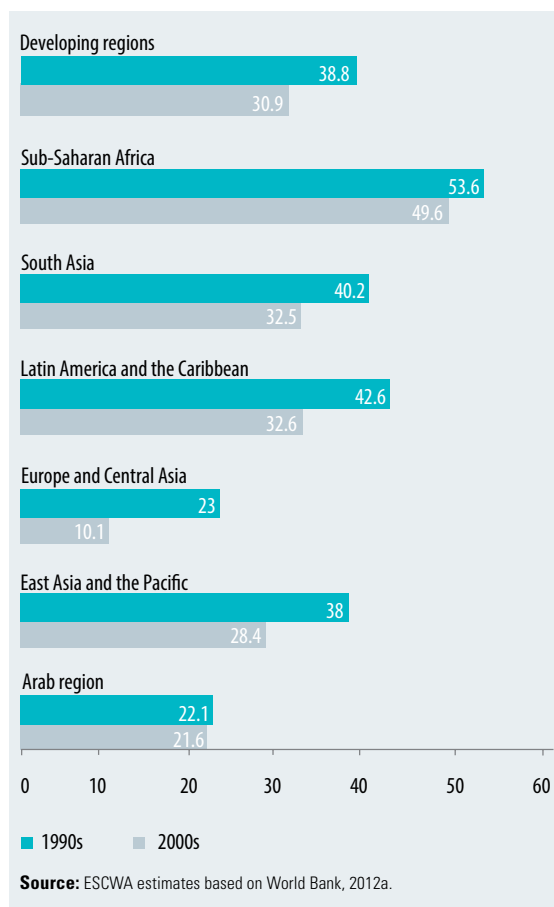
illustrates that the poverty line clearly affects poverty rates across all regions but has a higher impact on poverty rates in the Arab region.⁵ At any value lower than US\$1.25, the Arab region displays very low poverty rates, on par with Europe and Central Asia, and lower than Latin America and the Caribbean. Rates jump sharply at higher poverty lines, however. At a poverty line of approximately US\$3 a day, the rate of the Arab region is far closer to that of the average of all developing regions. This is not the case for other regions: South Asia and sub-Saharan Africa are consistently poorer than others; East Asia and the Pacific is consistently within close range of the global average; and Latin America and the Caribbean, and Europe and Central Asia are consistently better-off.

A more realistic measure of extreme poverty

Poverty estimates which use regression-based poverty lines (RPLs) reveal a more realistic assessment of poverty for all developing regions.⁶

FIGURE I-4

Poverty incidence across developing regions, 1990s and 2000s, regression-based method



They indicate that more than one-fifth of people in the Arab region are poor and that there has been almost no change in poverty between the 1990s and 2010 (figure I-4). The Arab region had almost the same proportion of people in poverty as Europe and Central Asia at that time. But by the 2010, poverty had declined by more than half in Europe and Central Asia, whereas it remained almost stagnant in the Arab region. It is actually the only developing region where poverty remained stagnant, even though per capita income grew at an annual rate of around 2 per cent,⁷ a paradox that is clear in Egypt for instance (box I-1).

Inequalities remain stagnant and undermine development achievements

Systemic exclusions resulting in income and non-income inequalities continue to undermine development in the region. Over the last two decades, despite reasonable economic growth, the decline in the proportion of poor was relatively marginal until 2010. It started increasing since 2010, as unemployment and particularly youth and women's unemployment continued to be major concerns. Rising inequality raises significant ethical questions but also threatens the potential for growth to reduce poverty, and undercuts the sustainability of growth. It can also induce political and social instability. Some Arab countries have already faced such severe consequences of inequality.

Income inequality, measured in terms of the Gini index, is relatively moderate in the Arab region and slightly lower than average for developing countries (figure I-6B). It has changed little over the last two decades, as the latest data show an index of 34.7 in the 2000s versus 34.3 in the 1990s. This was also the conclusion of the 2010 Arab MDG Report, which argued that inequality, in terms of both the Gini index and the ratio of the richest to the poorest quintile, has not shifted in most countries of the region, with the exception of Jordan and, to some extent, Mauritania.⁸ Maghreb countries and LDCs have experienced increasing income inequality (figure I-6A). The Mashreq subregion, however, showed a decline from 32.9 in the 1990s to 30.9 in the 2000s.

The poorest quintile of the region's population has only a negligible portion of national income. Its share in Maghreb countries and LDCs is 6.7 per cent and 6.8 per cent respectively, and 8.8 per cent in Mashreq countries. In the Comoros,

Over the last two decades, despite reasonable economic growth, the decline in the proportion of poor was relatively marginal

BOX 1-1

Egypt: The paradox of strong economic growth and more poverty

Poverty in Egypt increased in the last decade, after a decrease between 1995 and 2000. According to the national poverty line, the poverty rate was 16.7 per cent in 2000 but reached 21.6 per cent in 2008 (figure I-5). Rural residents, in particular, have suffered: between 2005 and 2008, urban poverty increased by 0.9 percentage points, while rural poverty increased by 2.1 percentage points.

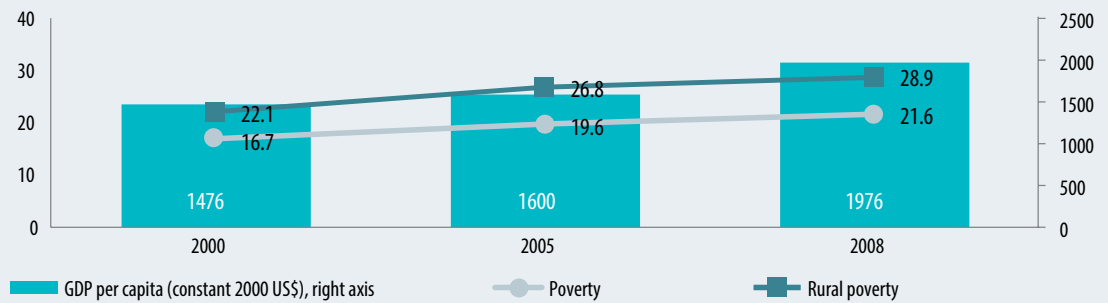
The increase is puzzling, as Egypt has experienced high Gross Domestic Product (GDP) and GDP per capita growth rates. Between 2000 and 2005, the average annual GDP growth rate was 4.1 per cent, and the average annual growth in GDP per capita was 2 per cent. But poverty increased dramatically in this period. It also continued to rise between 2005 and 2008, despite even faster annual GDP growth averaging 6.2 per cent and annual GDP per capita growth averaging 4 per cent.

Wealth created in this period produced gains for some groups and losses for others. Opportunities were not shared equally. Growth was coupled with high inflation, especially for goods and services consumed by the poor, which reduced their standard of living. In addition, growth was concentrated in a few sectors with very little participation of the poor, such as transport and communications.

Income inequality, measured in terms of the Gini index, is relatively moderate in the Arab region and slightly lower than average for developing countries

FIGURE I-5

Total and rural poverty incidence and GDP per capita in Egypt, 2000-2008

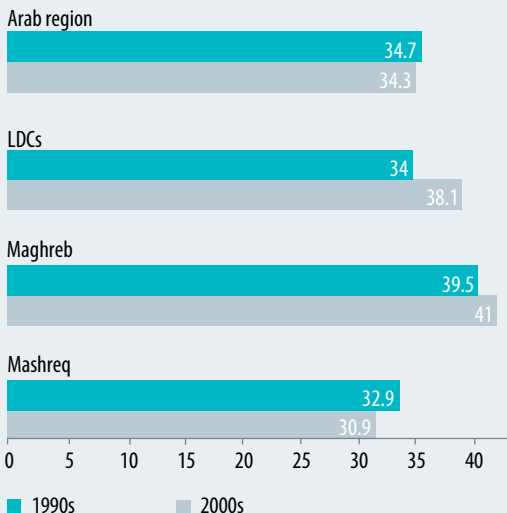


Source: World Bank, 2013b; UNSD, 2012b; and CAPMAS, n.d.

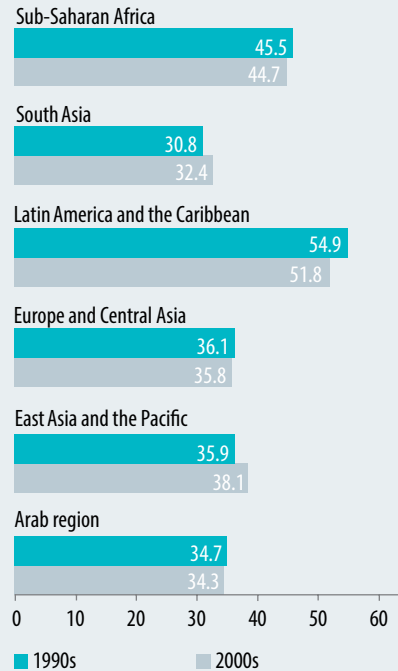
FIGURE I-6

Gini index of inequality

A. In the Arab region and subregions



B. Across developing regions



Source: ESCWA estimates based on World Bank, 2012a.

Note: Data on the Gini index are not available for GCC countries.

the poorest 20 per cent claim only about 2.6 per cent of national income,⁹ with a marginal change between the 1990s and 2000s. Egypt, Jordan, Mauritania and Palestine witnessed small improvements. Morocco, Tunisia and Yemen experienced stagnancy or a decline.

Given glaring disparities in expenditures and the concentration of wealth in many Arab countries since the 1990s, a significant rise in inequality is expected. That interpretation is consistent with general development thinking as well as daily realities, where slum dwellings have proliferated alongside fancy gated communities for the rich, among other forms of conspicuous consumption. This evidence of inequality is difficult to square with the relatively stable values of the Gini coefficient.¹⁰

Another way to look at inequality is through the difference between per capita growth of income and per capita growth of household final consumption expenditure.¹¹ Income measured by GDP per capita increased at an average of 2 per cent annually in Arab countries during the 1990s and 2000s, while per capita growth of household final consumption expenditure was only 1.3 per cent. This pattern is similar to that of East Asia and South Asia (figure I-7) and indicates that growth has not translated into higher incomes or household expenditures for the majority of people in those regions. This suggests that inequality has widened there, while in Latin America and the Caribbean, sub-Saharan Africa, and Europe and Central Asia, per capita growth of household final consumption expenditure was higher than that of GDP in the same period, which is a sign that inequality was reduced there to some extent.

Better statistics and monitoring would produce a more accurate depiction of the situation, including at the national and subnational levels. Household expenditure surveys are often unable to capture actual expenditures of the highest percentiles, which can ultimately lead to underestimating inequality. The large and growing difference between household expenditures reported by surveys and national accounts lends credibility to this hypothesis (figure I-8).¹²

Inequality in human deprivation has received far less attention than income inequality. Considering the multidimensional poverty index (MPI) at the subnational level gives some indication: there is a close correlation between

urban and rural MPI, but the relationship varies across countries, depending on their income levels. In very poor countries, both rural and urban areas typically have high levels of deprivations. As income rises, deprivations tend to fall first in urban areas, which drive economic development. When a country becomes highly developed, growth is more broadly based, and both rural and urban deprivations decline. Figure I-9A plots this relationship. Figure I-9B demonstrates that the ratio of rural to urban human deprivations is higher in the Arab region than in all developing regions, with the exception of Latin America and the Caribbean. This result was expected, given the positioning of Arab countries on the inverted U-curve in figure I-9A.

FIGURE I-7

Average annual growth of per capita real GDP, and household consumption expenditure according to national accounts and household surveys, 1990-2011 (Percentage)

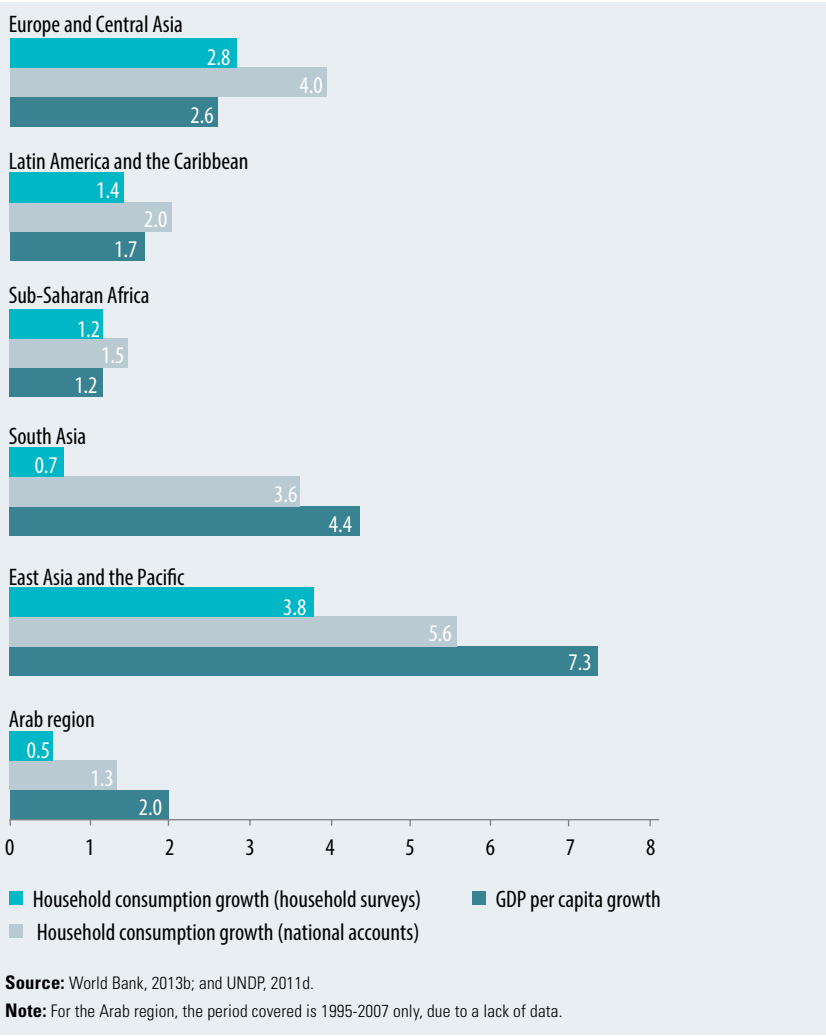
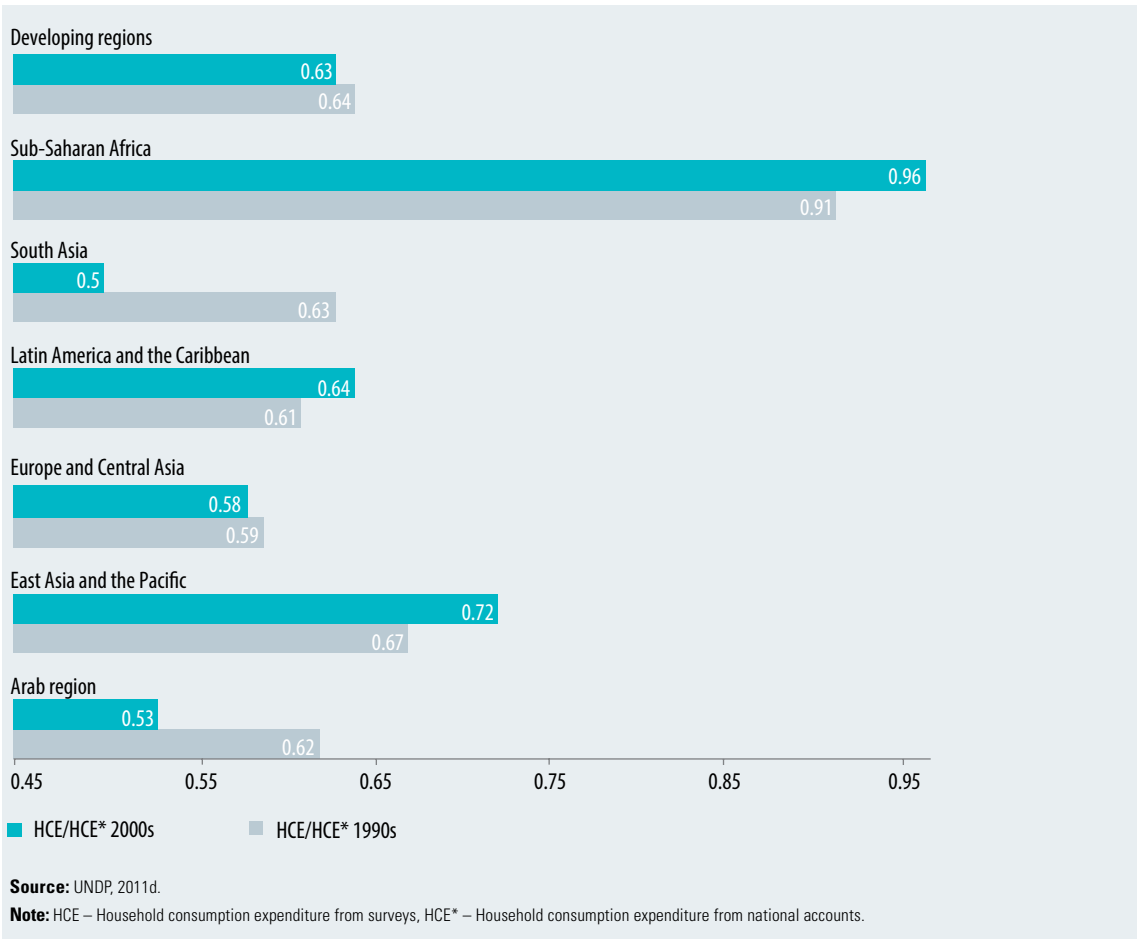


FIGURE I-8

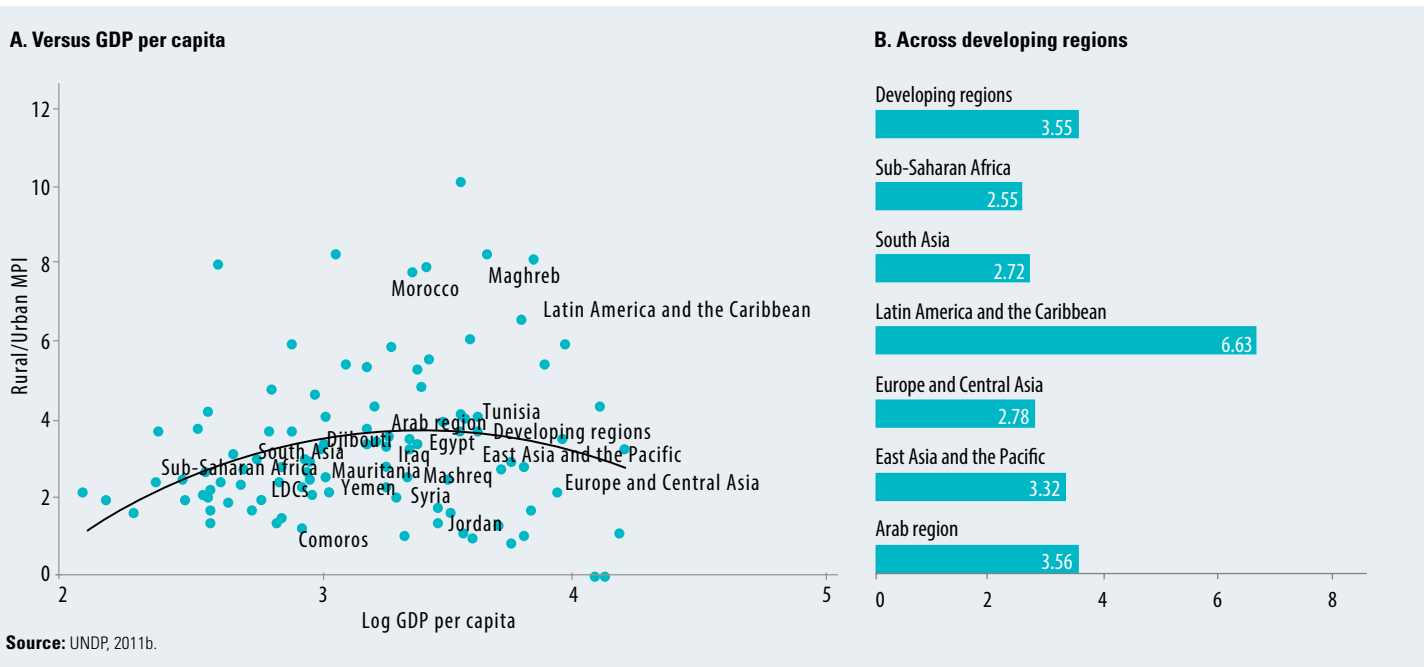
Ratio of household expenditure from surveys to household expenditure from national accounts



Household expenditure surveys are often unable to capture actual expenditures of the highest percentiles, which can ultimately lead to underestimating inequality

FIGURE I-9

Rural-urban MPI ratio



Target

Achieve full and productive employment and decent work for all, including women and young people

Despite gains in job creation, women's participation in the labour force remains a key challenge

The Arab region has the lowest labour force participation rate among all regions, mainly due to the low participation of women, as men's labour force participation rate is almost identical to the global average of 77 per cent (figure I-10A). Although many Arab countries witnessed an increase in women's labour force participation rate in the past two decades,¹³ it reached only 26 per cent in 2010, which is the lowest rate among all regions and half the global average of 51 per cent. The region has made progress on educational attainments for both boys and girls, but gains in women's education did not significantly raise their participation in the labour force.

Poverty, lack of rural development, armed conflicts, discriminatory laws and conservative traditions such as early marriage are some of the factors hindering women from entering public arenas, including the workplace.¹⁴

The region's employment-to-population ratio stood at 43 per cent in the 1990s, increasing only to 44 per cent in 2011 (figure I-10B).¹⁵ All subregions registered a slight increase, with the exception of Mashreq countries, which saw a decline in their ratio of around 0.7 per cent. GCC countries witnessed the greatest progress, from 55 per cent to 57 per cent.¹⁶ Employment choices there have traditionally favoured labour-intensive activities and draw on large numbers of migrant workers.

Men's employment-to-population ratio stood at 69 per cent between 1991 and 2011 for the region as a whole (figure I-11A). The rate remained almost stable across all subregions. Women's employment-to-population ratio increased slowly, from 16 per cent in 1991 to 19 per cent in 2011 (figure I-11B). However, it remained the lowest among all regions and much lower than the world average.

Youth employment-to-population ratio is relatively low and decreased significantly between 1991 and 2011 (figure I-11C), partly due to improved schooling, which delays the entry of youth into the labour market. Other reasons include the difficult transition of young people from school to work due to issues on the demand side of the labour market, resulting in waiting periods of several years.¹⁷

The region has made progress on educational attainments for both boys and girls, but gains in women's education did not significantly raise their participation in the labour force

FIGURE I-10

Labour force and employment (Age 15 and above)

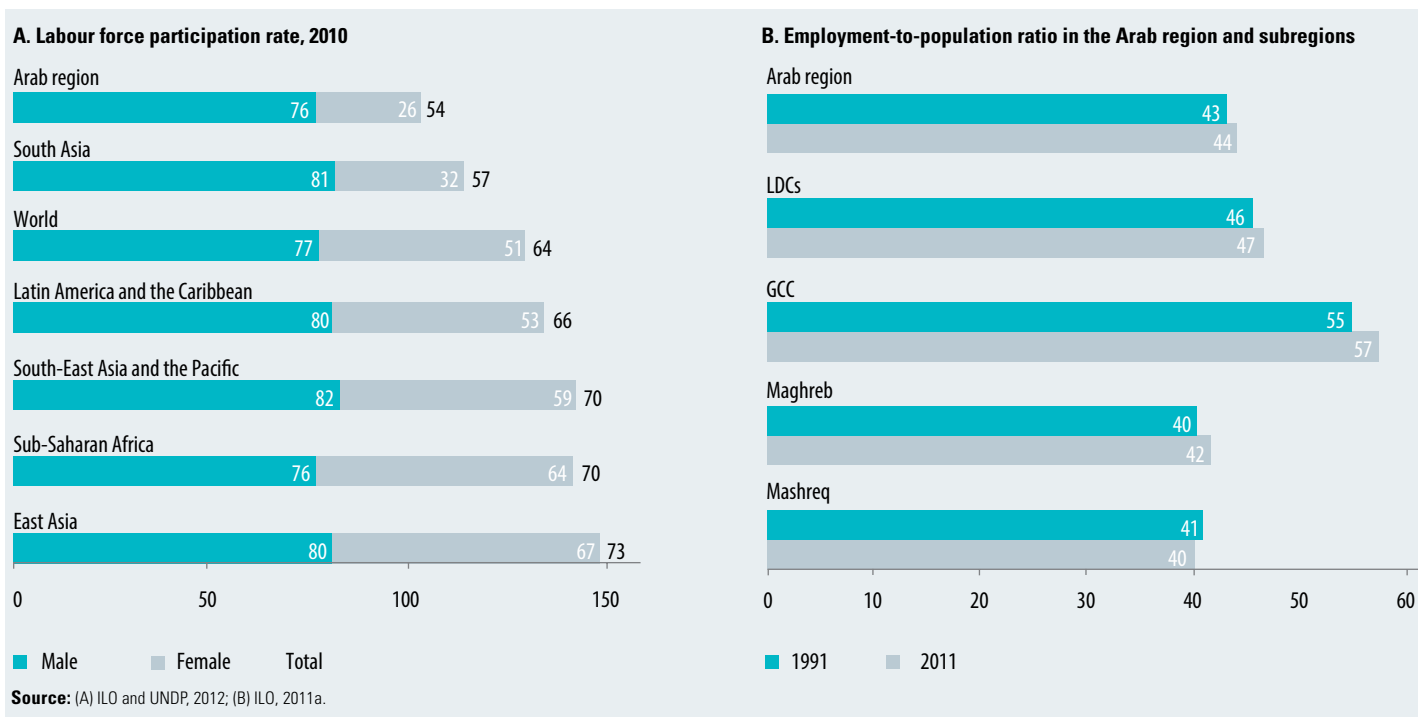
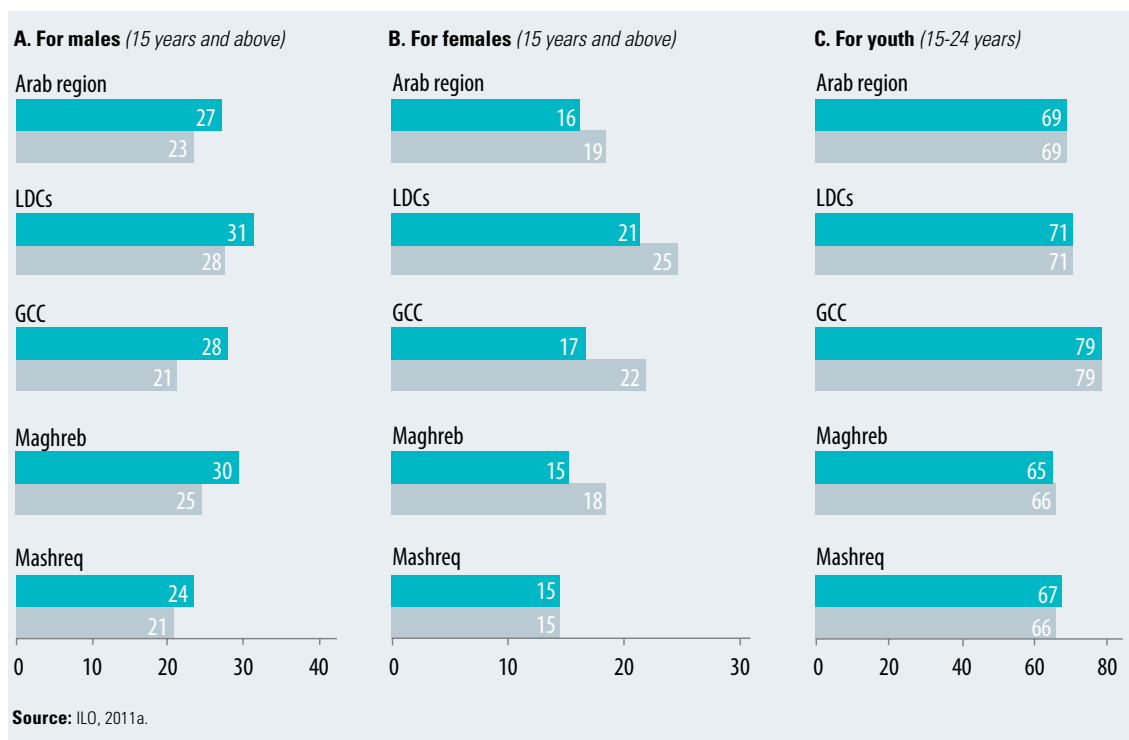


FIGURE I-11

Employment-to-population ratio



Little progress was made in reducing unemployment, and the lack of decent jobs, especially for women, is still a challenge

Between 1990 and 2010, the unemployment rate declined from 12.4 per cent to 10.0 per cent (figure I-12). Unemployment decreased mainly in the Maghreb subregion, from 17.5 per cent in 1990 to 10.4 per cent in 2010. However, the reduction derived more from an increase in marginal employment than in decent work opportunities. Algeria, in particular, significantly reduced unemployment from 2000 to 2008, but that decline was largely concomitant with an increase in informal employment.¹⁸

More recently, global financial and economic crises and political instability in some Arab countries have aggravated the poor conditions of the labour market across the region. Provisional figures show a considerable increase in unemployment rates from 10.0 per cent in 2010 to 14.5 per cent in 2012 (figure I-12).¹⁹ LDCs witnessed the highest increase, from 8.4 per cent to 18.4 per cent, followed by Mashreq countries, where the average rate rose from 11.3 per cent to 16.3 per cent. Maghreb countries have maintained a relatively stable rate of 10 per cent.

Unemployment is projected to further increase in 2013, reaching 14.8 per cent in the Arab region.

High female and youth unemployment rates drive joblessness in the region, despite progress in education. Youth unemployment had hovered at about 25 per cent since 2007 and increased to 26 per cent in 2011, while the world average was of 13 per cent.²⁰ There are signs that this increasing trend will continue in the medium term. Female unemployment is also exceptionally high in the Arab region, standing at around 19 per cent, while the world average was 6.2 per cent in 2011.²¹

Unemployment in the Arab region affects all income groups more or less equally.²² This contrasts with experiences elsewhere in the world, where unemployment is almost always worse in lower income brackets.

The share of the working poor is low, but gains made in some countries are seriously threatened

The proportion of employed people considered as working poor²³ is relatively low in the Arab region, compared with other developing regions (figure I-13). In the Middle East,²⁴ the share has stagnated at 8 per cent in the last decade. Only a small increase is expected to have occurred

More recently, global financial and economic crises and political instability in some Arab countries have aggravated the poor conditions of the labour market across the region

FIGURE I-12

Total unemployment rates

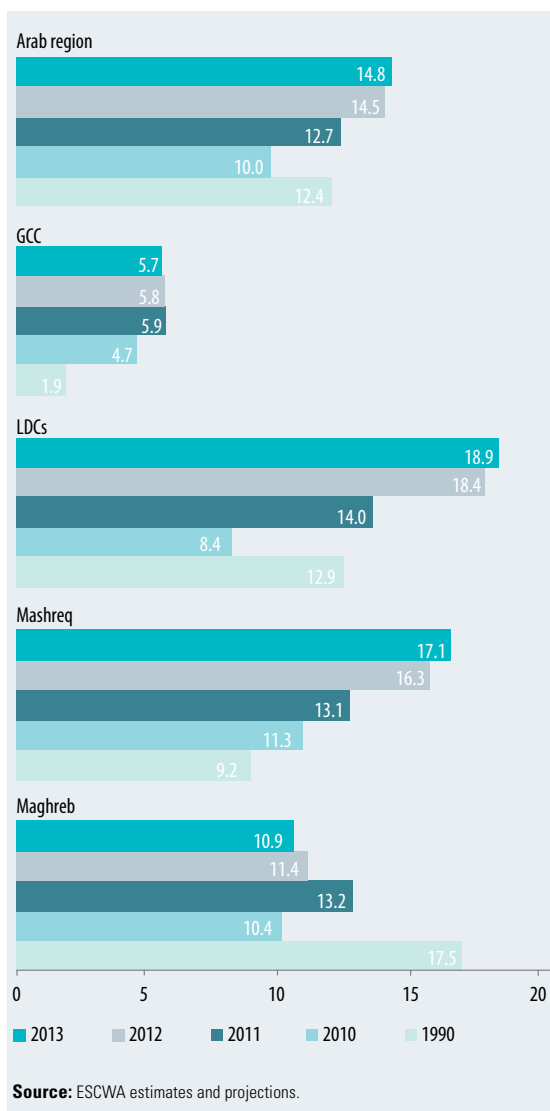
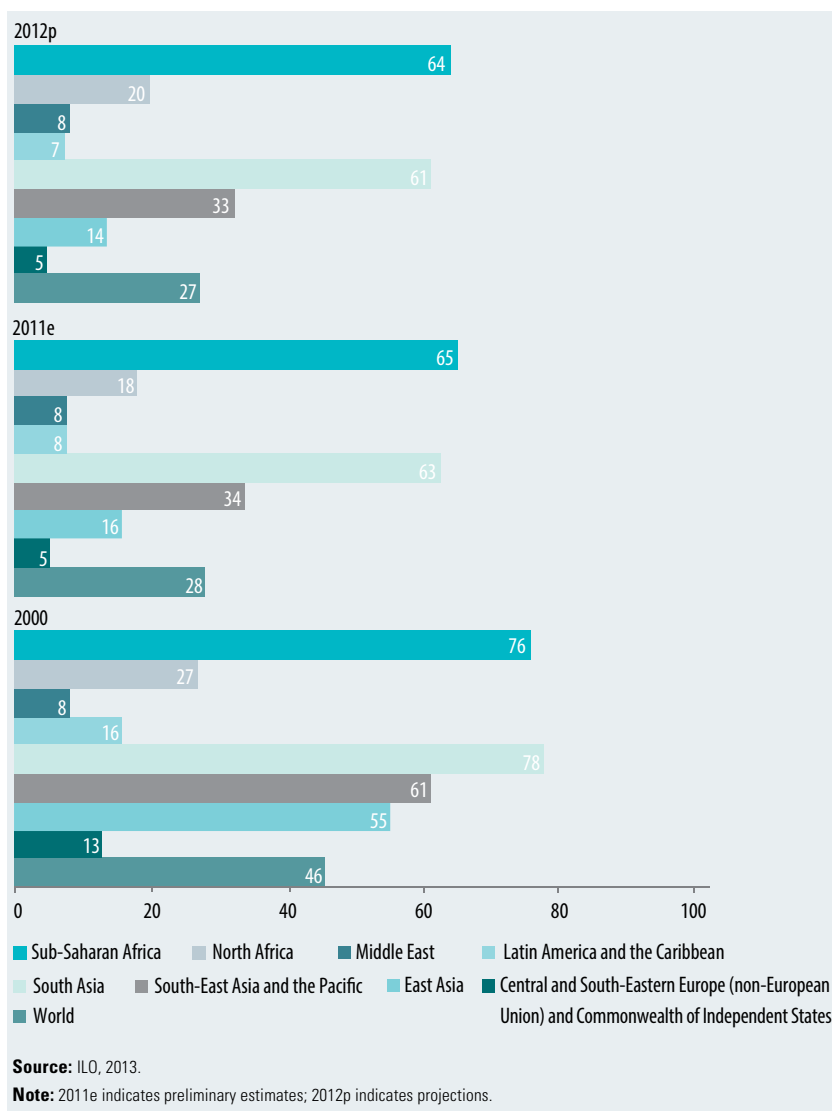


FIGURE I-13

Working poor as share of total employment



between 2011 and 2012. In the North African countries, the share declined from 27 to 18 per cent between 2000 and 2011. As a result of unrest there, however, the share of the working poor is expected to have increased to 20 per cent in 2012.

The proportion of workers in vulnerable employment is relatively low, except for Arab women

The proportion of workers in employment defined as vulnerable in the Arab region is lower than in most other developing regions (figure I-14A) and, with the exception of East Asia, it is declining at the fastest speed. However, the share of women in vulnerable employment, compared to that of men, is the highest in the world, and has increased in recent decades (figure I-14B). Workers in

vulnerable employment include own-account and contributing family workers. They are less likely to have formal work arrangements, and are therefore more likely to struggle with inadequate incomes, difficult working conditions that may undermine their fundamental rights, gaps in social security and the lack of voice that comes through effective representation by trade unions and similar organizations.

The region lags behind the rest of the world in labour productivity

Labour productivity in the Arab region is improving, but it is still falls far behind that of other developing regions,²⁵ except Latin America and the Caribbean (figure I-15B).

While remaining at around 0.6 per cent for all Arab countries during the 1990s,²⁶ the labour productivity growth rate increased to 2 per cent in the last decade, resulting from increased productivity in all subregions (figure I-15A). Maghreb countries and GCC countries experienced negative labour productivity rates in the 1990s, but registered positive rates between 2000 and 2010.²⁷ LDCs had the highest labour productivity growth in both periods; it reached 2.5 per cent in the 2000s.

Target

Halve, between 1990 and 2015, the proportion of people who suffer from hunger

The region is far behind on meeting the target of halving undernourishment

The proportion of people below the minimum level of dietary energy consumption increased from 13.9 per cent in 1991 to 15.3 per cent in 2011 (figure I-16), as the number of undernourished people jumped from 30 million to above 50

FIGURE I-14

Vulnerable employment

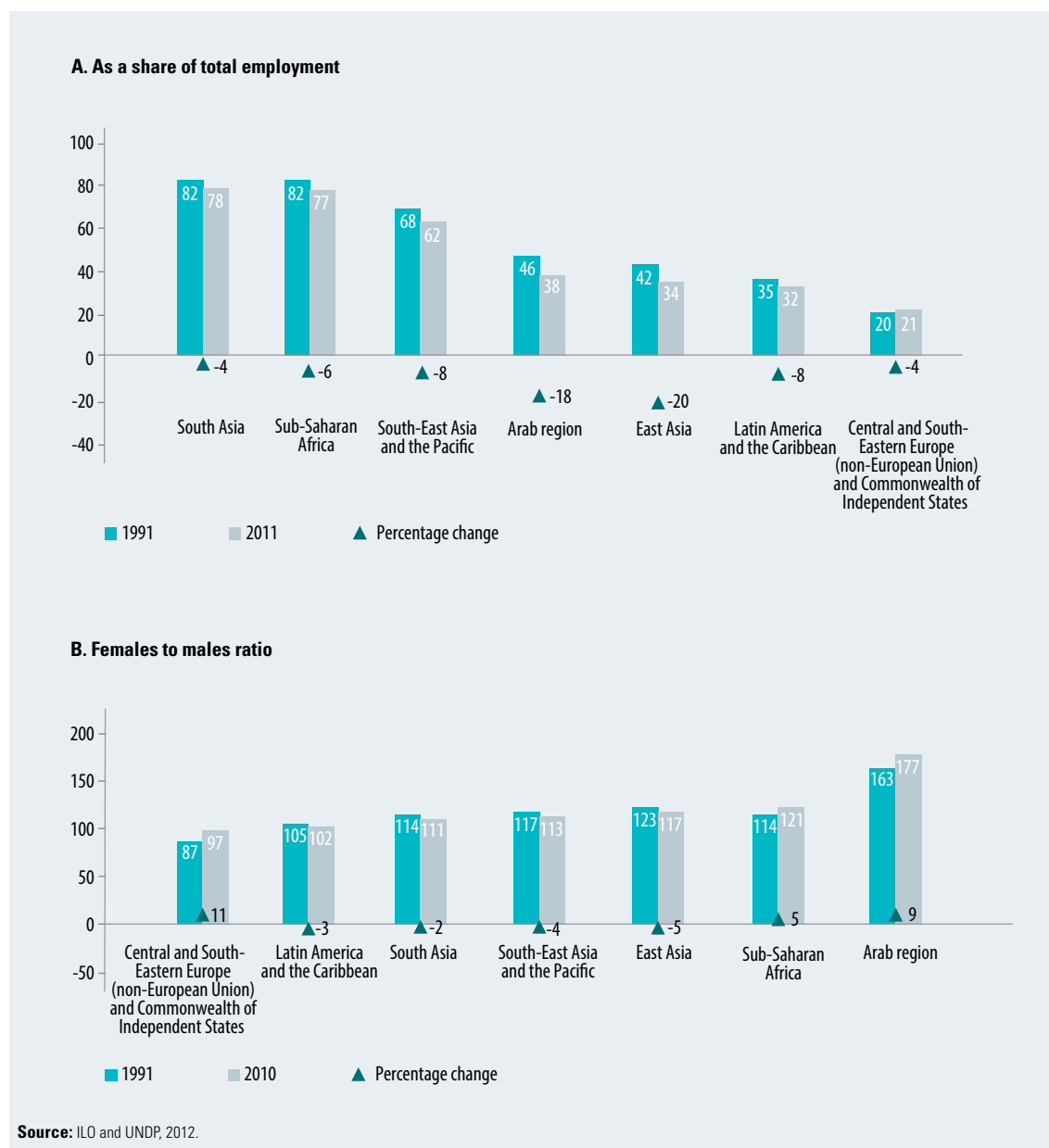


FIGURE I-15

Average annual labour productivity growth

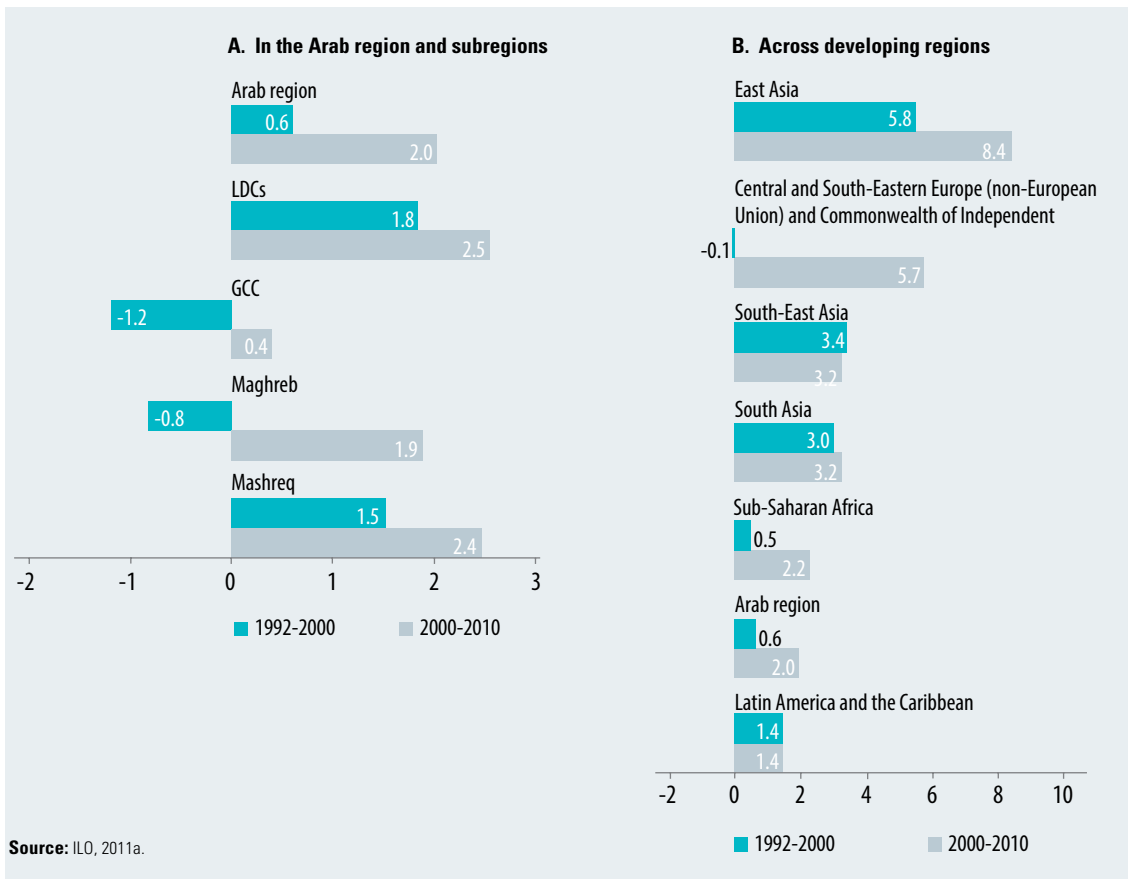
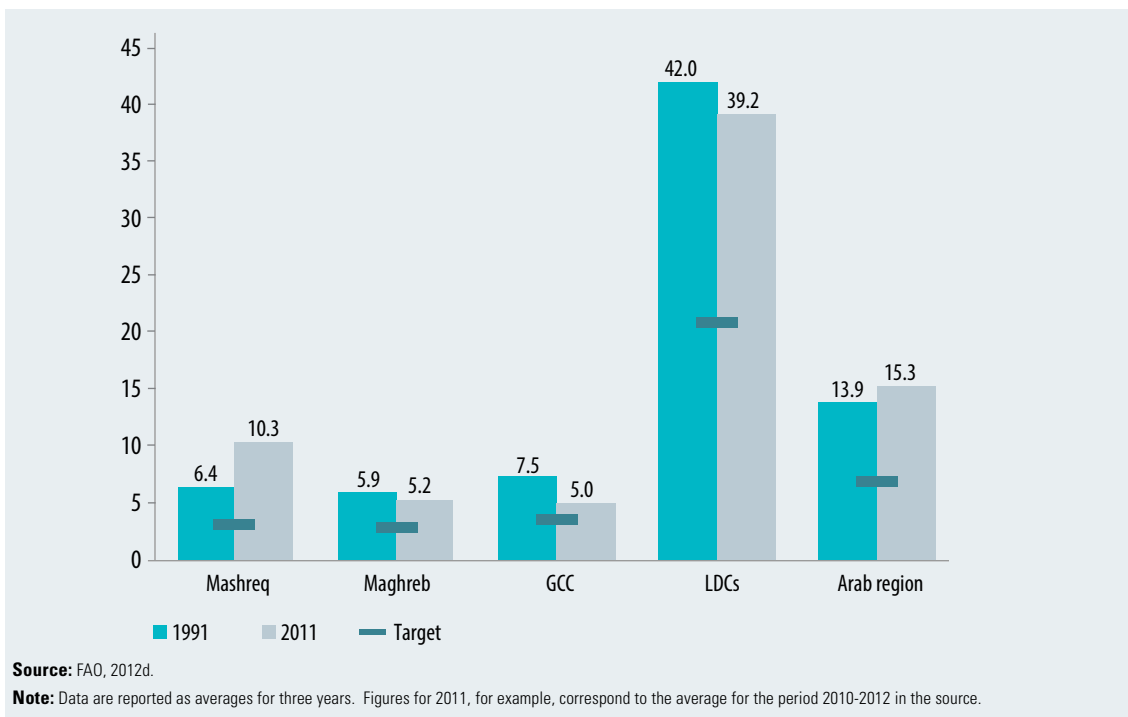


FIGURE I-16

Prevalence of undernourishment (Percentage)



The proportion of people below the minimum level of dietary energy consumption increased from 13.9 per cent in 1991 to 15.3 per cent in 2011

TABLE 1-1

Undernourished people in the nine most affected Arab countries (*Millions*)

	1990	2000	2011	Difference (between 1990 and 2011)
Comoros	0.2	0.4	0.5	0.3
Djibouti	0.4	0.4	0.2	-0.2
Iraq	2.0	4.7	8.6	6.6
Mauritania	0.3	0.3	0.3	0
Morocco	1.8	1.8	1.8	0
Palestine	0.4	0.7	1.2	0.8
Somalia	4.8	5.2	6.3	1.5
Sudan	8.9	8.9	13.5	4.6
Yemen	3.6	5.6	8.0	4.4
Total	22.4	28.0	40.4	18
Prevalence rate	25.0	24.2	28.3	3.3

Source: FAO, 2012d.

Note: Some countries use their own methodologies to estimate indicators, which might not tally the estimates given in this report. For example, Morocco's national data suggest that the number of undernourished people is equal to 288,000.

Undernourishment is particularly problematic in nine Arab countries; together, they account for 40.4 million of the region's undernourished people

million, mainly due to rapid population growth. Undernourishment increased from 6.4 in 1991 per cent to 10.3 per cent in 2011 in Mashreq countries, while it decreased elsewhere.

Undernourishment is particularly problematic in nine Arab countries; together, they account for 40.4 million of the region's undernourished people (table 1-1). It is most widespread in the Comoros and Somalia, where more than 60 per cent of people suffer from it, but there are high rates of undernourished people of around 30 per cent in Iraq²⁸, Palestine, the Sudan and Yemen. In some countries, both the percentage and number of undernourished people have climbed. In Iraq, undernourishment increased from 11 per cent in 1991, affecting 2 million people, to 26 per cent in 2011, affecting 8.6 million.

Food insecurity remains critical

Undernourishment is linked to the prevalence of hunger and food insecurity,²⁹ which remains a critical challenge in the region. Geographical and environmental barriers to food production have an impact, but so do major changes in global markets in recent years. The region is highly dependent on food imports because it suffers from a lack of arable land and scarce water resources. It also has high population growth rates. Other pressures come from conflicts, political instability and the recent global food and economic crises.

Water scarcity, a main constraint to agricultural production, is a serious threat that may grow worse in the future. Already, 86 per cent of the Arab region is desert, which makes it the world's region most subject to water stress according to the 2012 Water Stress Index.³⁰

The region's failure in terms of food security was vividly illustrated by the recent famine in the Horn of Africa. In Somalia, rising food prices combined with climate change, systemic environmental degradation and conflict produced a catastrophic result (box 1-2). There are also increasing reports of hunger in Yemen today.

In 2007 and the first half of 2008, a sharp rise in agricultural commodity and food prices triggered grave concerns about food security throughout the world. When food prices skyrocket, people have less to spend on health, education and other basic needs. The immediate results are higher incidences of poverty and malnutrition. Since food price volatility presents immediate challenges, policies to both hedge against its risks and manage its consequences are urgently needed, now more than ever.³¹

The food crisis cast a long shadow over the Arab region which is heavily dependent on imports. Rising prices even led to riots in some countries.³² Another worrying trend was food price inflation: Egypt, Iraq and Kuwait, for example, recorded double-digit inflation rates in 2012. Rates also stood at 30 per cent in the Syrian Arab Republic and at 23 per cent in Yemen.³³

BOX 1-2

The devastating nexus of conflict and drought in Somalia

The recent famine in Somalia has been widely portrayed as caused by severe drought. In fact, the crisis stemmed from several factors, both natural and sociopolitical. Somalia's food security problem is linked to global climate change and environmental deterioration, but also to volatile international food prices and long-standing conflicts over natural resources.

With a high dependency on food imports and external aid, and with only 13 per cent of arable land in its territory, Somalia is ever more vulnerable to international food prices. Import costs have more than tripled in the last five years.

Natural calamities threaten to worsen and temperatures continue to reach record highs – Africa's five hottest years have been recorded since 2003. Droughts that used to happen every six to eight years are now occurring every one to two years, and the Horn of Africa recently experienced its most severe drought in 60 years. Crop production is also severely affected by rainfall that is more intense in volume but shorter in duration.

Man-made activities compound natural disasters. The absence of a functioning government in Somalia has opened the door to many illegal activities and environmentally unfriendly practices. Warlords and their militias form shifty alliances to exploit land and resources, including by cutting pasture and forests for charcoal exports to obtain hard currency. The untaxed and systematic looting of Somalia's fish supply by unregistered foreign trawlers yields little benefit to the Somali economy.

Source: UNDP, 2011a.

Children under the age of five suffer from high and increasing malnutrition in LDCs

Acute malnutrition, an outcome of insufficient food intake and repeated infectious diseases, is associated with high mortality and irreversible damages to cognitive development that prevent full personal development. Indicators include being underweight for one's age, too short for one's age (stunted), dangerously thin for one's height (wasted) and deficient in vitamins and minerals (micronutrient malnutrition).

Across the region, the proportion of children under the age of five who are underweight increased from around 14.5 per cent in the 1990s to around 15.3 per cent in 2010 (figure I-17). Despite progress in a number of countries, the share of underweight children increased in Arab LDCs, with more than one in three children affected. Rates are particularly high in Djibouti, Somalia, the Sudan and Yemen, with slow progress towards the target of halving them. The Comoros, Djibouti and Yemen face worsening percentages. Severe acute malnutrition rates³⁴ exist in conflict-stricken countries such as the Sudan and Yemen (box I-3).

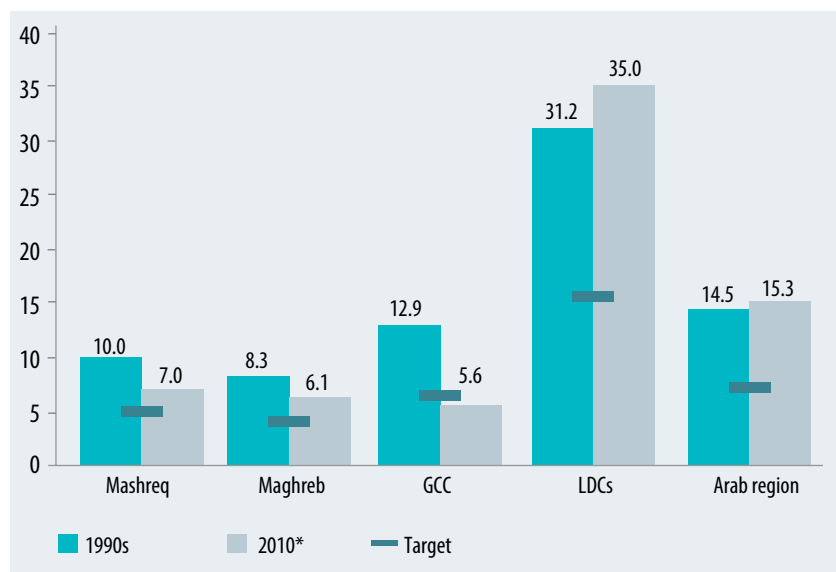
Progress on stunting has been marginal in the last decade, mainly due to a reduction in the Maghreb subregion. Stunting has increased both in Mashreq countries and LDCs (figure I-18). In particular, Egypt has experienced a steep increase from 20.3 per cent in 2003 to 30.7 per cent in 2008. Poor to critical stunting rates³⁵ persist in Djibouti, Iraq, Morocco, the Sudan, the Syrian Arab Republic and Yemen.³⁶

The Arab region has been affected by a “nutrition transition” and carries a double burden of malnutrition.³⁷ As income and urbanization increase, people gradually adopt a lifestyle with reduced physical activity and a diet of more energy-dense, semi-processed foods, leading to an increase in overnutrition and obesity. Obesity and malnutrition may seem mutually exclusive, but are in fact linked, both originating in a poor diet and unhealthy lifestyle. In Arab countries, 45.1 per cent of adults are obese. The double burden of malnutrition is particularly challenging in Egypt,

Across the region, the proportion of children under the age of five who are underweight increased from around 14.5 per cent in the 1990s to around 15.3 per cent in 2010

FIGURE I-17

Moderately or severely underweight children under the age of five (Percentage)



Source: FAO, 2012d.

Note: 2010* indicates that data are for 2010 or earlier for some countries.

BOX 1-3**Undernourished children in conflict-stricken countries: Refugee camps**

Countries such as the Sudan and Yemen have experienced years of conflict leading to large-scale displacement and an almost total collapse of infrastructure. People lost their livelihoods and their way of life, and ended up in poverty. Though some settle in displacement camps where they can receive humanitarian assistance, there is a high risk for child malnutrition before adequate humanitarian assistance arrives or before people adjust to their new living conditions.

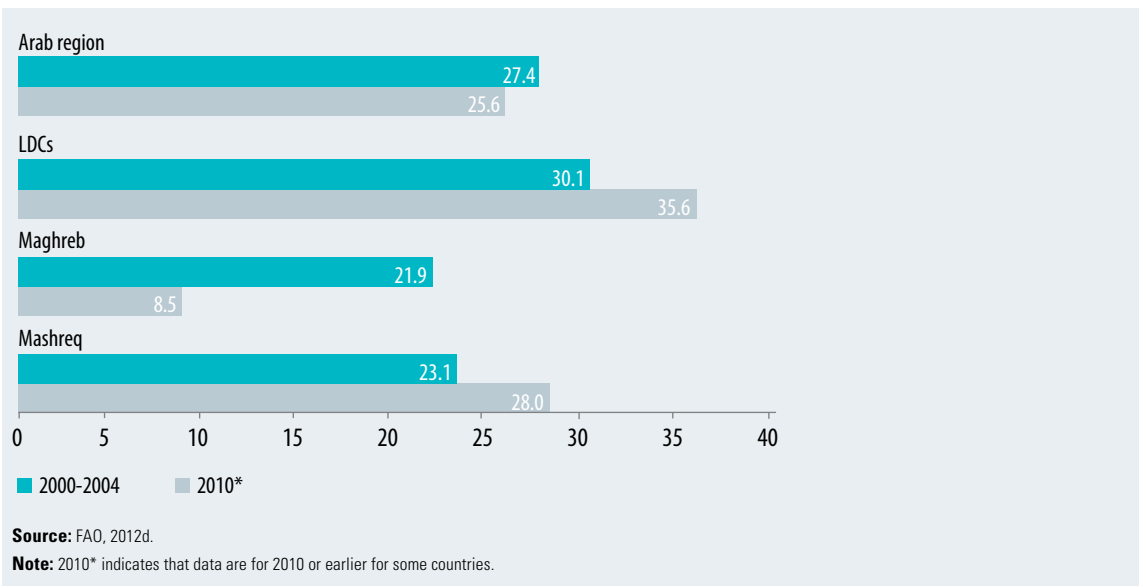
In North Darfur, the Sudan, most nutrition surveys of populations affected by conflict that were conducted in late 2011 recorded severe acute child malnutrition rates. Some localities exceeded the emergency threshold of 15 per cent, with rates at 23 per cent.

Conflict in Northern Yemen displaced an estimated 320,000 people from Sa'ada and neighbouring governorates in August 2009. Despite the 2010 truce, there were still large numbers of internally displaced persons in Hajja Governorate in May 2012. A nutrition assessment recorded global acute child malnutrition reaching 15.7 per cent.

The influx of refugees into Jordan and Lebanon due to escalating violence in the Syrian Arab Republic is raising concerns about people's well-being and access to basic services. Most Syrian refugees in Jordan have lost their livelihoods, are depleting their food stocks and are adopting extreme coping mechanisms (sale of assets for example) to survive. Acute child malnutrition rates among refugees hosted by local populations reached 5.1 per cent, and those in refugee camps are at a troubling 5.8 per cent.

In conflict situations, both short-term emergency responses to save lives and medium-term strategies to prevent disease, recover livelihoods and so on are needed to avoid losing achieved gains in reaching MDGs.

Source: Yemen, Ministry of Health, 2012; and the Sudan, National Ministry of Health and Central Bureau of Statistics, 2011.

FIGURE I-18**Stunted children under the age of five (Percentage)**

Iraq and the Syrian Arab Republic, which have high rates of both adult obesity and child stunting.

Causes of the double burden of malnutrition are complex. High rates of obesity can be found in low-income countries; and some members of

a household may be overweight while others are undernourished.³⁸ Lack of access to information about nutrition, processed food and unhealthy lifestyle in low-income families³⁹ are among possible factors.

Goal 2

Achieve universal primary education

Target

Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

Significant gains in primary enrolment, but LDCs should catch up

Regional progress in net enrolment rates is promising and comparable to that made in other developing regions.⁴⁰ Around 85 per cent of children of primary school age went to school in 1999, and that rate rose to 92 per cent in 2011 (figure I-19). Around 7 million additional pupils were enrolled in primary education in the Arab region in 2012 compared to 1999.⁴¹

Several countries in the region, such as Algeria, Bahrain, Egypt, Kuwait, Morocco, Oman, Qatar, Tunisia and the United Arab Emirates, are close to universal enrolment, with a net primary enrolment

rate above 95 per cent⁴². Two countries that stand out for increasing net primary enrolment rates are Morocco and Oman. Indeed, Morocco gradually increased net enrolment from 71 per cent in 1999 to 96 per cent in 2011. Oman's net enrolment rate rose from 80 per cent in 1999 to 98 per cent in 2009. Even LDCs registered significant progress, although a closer look shows that it has slowed since 2004. Education systems in those countries face severe challenges, with enrolment rates well below the regional average.

There are other worrisome signs of backtracking. Deteriorating or stagnating enrolment rates in conflict-stricken countries, such as Iraq and Palestine, have hindered overall regional progress. The Syrian Arab Republic had, according to data from 2010, achieved universal primary education, with 99 per cent enrolment, but the ongoing crisis is expected to have a significant impact in the short and the long term, including through the destruction of schools. The net enrolment rate in Jordan has steadily declined from 99 per cent in 2005 to 91 per cent in 2010.

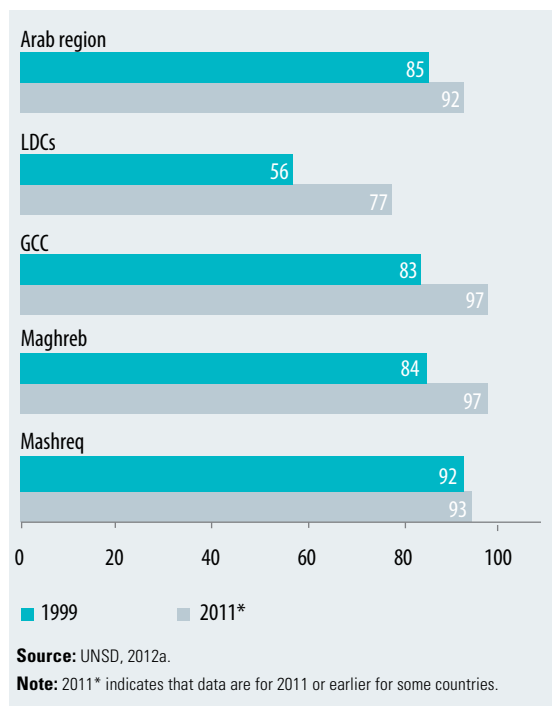
Poverty and inequalities remain major barriers to education. In Egypt for example, 20 per cent of the poorest children do not enter primary school, while almost 100 per cent of rich children complete upper-secondary education. Around 25 per cent of poor families spend money on supplementary tuition for their children, compared to 47 per cent of the richest families. The richest households spend around four times the amount of the poorest households.⁴³

Arab countries still have to enrol around 9 million children to achieve universal primary education.⁴⁴ Half of out-of-school children are concentrated in five countries, namely Egypt, Iraq, Saudi Arabia, the Sudan and Yemen. Despite strong progress, an enormous effort is needed to reach the universal primary education goal by 2015. The enrolment of girls poses a real challenge – in Algeria, Iraq, Oman, the Syrian Arab Republic and Yemen, more than two-thirds of out-of-school

Around 85 per cent of children of primary school age went to school in 1999, and that rate rose to 92 per cent in 2011

FIGURE I-19

Primary net enrolment rates (Percentage)



children are girls. This exclusion may be influenced by religious, ethnic, geographical and security factors.

For progress in enrolment to have a deeper impact, children should complete their education cycle. Completion rates, measured by the gross intake rate to the last grade of primary school, have increased in the region from 73 per cent in 1999 to 83 per cent according to the latest data, with rises in all subregions (figure I-20). The Maghreb region and LDCs have made the biggest progress, from 73 per cent to 90 per cent and from 43 per cent to 60 per cent respectively. The high cost of education is one of the most important reasons for incompleteness, with early marriage and insecurity. In Iraq, a survey of parents whose children dropped out was conducted, and 49 per cent stated that education was not necessary, and that related costs outweighed the benefits.⁴⁵

Early childhood education programmes suffer from a lack of investment, despite the fact that a child's life until the age of eight is critical for cognitive, social, emotional and physical development. Children who participate in early childhood programmes have higher primary school enrolment rates and better results in the first years of schooling.

Most Arab countries have pre-primary education programmes for children aged three to five years. In 2010, more than 3.9 million children

were enrolled in such programmes. Despite the increase in the pre-primary gross enrolment ratio, from 15 per cent in 1999 to 22 per cent in 2010, it remains lower than in all other regions, with the exception of sub-Saharan Africa where it stood at 17 per cent (figure I-21).

Pre-primary education in Arab countries suffers from a lack of investment, a low public understanding of its importance and a lack of trained staff. Limited public resources have driven an exceptionally high share of private pre-school enrolment – 76 per cent, while the global average was 33 per cent.

The Arab region has made significant progress in reducing the gender gap in pre-primary education, with the Gender Parity Index (GPI) rising from 0.77 in 1999 to 0.94 in 2010.⁴⁶

The quality of education is a key concern

The quality of education may have been neglected as the focus was more on quantity and enrolment. In the 2010 Doha Declaration “Quality education for all”, Arab Ministers of Education recognized the importance of monitoring the quality of education and agreed to enhance regular monitoring. The increasing participation of Arab countries in international

Pre-primary education in Arab countries suffers from a lack of investment, a low public understanding of its importance and a lack of trained staff

FIGURE I-20
Gross intake rate to the last grade of primary school
(Percentage)

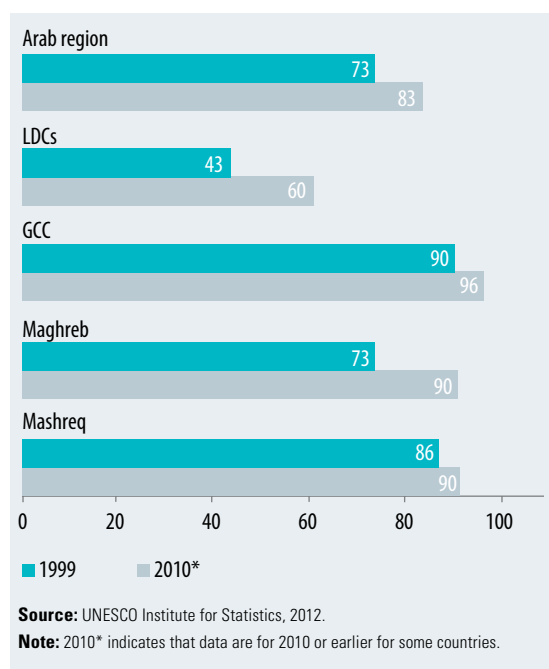
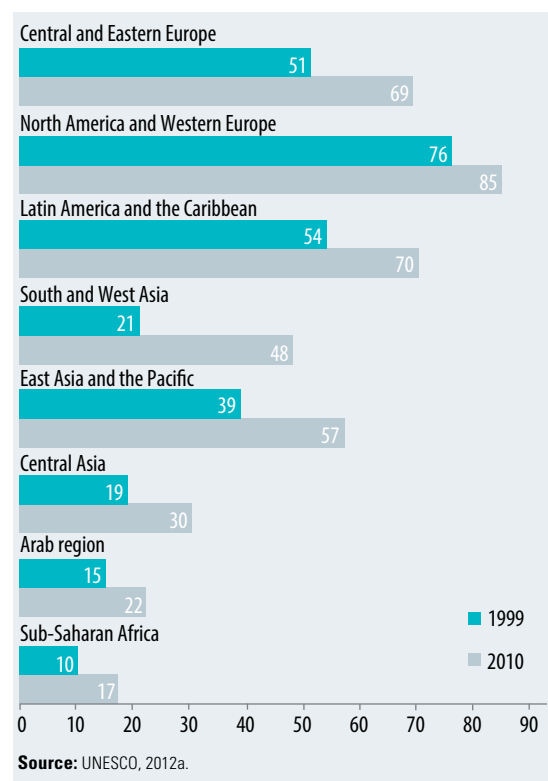


FIGURE I-21
Pre-primary education gross enrolment ratio (Percentage)



assessments in recent years demonstrates this commitment.

Results of international assessments show that Arab countries fall far below international averages and indicated benchmarks. According to results from the Trends in International Mathematics and Science Study (TIMSS) 2011, none of the 14 participating Arab countries reached the international achievement level of 500 (figure I-22). Results of the Programme for International Student Assessment (PISA) revealed similar trends, and the participating Arab countries, namely Jordan, Qatar and Tunisia, generally showed low levels of performance.

Differences in test results confirm high inequalities in education opportunities for rich and poor students in a number of countries (figure I-23A). In Saudi Arabia and Tunisia, inequalities have increased over time, which may be due to an increasing use of private resources in education. Figure I-23B displays the values of the inequality-adjusted education index for the world and developing regions. The average loss for the Arab region is 41 per cent, higher than for all other developing regions, and similar to the loss of South Asia.

Another issue is the relevance of skills acquired for the labour market, as even a high level of education does not guarantee a job. Employers complain that youth are not well prepared and do not develop the needed skills. In Tunisia, the education system produces highly educated youth, with more than 57 per cent of new entrants to the labour market in 2010 holding a university degree. In an economy dominated by low-skill industries, however, few could find the jobs that university graduates expect.⁴⁷

Shifting political situations in some countries are leading to educational reform. In the four countries that witnessed a change in government in 2012, namely Egypt, Libya, Tunisia and Yemen, revising the entire education system has become a political priority. This revision would not only affect curricula, but also management and didactic approaches. Among other aims, reforms could have a role in encouraging responsible citizenship to induce long-term positive social change.

Literacy rates improved significantly across the region

The region has made impressive progress in raising literacy rates to 89 per cent, almost reaching the global average of 90 per cent (figure I.24). While GCC has the highest rate at 97 per cent⁴⁸, progress in the literacy rate of people aged 15-24 years has been substantial in Mashreq countries and LDCs. Nonetheless, more than 7 million youth still cannot read; of whom close to

Results of international assessments show that Arab countries fall far below international averages and indicated benchmarks

FIGURE I-22
TIMSS* results for participating Arab countries, 2011

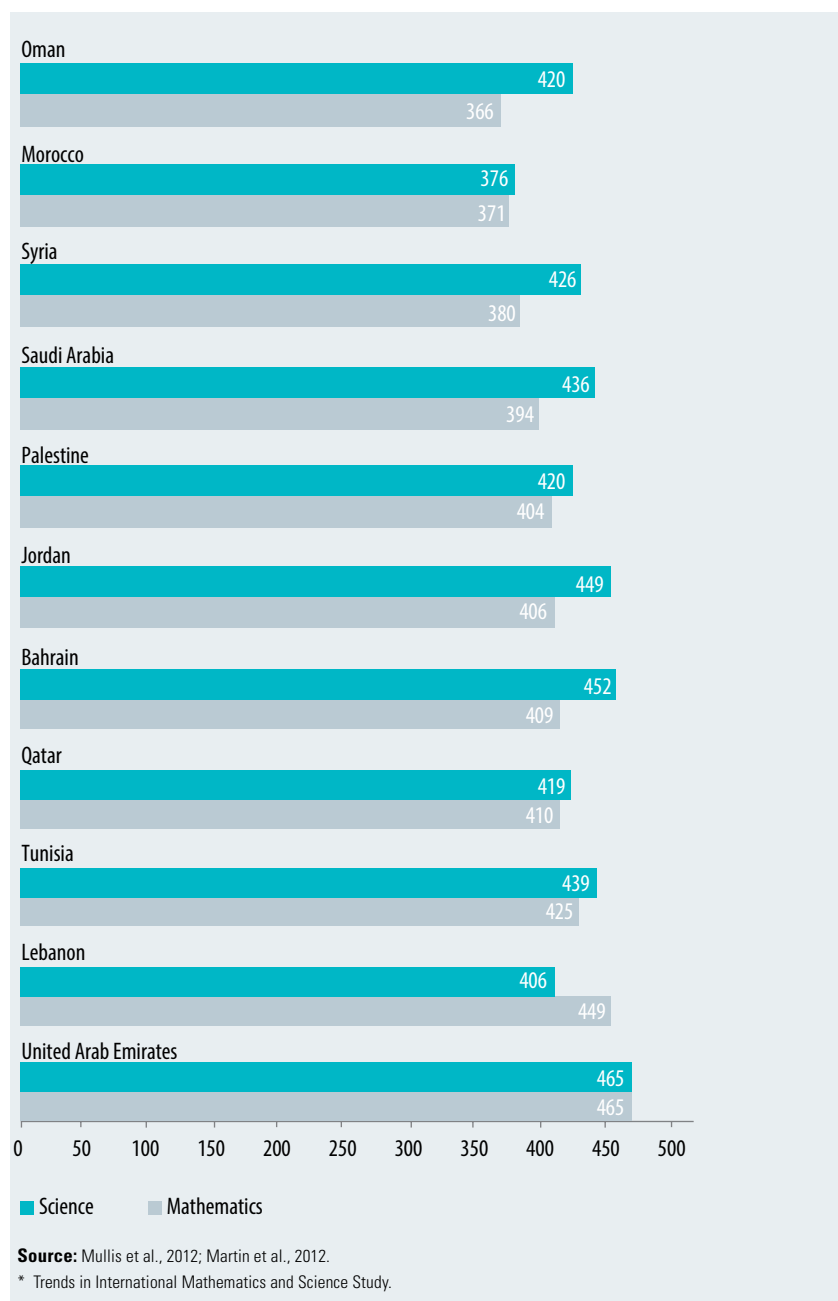
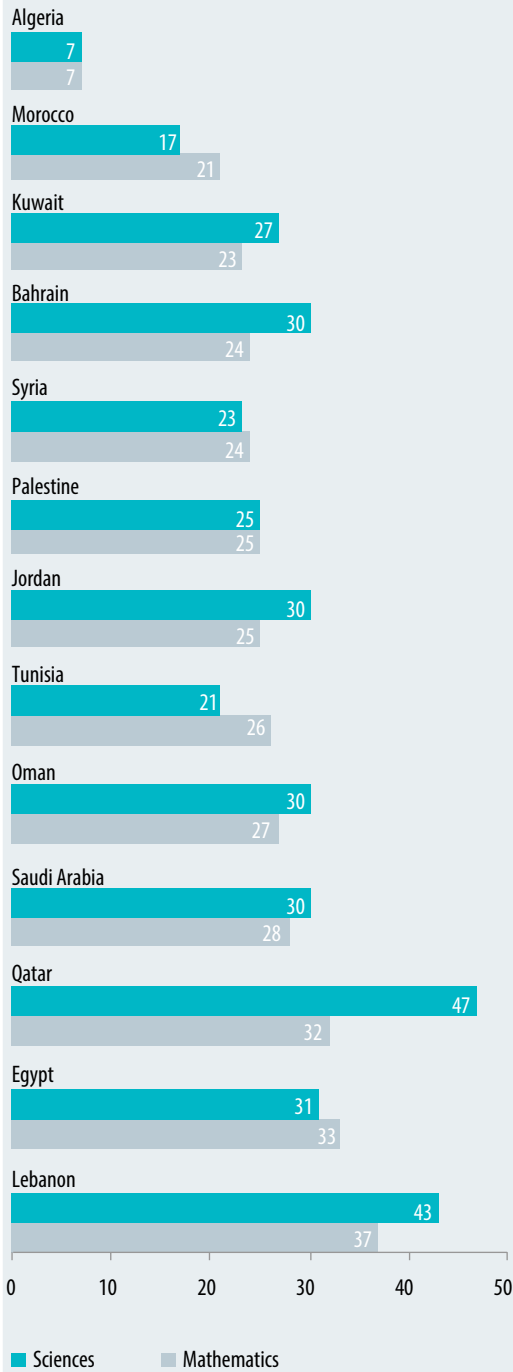


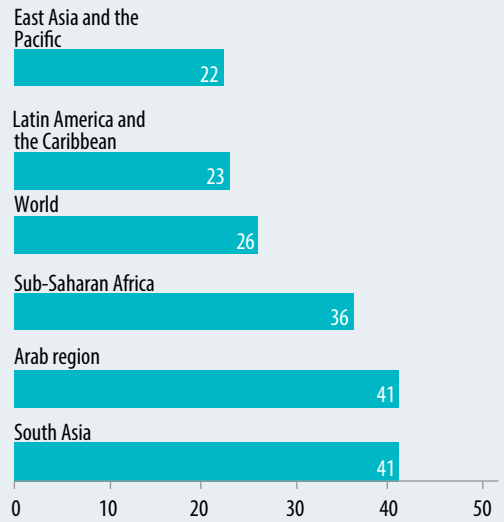
FIGURE I-23

Inequality in education

A. Differences in TIMSS scores between students from the poorest and richest quintiles, 2007



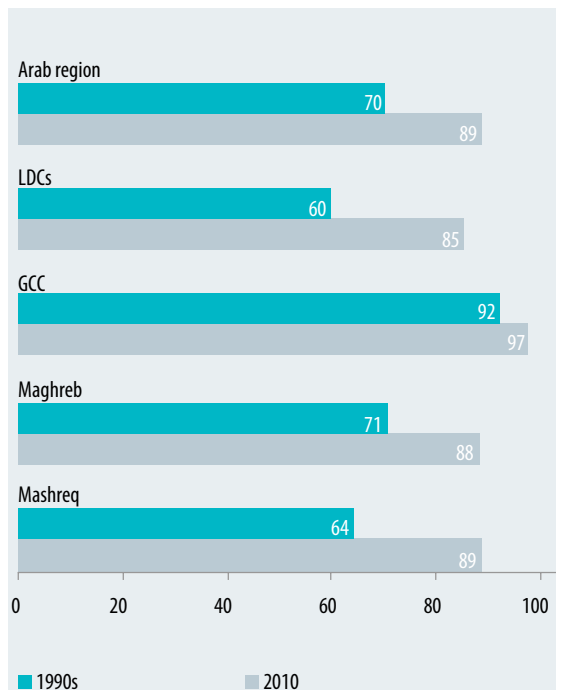
B. Inequality-adjusted education index, average loss, 2011 (Percentage)



Differences in test results confirm high inequalities in education opportunities for rich and poor students in a number of countries

FIGURE I-24

Literacy rates of youth aged 15-24 years old (Percentage)

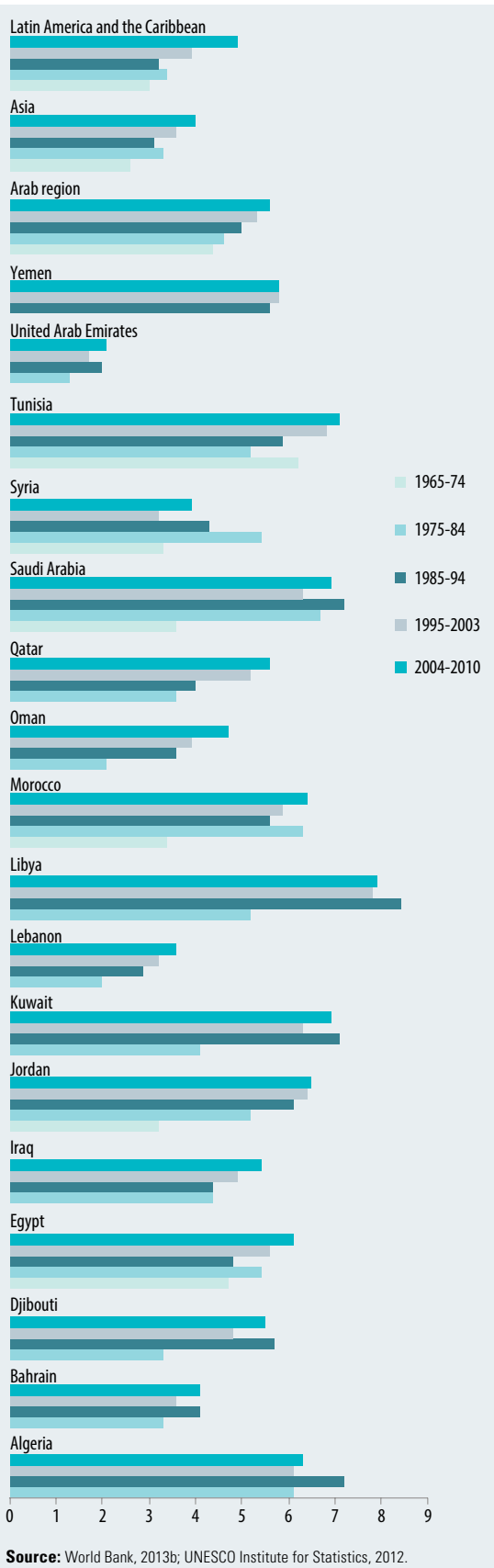


Source: ILO and UNDP, 2012.

Source: UNSD, 2012a.

FIGURE I-25

Public expenditure on education as a percentage of GDP, 1965-2010



Source: World Bank, 2013b; UNESCO Institute for Statistics, 2012.

5 million are young women. The vast majority lives in Egypt (2 million), Morocco (1.3 million), Yemen (0.8 million) and Algeria (0.6 million).⁴⁹

The impressive achievements on education indicators could be attributed to the fact that Arab countries had made heavy investments in mass education systems prior to the conception of MDGs (figure I-25). From 1965 to 1974, they poured 4.4 per cent of GDP into education, compared to 2.6 per cent in Asia and 3 per cent in Latin America.⁵⁰ This amount has risen steadily since then. Today, Arab countries spend over 5 per cent of GDP on education, which amounts to around 20 per cent of total government budgets.⁵¹

Primary and secondary education became free during the 1960s, and progressively the tertiary level. Many millions of children were educated, although with large country variations – in some LDCs, education is still a daunting challenge. Secondary school enrolment rates dramatically increased from 1970 to the early 2000s; there was also a fivefold increase of enrolment in higher education. The average years of schooling for adults (15 years and older) grew rapidly from 1.3 years in 1960 to 5.4 in the 2000s. Illiteracy rates among adults dove from 50 per cent in 1980 to 23 per cent in the 2000s. This progress continued after MDGs were established in 2000. In fact, at that time, some countries had already met the goal on school enrolment.

Arab countries had made heavy investments in mass education systems prior to the conception of MDGs

Goal 3

Promote gender equality and empower women

Target

Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015

Major advancement towards gender parity in education

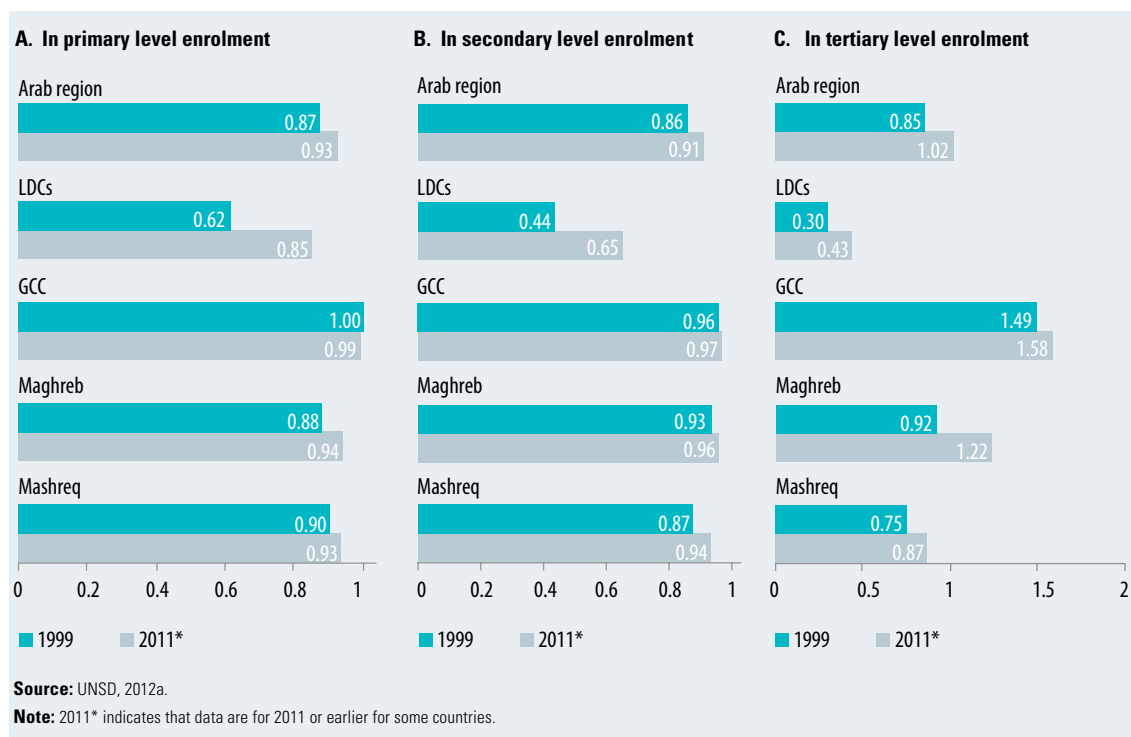
There has been strong regional progress towards gender parity in education, a crucial step to create equal opportunities for women and men. Many more girls now go to primary school in the region; GPI for primary education reached 0.93 in 2011 (figure I-26A). This is however still below the parity level, set at 1 with a margin of plus or minus 0.03. Only GCC countries are within that range, although the Mashreq and Maghreb subregions

are expected to achieve gender parity by 2015. Despite significant progress in LDCs, GPI remained at 0.85 in 2011, well below the parity level, which emphasizes the need for accelerated efforts.

The situation is similar in secondary education, where Mashreq, Maghreb and GCC countries have achieved or are close to achieving gender parity. For the Arab region as a whole, however, the relevant GPI remains well below the parity level at 0.91, due to a low level in LDCs (figure I-26B). Indeed, LDCs face even more difficulties with secondary education than with primary education. The cost of secondary schooling is often higher, which can force parents to ration resources among children. Early marriage, common among the poorest households, can be

There has been strong regional progress towards gender parity in education, a crucial step to create equal opportunities for women and men

FIGURE I-26
Gender Parity Index



another obstacle to achieving gender parity in secondary education. In the Sudan, 54 per cent of girls in the poorest households marry before the age of 18, compared to 17 per cent in the richest households (figure I-27).

Raising the minimum age of marriage to 18 can have a multiplier effect, as it can positively impact the achievement of targets related to education, health and gender equality. Some countries, including Algeria, Egypt, Libya, Morocco, Oman, Somalia and the United Arab Emirates, have a minimum age of marriage of 18 years old. Others, including Bahrain, Djibouti, Iraq, Jordan, Kuwait, Lebanon, Mauritania, Qatar, the Sudan, the Syrian Arab Republic and Tunisia, allow marriage for girls at ages ranging from 15 to 17. The Comoros, Saudi Arabia and Yemen do not have any laws on the age of marriage.⁵²

Some countries have expressed concern over the high prevalence of early marriage. For example, the national report submitted by Jordan to the international Committee on the Elimination of Discrimination against Women (CEDAW) expressed its concern that a very high percentage (approximately 15 per cent) of all marriages continue to involve girls under the age of 18.⁵³

In tertiary education, the regional average is within the accepted range of gender parity, but this result hides large subregional differences. Globally, GPI in tertiary education is heavily skewed, as countries with limited national wealth have many more men than women in tertiary education while wealthier countries experience the opposite. Within the Arab region, GPI is 1.58 in GCC countries and 1.22 in Maghreb countries, while it is very low in LDCs, standing at 0.43 (figure I-26C). In some GCC countries such as Qatar and the United Arab Emirates, the enrolment rate for women is double that of men. In Qatar, men of the tertiary education age outnumber women by more than three times, but only three men are enrolled for every five women. GPI is thus 5.38 for tertiary education in the country. This could be the result of a combination of factors, including men going abroad for tertiary education or choosing a military career.

Women hold less than 20 per cent of paid jobs outside the agricultural sector. At the global level, women's share outside agriculture has slowly increased, from 35 per cent to 40 per cent. In the Arab region, their share has actually decreased in the last 20 years (figure I-28): only GCC and

Maghreb countries have experienced a small increase; LDCs and Mashreq countries have seen a decline.

The limited numbers of women who find paid employment are not on equal footing with men. On average, they are paid less than men for the same work. Women's wages in manufacturing as a share of men's wages in Egypt, Jordan, Palestine and the Syrian Arab Republic are 66 per cent, 68 per cent, 50 per cent and 79 per cent,

FIGURE I-27

Women in the Sudan aged 20-49 years and married before the age of 18, 2010 (Percentage)

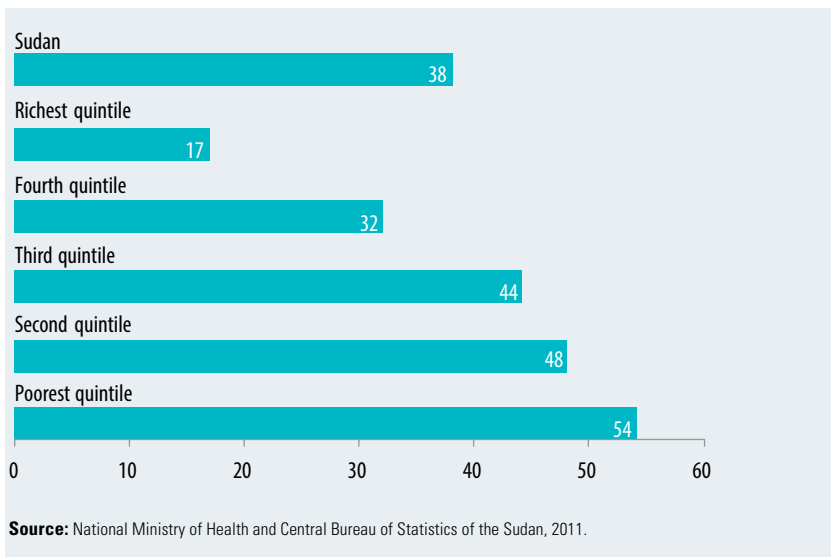
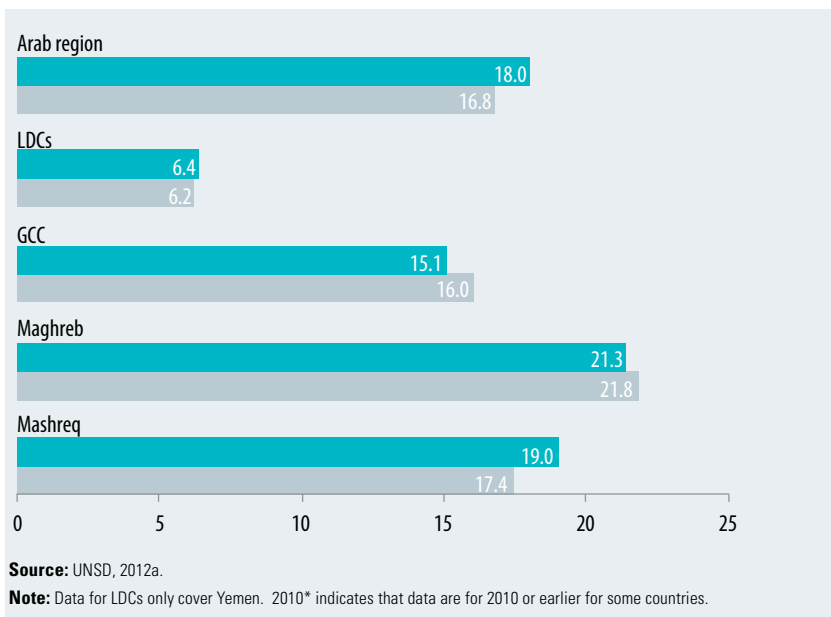


FIGURE I-28

Share of women in wage employment in the non-agricultural sector



respectively.⁵⁴ The gender pay gap remains poorly unexplained, beyond the general notion of gender discrimination as a factor in persistent exclusion. There can also be gender differences in time use, as women may prefer part-time or lower-paying occupations to carry out their care responsibilities at home.⁵⁵

Women across the region are underrepresented in senior management positions, such as legislators, senior officials and managers. In countries with available data, the highest share is in Kuwait at 14 per cent. For most other Arab countries, the share is below 10 per cent, with the lowest rate in Yemen at 2 per cent. Globally, women occupy only 25 per cent of senior management positions, but this is still much higher than in Arab countries.⁵⁶

Despite women's strong participation in political demonstrations in some countries in transition, there have been no successful efforts to systematically ensure a greater legislative representation of women

Women's political participation is increasing, but not fast enough

Women's representation in parliaments is rising, but the region is still far behind the rest of the world. Their share of seats rose from 2.6 per cent in 2000 to around 12.7 per cent in 2013 (figure I-29), compared to 20 per cent globally and 18 per cent in developing regions. Three Arab subregions are below the global average, while the GCC average is at 18.6 per cent, higher than the global average. The high GCC average is mainly due to Saudi Arabia, which increased women's share of parliament seats to 20 per cent in January 2013 by decree.

Despite women's strong participation in political demonstrations in some countries in transition, there have been no successful efforts to systematically ensure a greater legislative representation of women.

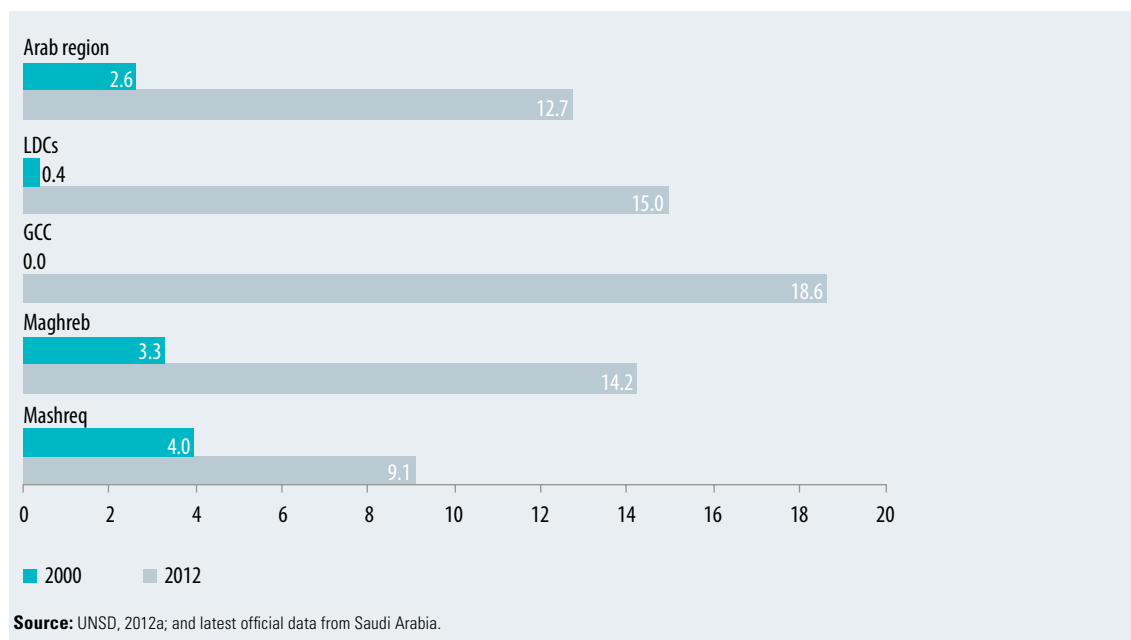
Women after Arab uprisings: Where are they in transitional processes?

In other parts of the world, political transitions were taken as opportunities to adopt measures that enhance women's roles in decision-making, such as quotas. These processes are indeed most effective when they are open to all and consider the priorities of all societal groups, particularly those of women who must be considered equal partners at all levels of decision-making. Gender equality must be integrated as a goal across all issues, particularly those that affect the future of a country.

In Arab countries, the social movements calling for change saw men and women standing together to bring down old regimes. Women took to the public spaces everywhere, even in countries which always rank very low on gender equality indexes.

In subsequent transitional processes, however, women have been far less visible, and there have been concerns about backtracking on achievements in women's rights. In Egypt, for instance, women were given only 7 per cent of seats in the Constituent Assembly tasked with drafting the

FIGURE I-29
Seats held by women in national parliaments (Percentage)



Creating opportunities for women in politics

The low level of political representation of Arab women is a result of cultural norms and stereotypes, as well as unstable political situations posing specific security risks. Arab women generally lack experience in leadership and campaigning skills and have a limited presence in political parties. Political systems in Arab countries have long discouraged broad participation: many were characterized either by one-party rule or a simple-majority electoral system, rather than proportional representation.

Overcoming barriers to women's political representation usually requires adopting special measures. Some countries introduced gender quotas, such as Algeria, Iraq, Jordan, Mauritania, Morocco, Palestine, the Sudan and Tunisia. Iraq used its transition period and the creation of its 2005 Constitution to set a 25 per cent quota for women's representation in Parliament, for example.

Quotas can help increase the number of female parliamentarians, but they are not the only option. Supporting measures can include designing electoral systems to encourage participation, training women leaders and mobilizing women's vote in political parties.

Source: ESCWA analysis.

constitution. In parliamentary elections in 2011, they won only 2 per cent of seats,⁵⁷ as an earlier 12 per cent quota system was abolished.

Transitional justice processes⁵⁸ have been launched in several countries, in which women should be assured equal participation. Reforms should move beyond a traditional general focus on justice and security to specifically redress past gender injustices. Tools towards that end could include legislative audits, the repeal of gender discriminatory legislation and the adoption of laws that advance women's rights, including through quotas.⁵⁹

Violence against women and girls deters their full participation in society

Violence against women and girls remains one of the region's biggest challenges, deterring women and girls from fully participating in all aspects of society. Fear of violence may prevent girls from exercising their right to go to school or women from seeking employment or running for political office, for example. In addition to types of violence such as domestic and sexual abuse, new forms have arisen against women who publicly participate in the achievement of change in their countries, including through social movements and protests. Women in public spaces have been taunted and attacked.

Statistics on violence are scarce, which is a sign that the phenomenon remains hidden and poorly understood. A 2011 global survey provided data only for Egypt, Jordan and Morocco, where 33.2 per cent, 20.6 per cent and 6.4 per cent⁶⁰ of women, respectively, reported experiencing some form of violence in their lifetime. Demographic health surveys in Egypt, Djibouti, Somalia and the Sudan reveal that the harmful practice of female genital mutilation is widespread, with rates exceeding 90 per cent.⁶¹

Women and girls have the right to live free of violence. The devastating effects violence are also not restricted to their personal well-being and the lives of their families: indeed, violence is not, as is sometimes incorrectly assumed, simply a private "family matter." It also negatively affects national economic and social development, as it limits the involvement of women and girls in education and the economy. Other costs stem from the need for additional social and health care, and legal services. Research on the matter suggests that violence has cost the Arab countries more than 3 billion Egyptian pounds (EGP) (US\$430 million) over the past three years, including for medical treatment and losses in labour productivity.⁶² Estimates of annual costs related to violence are of US\$5.8 billion in the United States of America, and of US\$11.38 billion in Australia.⁶³

Goal 4

Reduce child mortality

Target

Reduce by two thirds, between 1990 and 2015, the under-five mortality rate

Progress in reducing child mortality is slow

Child mortality has fallen by around one third in the region, but progress is still too slow and the target is unlikely to be met. Under-five mortality rates have declined by 36 per cent from 1990 to 2011, i.e. from 90 deaths per 1,000 live births to only 58. Despite population growth, the number of under-five deaths dropped from 605,000 in 1990 to 404,000 in 2011.

Three out of the four subregions have achieved or are close to achieving the target of reducing the under-five mortality rate by two thirds. However, LDCs made little progress in that field: the rate has fallen by only 15 per cent and the number of deaths actually grew from 236,000 in 1990 to 253,000 in 2011, thus holding back regional achievement.

Progress is similar when it comes to infant mortality, only a little slower as the region registered a 34 per cent decline from 1990 to 2011. Mashreq, Maghreb and GCC countries have all reduced corresponding rates by more than 50 per cent and the 2015 target is within reach. LDCs lag behind with only a 13 per cent reduction in the last two decades. Regionally, the number of deaths fell from 457,000 in 1990 to 309,000 in 2011, whereas it increased in LDCs, from 155,000 to 172,000.

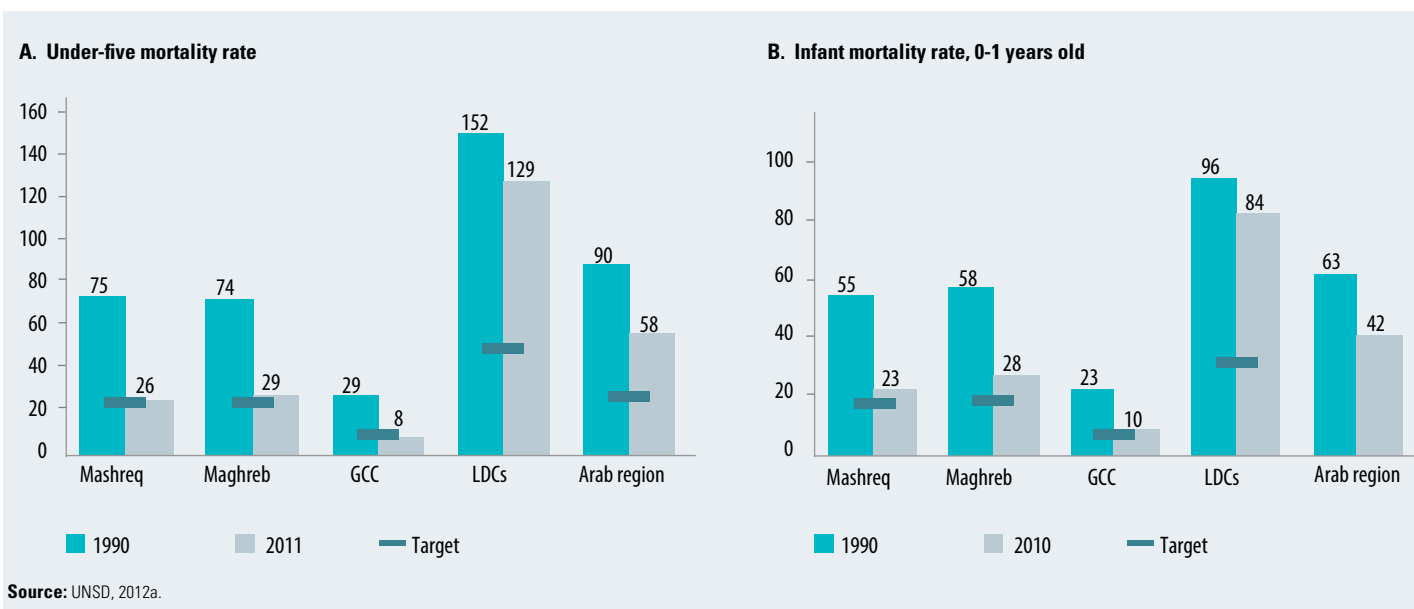
Countries with low mortality rates have made significant progress, challenging the conventional wisdom that as rates fall, progress slows down. In 1990, only two Arab countries had achieved an under-five mortality rate ranging between 10 and 20 deaths per 1,000 live births, and had thus joined the group of “low-mortality countries”.⁶⁴ By 2011, the number of Arab “low-mortality countries” had increased to five.

Progress in reducing under-five mortality has accelerated in 11 out of the 22 Arab countries

Three out of the four subregions have achieved or are close to achieving the target of reducing the under-five mortality rate by two thirds

FIGURE I-30

Child and infant mortality rates (Deaths per 1,000 live births)



in the last decade, as part of efforts to meet the MDG commitment.⁶⁵ The 3.7 per cent decrease per year during 1990-2000 has edged up to a 3.8 per cent decrease per year during 2000-2011

(figure I-31). But the rate remains below the 4.1 per cent average of all developing countries.

Progress has quickened in GCC countries and most notably in LDCs. In Lebanon, the rate of reduction has increased fourfold in the last decade, compared to the 1990s. In Saudi Arabia and the Sudan, the rate has doubled and tripled, respectively. Egypt and Oman have managed to sustain very high reduction rates since the 1990s.

National averages mask subnational disparities, however. In Yemen, the under-five mortality rate among the poor is triple the rate among the rich, and in Egypt, the rate among the poor is two and half times the rate among the rich (figure I-32A). Such important disparities are also registered between urban and rural areas.

Disparities are also linked to the mother's education level, an important factor that affects child survival. The children of educated mothers have much lower mortality rates. Also, the impact of the mother's education level is higher in North Africa and Western Asia than in all other developing regions (figure I-32B).

The children of educated mothers have much lower mortality rates

FIGURE I-31

Average annual reduction in under-five mortality rates
(Percentage)

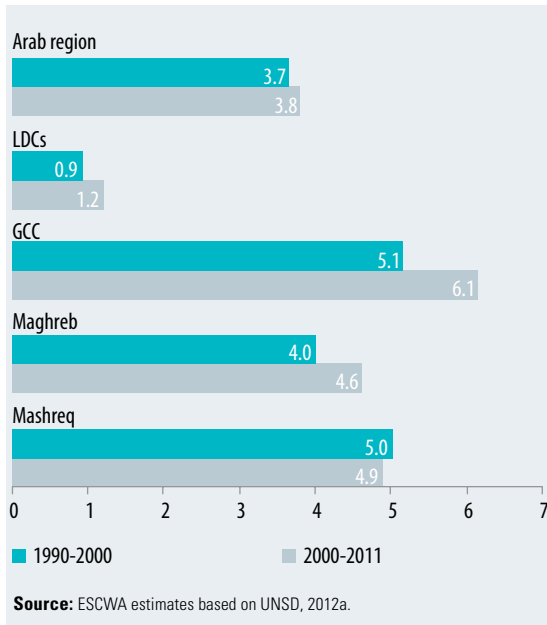
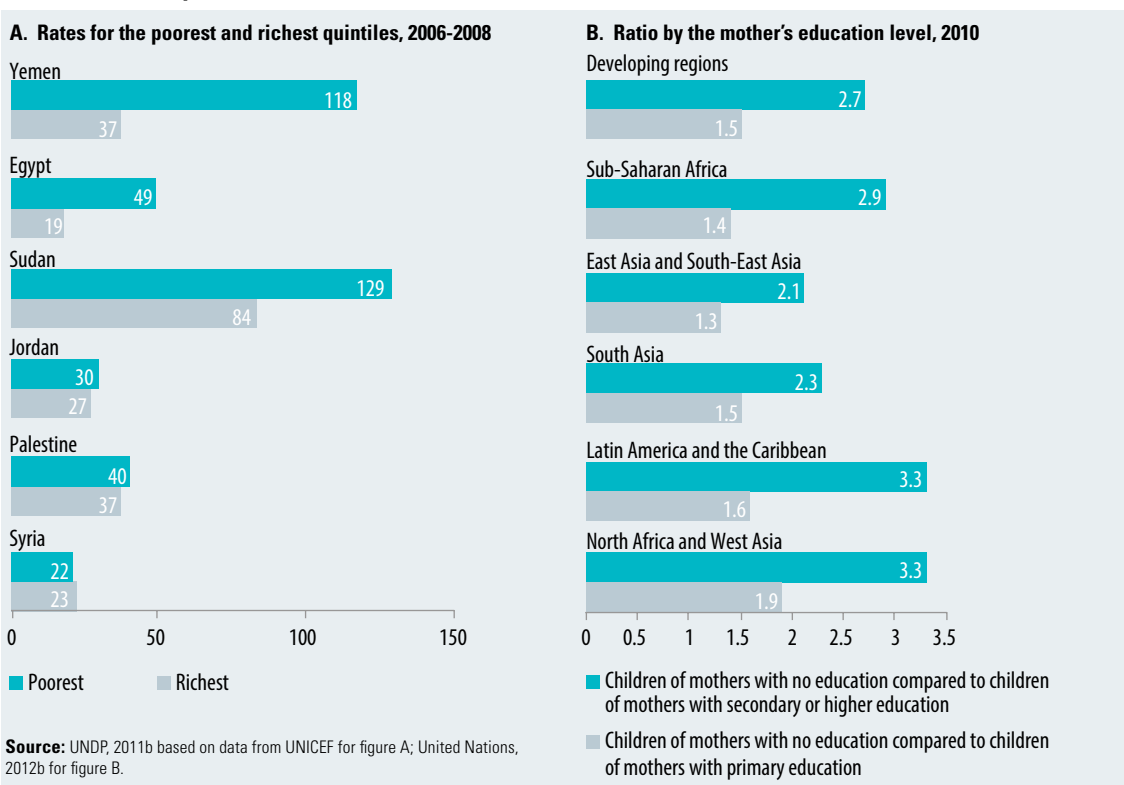


FIGURE I-32

Under five mortality (Per 1,000 live births)



Infants in the first month of life are at high risk of dying

Regional neonatal mortality rates, covering deaths in the first month after birth, have declined from

Neonatal mortality requires specific health interventions, different from those designed to address other under-five deaths

29 per 1,000 live births in 1990 to 21 per 1,000 live births in 2011 (figure I-33). This 27 per cent reduction is significantly lower than the reductions by 36 per cent and 34 per cent of under-five and infant mortality rates, respectively, which means that the proportion of deaths occurring during the first month after birth is increasing, in consistency with global trends. Worldwide, the share of neonatal deaths among under-five deaths increased from about 36 per cent in 1990 to about 43 per cent in 2011. In the Arab region, the share increased from 35 per cent in 1990 to 42 per cent in 2011. The number of neonatal deaths in the region fell only marginally from 212,000 to 168,000.

In the Mashreq and Maghreb subregions, the difference between the reduction in under-five mortality rates and neonatal mortality rates is very important. The share of neonatal deaths is growing at a striking pace in Maghreb countries particularly, with 57 per cent of under-five deaths in 2011 occurring in the first month of life, compared to 44 per cent in 1990.

The causes of neonatal mortality are generally different from the causes of the deaths of children. More than 50 per cent of neonatal mortality is related to preterm birth complications and complications during birth. Therefore, neonatal mortality requires specific health interventions,

different from those designed to address other under-five deaths.

Cost-effective interventions, both preventive and curative, are possible at the community level, and do not all require investments in advanced medical facilities. For example, early postnatal home visits are effective in promoting healthy behaviour such as early and full breastfeeding and clean cord care, and would encourage more mothers to visit health-care centres regularly. Neonatal infections can be treated as childhood pneumonia, diarrhoea and malaria are. Skilled care for mothers during pregnancy, as well as during and after delivery, can also greatly contribute to the survival of their children. Overall, an effective chain of prevention and care should extend from pregnancy to birth and beyond, including both mothers and children.⁶⁶

A child born in one of the LDCs has a lower chance of surviving to the age of 40

Another way of assessing health risks and the quality of health care is to look at the chances a newborn child has of surviving to the age of 40. A child born in one of the Arab LDCs has a 22 per cent probability of not surviving until 40, a rate above those registered in other subregions (figure I-34).

FIGURE I-33
Neonatal mortality per 1,000 live births

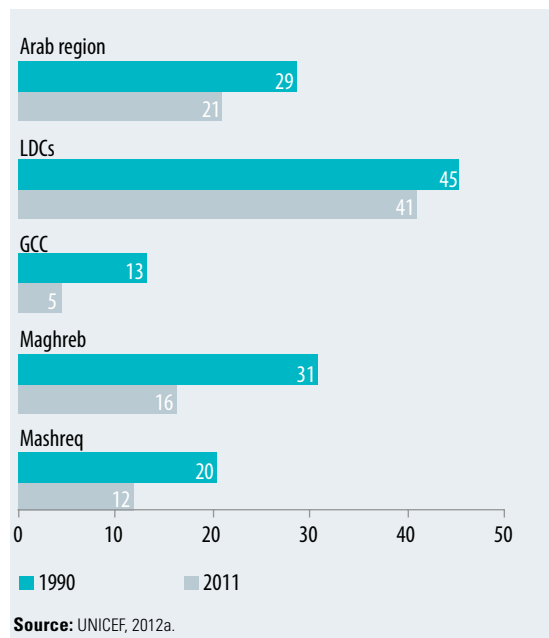


FIGURE I-34
Probability at birth of not surviving to age 40, as a percentage of the cohort

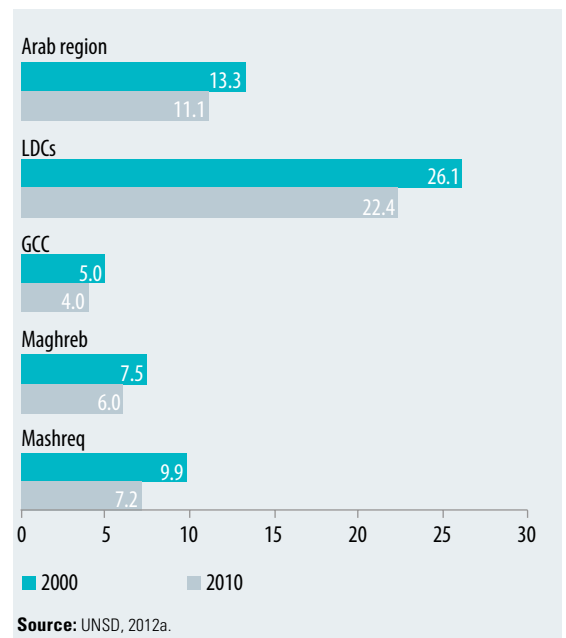
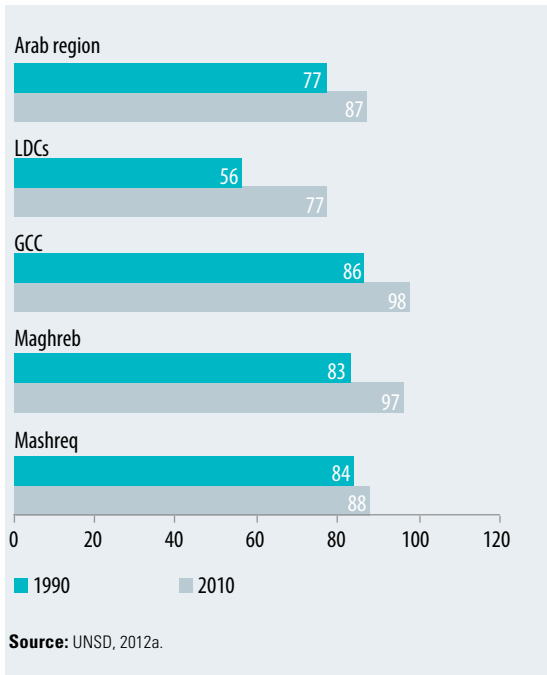


FIGURE I-35

One-year-old children immunized against measles
(Percentage)

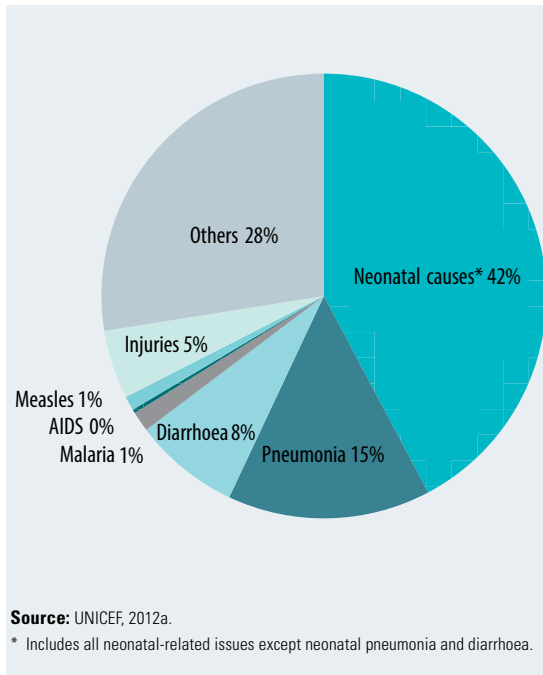


Improved measles vaccination coverage is saving lives

The Arab region has improved vaccination rates remarkably, from 77 per cent to 87 per cent over the past two decades (figure I-35). All subregions have seen significant increases, despite slow progress in Mashreq countries. In 2011, 15 out of 22 countries reported coverage of DPT3⁶⁷ above the targeted 90 per cent. Widespread measles vaccinations in the Eastern Mediterranean region,⁶⁸ which includes most Arab countries, has

FIGURE I-36

Causes of death among children under five in the Arab region, 2010
(Percentage)



Pneumonia and diarrhoea are now the major causes of death among children in the Arab region

led to a remarkable 90 per cent drop in deaths related to measles, from an estimated 96,000 in 2000 to 11,295 in 2011.⁶⁹

Pneumonia and diarrhoea are now the major causes of death among children in the Arab region. Together, they account for one-in-four deaths among children under the age of five (figure I-36). Despite the recent increase in the number of countries introducing new life-saving vaccines, uptake is considered generally slow, especially in middle-income countries, mainly because of the relatively high prices of vaccines.

Goal 5

Improve maternal health

Antenatal care coverage is improving across the region, but progress is marginal in LDCs

Target

Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio

Achievements in reducing maternal mortality are uneven

The regional maternal mortality ratio has decreased by 27 per cent between 1990 and 2010 (figure I-37). A decline of more than 60 per cent was registered in the Mashreq and Maghreb subregions, which are close to the target of reducing the ratio by three quarters. Remarkably, GCC countries have halved their ratio in the same period and reached the level of 15 deaths⁷⁰ per 100,000 live births in 2010, thus achieving more progress than developed regions where the average was 16 deaths per 100,000 live births in the same year.⁷¹

Progress is slower in the region since 2000, however (figure I-38). It had actually stalled in three of the four subregions in 2000-2010, compared to the 1990s. Only 9 out of the 22 Arab countries have registered stronger progress since 2000. A number of factors underlie maternal mortality, such as lack of access to health care and poor-quality health care. Legal barriers to safe and reliable contraception and lack of affordable and safe abortion services also impede progress in that area.

Target

Achieve, by 2015, universal access to reproductive health

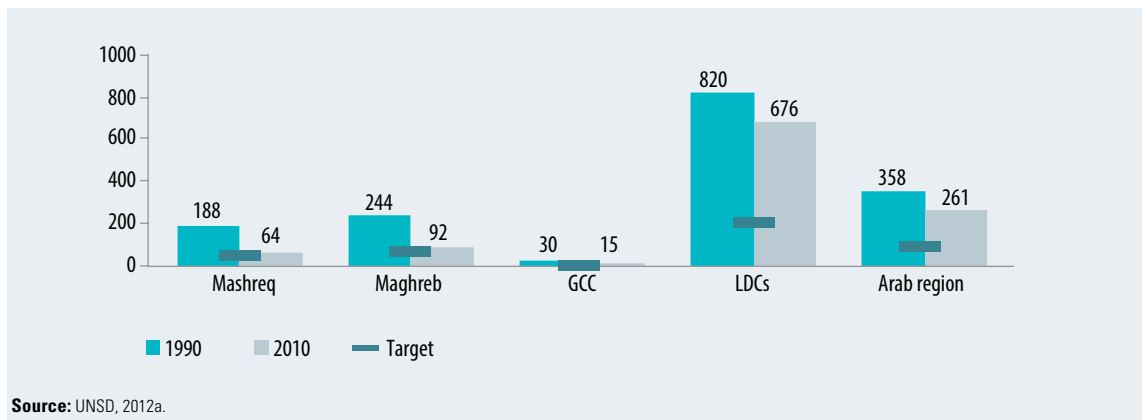
Improved access to reproductive health care is key to addressing maternal mortality in LDCs

Worldwide, around 80 per cent of maternal deaths would be avoided if women had access to essential maternity and basic health-care services.⁷² In the Arab region, more than two thirds of births are attended by skilled health personnel, with an increase from 54 per cent in the 1990s to 69 per cent most recently (figure I-39A). While Mashreq countries can claim significant achievements, progress in LDCs is close to zero, and only one in three births were attended by skilled health personnel there, a rate well below the average of sub-Saharan Africa (45 per cent).

Antenatal care coverage is improving across the region, but progress is marginal in LDCs. The time before birth is critically important for reaching women with interventions and information that promote the health, well-being and survival of both mothers and babies. The regional rate of women attended at least once during their pregnancy by skilled health personnel has risen from 53 per cent to 70 per cent

FIGURE I-37

Maternal mortality ratio per 100,000 live births

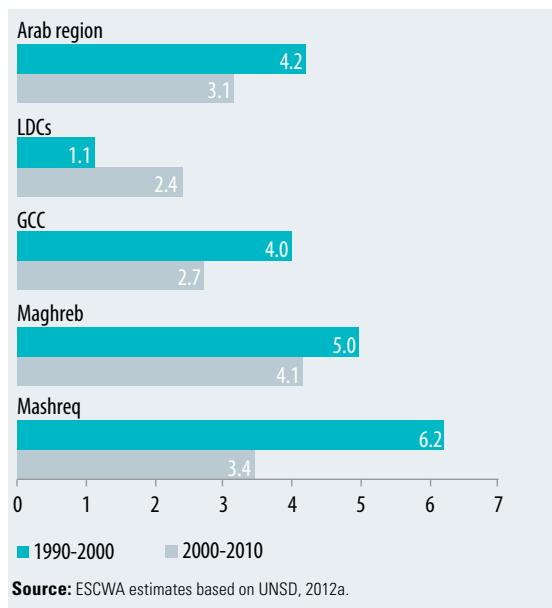


(figure I-39B). GCC countries are close to universal access to antenatal care, strong progress has also been registered in Mashreq and Maghreb countries. However, as with skilled attendance at birth, progress in LDCs is insignificant.

Despite overall increases in the share of births attended by skilled health personnel

FIGURE I-38

Average annual reduction rate in maternal mortality
(Percentage)



and improved antenatal care coverage, large disparities persist between the richest and poorest households (figure I-40A and figure I-40B). With the exception of Yemen, there is close to universal coverage in both indicators for the richest quintile in the region. But the poorest quintile and rural areas still suffer from a lack of access to services. In Egypt for example, skilled health personnel attend 55 per cent of births in the poorest households, a rate which reaches 97 per cent in the richest households. Inequalities are also striking in the Sudan and Yemen.

Nearly half of married women use contraceptives (figure I-41B). But there are strong disparities among countries, ranging from rapid increases in contraceptive use in some to declines in others. Access to safe, affordable and effective methods can help in reducing maternal and infant mortality by preventing unintended and/or closely spaced pregnancies.

Very early childbearing involves higher health risks for both mothers and babies. All subregions have reduced the number of teenage pregnancies (figure I-41A). GCC and Maghreb countries have also significantly decreased teenage pregnancy rates, while LDCs and Mashreq countries continue to register high rates.

The poorest quintile and rural areas still suffer from a lack of access to services

FIGURE I-39

Progress in maternal health (Percentage)

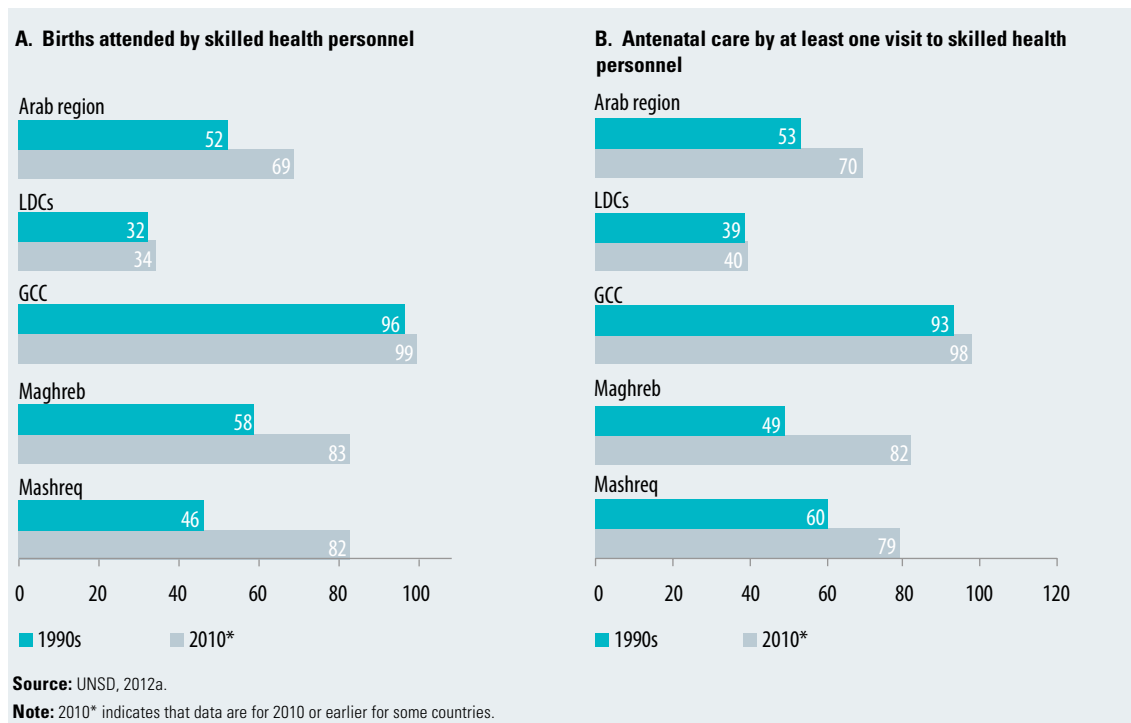
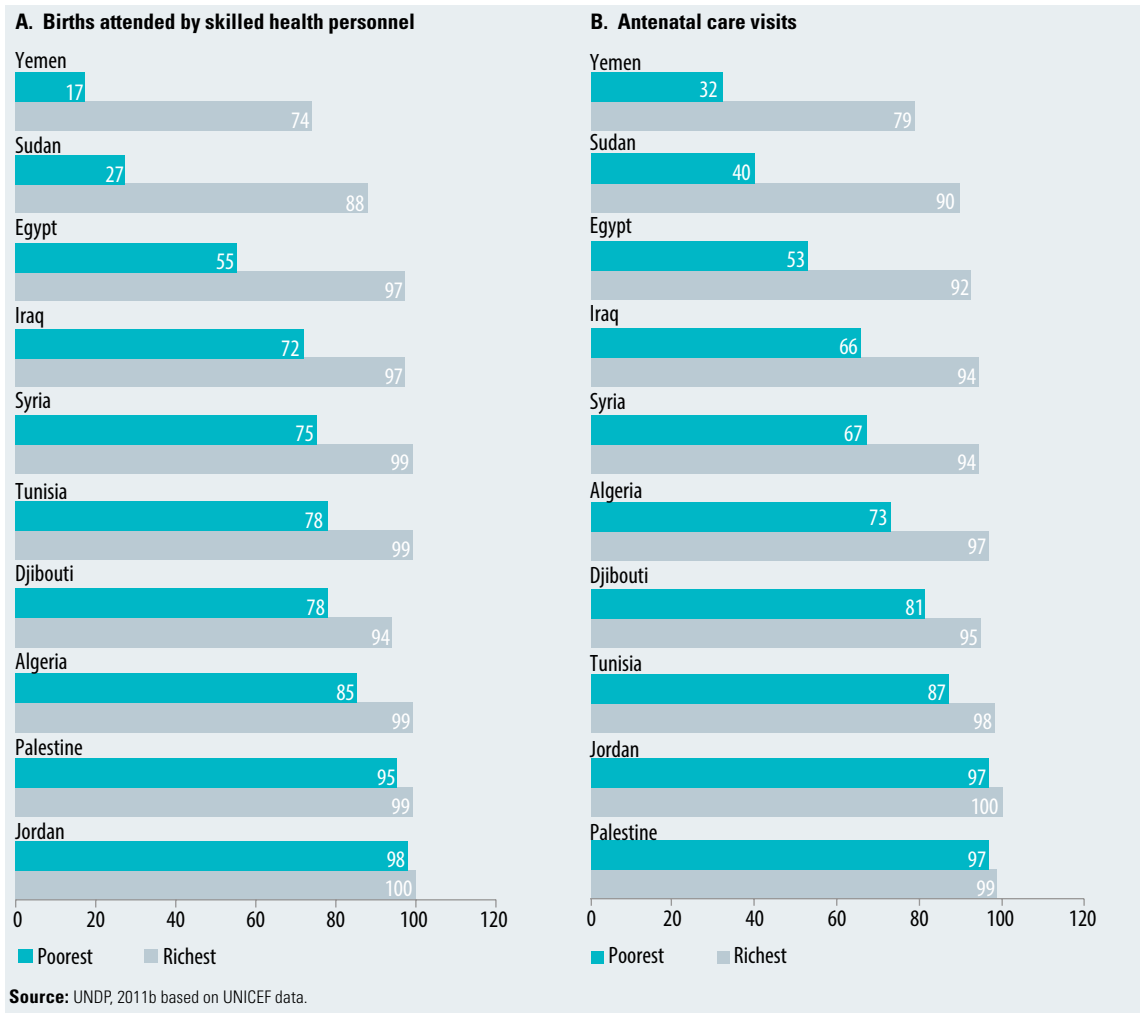


FIGURE I-40

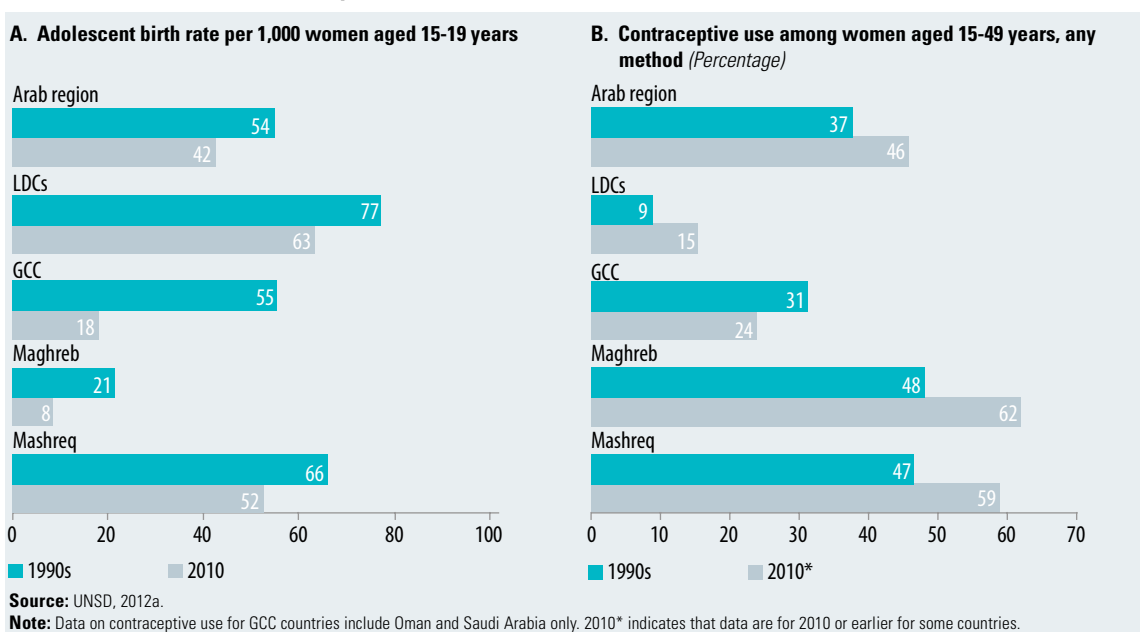
Maternal care for the richest and poorest quintiles in selected Arab countries, 2006-2008 (Percentage)



Access to safe, affordable and effective methods can help in reducing maternal and infant mortality by preventing unintended and/or closely spaced pregnancies

FIGURE I-41

Adolescent birth rate and contraceptive use



Goal 6

Combat HIV/AIDS, malaria and other diseases

Target

Have halted by 2015 and begun to reverse the spread of HIV/AIDS

Target

Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it

The number of people living with HIV is increasing, but more people have access to treatment

Recent UNAIDS (Joint United Nations Programme on HIV/AIDS) estimates⁷³ indicate an increase in new HIV infections and AIDS-related deaths registered in the Arab region. Between 2001 and 2011, the estimated number of people living with HIV increased from 166,000 to 226,000. This was mainly due to an increase in LDCs, which registered 25,000 new HIV cases during that period. In Maghreb countries, the number of people living with HIV doubled (figure I-42A).

Since 2001, the number of people registered as newly infected with HIV has increased by more than 35 per cent in the region, from 27,000 to

37,000. Between 2005 and 2011, there was also a significant 27 per cent jump in AIDS-related deaths, from 14,000 to 17,000.

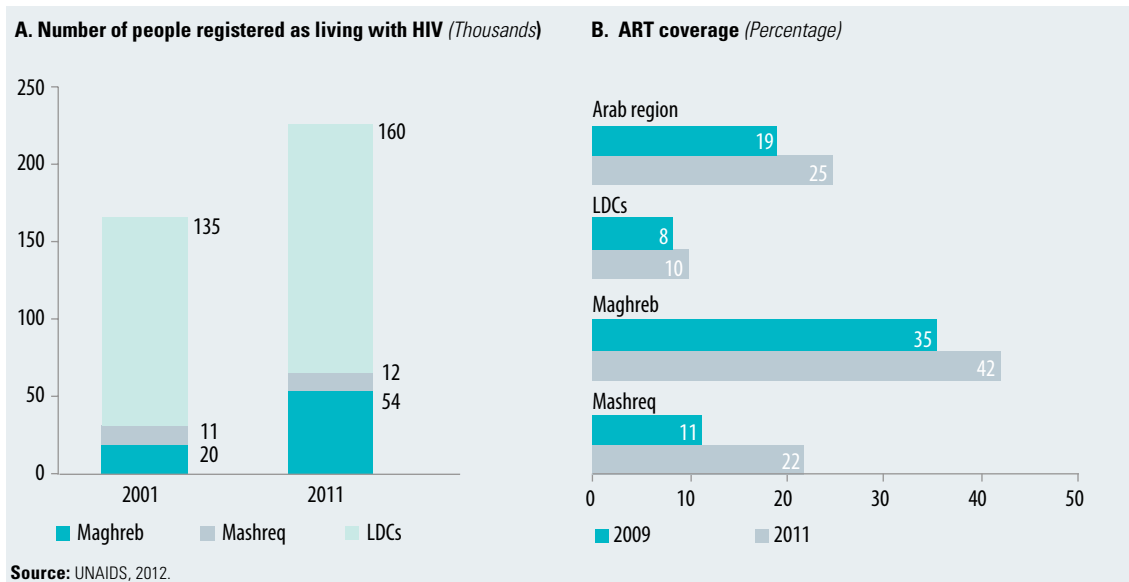
Efforts are being made to increase the coverage of HIV treatment, nevertheless it is still insufficient. Stigma and discrimination remain barriers for access to prevention and treatment services. Estimated antiretroviral therapy (ART) coverage has risen from 18.8 per cent in 2009 to 24.7 per cent in 2011 (figure I-42B). In the same period, the number of people with access to HIV treatment increased by more than 50 per cent, from 10,364 to 15,982.

Punitive laws and practices hamper effective HIV responses. Four Arab countries have a blanket ban on entry by people living with HIV—Oman, the Sudan, the United Arab Emirates and Yemen. Egypt and Qatar require that individuals who wish to stay for short periods of time (10-90 days) demonstrate that they are HIV-negative. All GCC countries impose HIV-related restrictions for migrant workers, all of whom are subjected to mandatory HIV tests. Migrants who are HIV-positive are often quarantined, summarily deported and denied appropriate health care.

Efforts are being made to increase the coverage of HIV treatment, nevertheless it is still insufficient

FIGURE I-42

HIV incidence and treatment



Target

Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases

Stopping malaria and other major diseases remains a key challenge in LDCs

In 2010, the region had about 1.79 million malaria cases. Five of the six Arab LDCs face serious health concerns related to that disease: the Comoros, Mauritania, Somalia, the Sudan and Yemen. Regionally, the number of deaths of children under the age of five due to malaria had stagnated at around 11,000 per year since 2000: in 2010, an estimated 10,180 children under five died, 8,218 of which lived in Somalia and the Sudan.⁷⁴ In Djibouti, the malaria burden is very minimal, yet the country is prone to periodic epidemics following unexpected rain or population movements.

Making sure that children sleep under long-lasting insecticide-treated nets (LLIN) can be an important and relatively cheap measure to reduce malaria. The use of those varies across four of the Arab LDCs for which data are available, and it also varies between urban and rural areas within countries. Generally, usage is low. In the Sudan and Yemen, only 15.5 per cent and 7.8 per cent of children under the age of five slept under LLIN in 2010, respectively. The average in sub-Saharan Africa was 39 per cent. The share of children with fever receiving anti-malarial treatment also varies across countries. While more than 50 per cent received such treatment in the Comoros and the Sudan, the share was less than 10 per cent in Djibouti and Somalia.⁷⁵

Tuberculosis (TB) incidence rates⁷⁶ are falling in the region, but slowly. Since 1990, TB incidence had dropped by 20 per cent, from 77 cases per

100,000 people in 1990 to 62 per 100,000 in 2010 (figure I-43A). All subregions had witnessed a reduction, but there were large discrepancies among LDCs: the Comoros and Yemen had achieved significant decreases while the four remaining countries had sustained very high incidence rates.

Regional reductions in TB prevalence⁷⁷ have also been considerable since 1990, and appear to have accelerated since 2000. Nonetheless, current forecasts indicate that Arab countries need to enhance their efforts in order to achieve the target of halving prevalence by 2015.

The region is closing in on a 50 per cent decline in TB death rates. Figures had fallen from 13 deaths per 100,000 people in 1990 to 9 per 100,000 in 2010 (figure I.43B). If current trends persist, the Stop TB Partnership target of halving 1990 death rates by 2015 can be achieved in all Arab subregions.

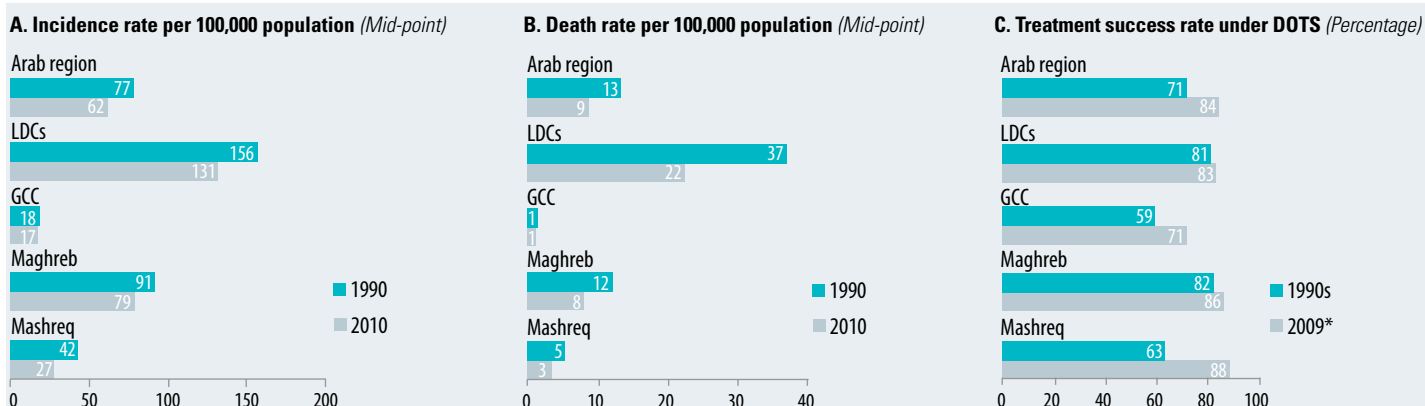
More TB patients are successfully treated, and the region is close to the global target of 85 per cent treatment success among detected cases (figure I-43C).⁷⁸ Significant progress has been made through the internationally recommended Directly Observed Treatment Shortcourse (DOTS). In 2009, 84 per cent of patients were successfully treated, a figure slightly below the target, mainly due to a relatively low success rate in some GCC countries. The three other subregions are above or very close to the 85 per cent target.

The region faces a growing threat from hepatitis B and C. Chronic liver disease related to viral hepatitis has become a leading public health problem. The World Health Organization (WHO) estimates that around 4.3 million people are infected with hepatitis B in the Eastern Mediterranean region every year.⁷⁹ Worldwide, Egypt has one of the highest rates of chronic infection with hepatitis C, at 15 per cent.⁸⁰

More TB patients are successfully treated, and the region is close to the global target of 85 per cent treatment success among detected cases

FIGURE I-43

Tuberculosis rates



Source: UNSD, 2012a.

Note: 2009* indicates that data are for 2009 or earlier for some countries. ** Directly observed treatment shortcourse

Goal 7

Ensure environmental sustainability

Target

Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

Target

Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss

Per capita carbon dioxide emissions in GCC countries are higher than in developed regions

Carbon dioxide (CO₂) emissions are increasing, yet at a slower pace than in the early 2000s. In 2009, the latest year for which data are available, emissions reached 1.5 billion metric tons (figure I-44A), representing a 3 per cent increase from

2008. That rate is lower than the average annual increase of 6 per cent in the period 2002-2007. However, 2009 emissions were more than twice the amount of 1991, mainly due to an increase in GCC countries, and in Mashreq country emissions, which have also doubled.

Globally, per capita emissions are highest in developed regions and reach an average of 11.2 metric tons. In the Arab region, per capita rates are highest in GCC countries, at 19 metric tons (figure I-44B). Regional per capita emissions have increased in the last two decades, again mainly due to GCC countries. Emissions per unit of GDP fell by 33 per cent in the region, due to a decrease of 37 per cent, 20 per cent and 40 per cent in the Mashreq, Maghreb and GCC countries, respectively (figure I-44C).

In the Arab region, per capita rates are highest in GCC countries, at 19 metric tons

FIGURE I-44
CO₂ emissions

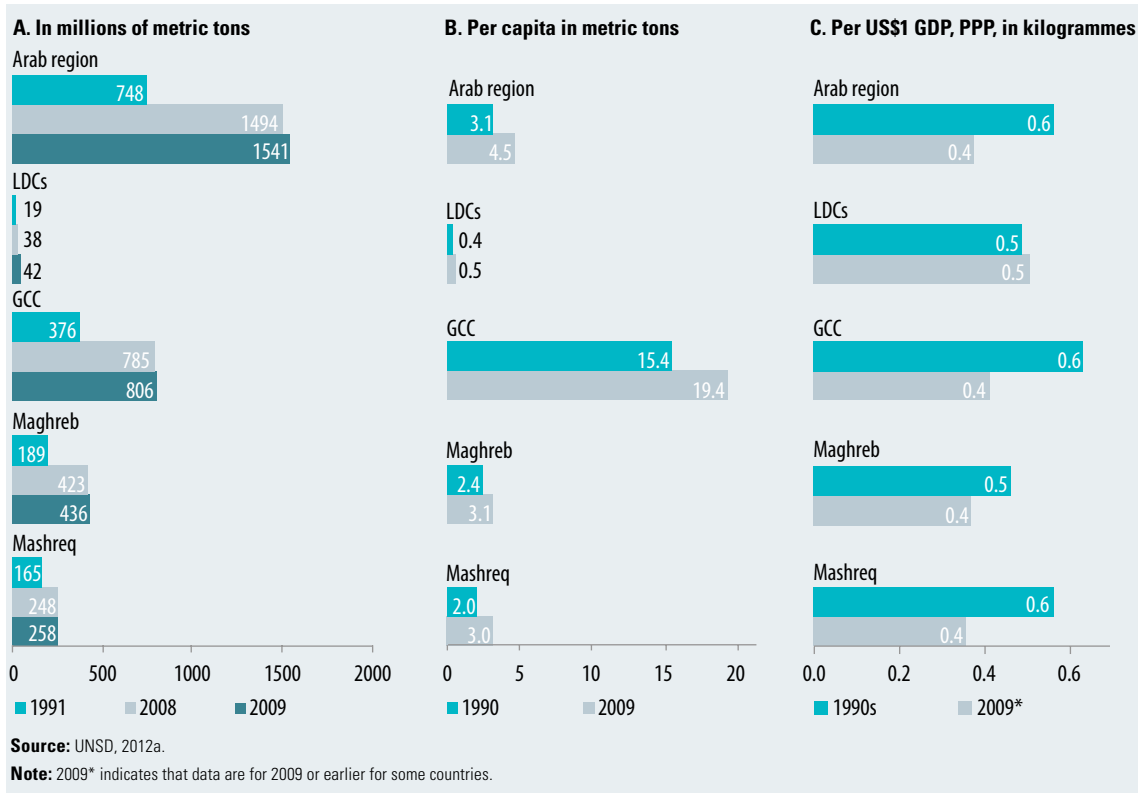
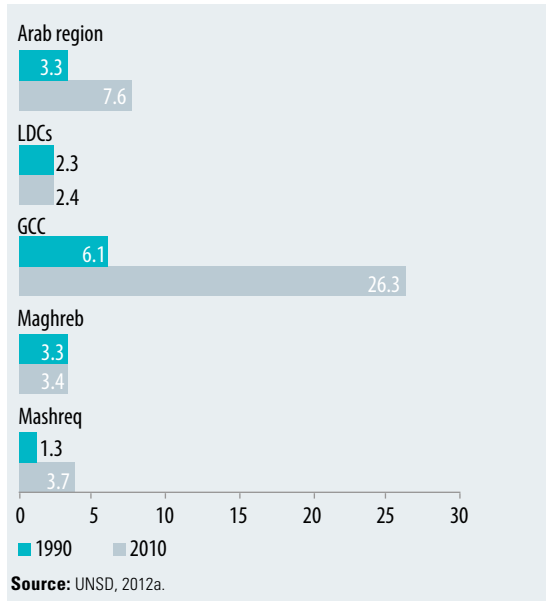


FIGURE I-45

Terrestrial and marine protected areas as a percentage of total territorial area



Climate change threatens to aggravate water scarcity and food insecurity

The Arab region will greatly suffer from climate change, including through water scarcity, desertification, reduced agricultural productivity, food insecurity, seawater rise, inundation of fertile lands and coastal infrastructure, and the loss of biodiversity. A United Nations Environment Programme (UNEP) index of water stress

vulnerability, measured by indicators of resource stress, development pressure and ecological health, concluded that all countries of the West Asia⁸¹ region are highly vulnerable. Water variation, which is a natural factor, and water exploitation both contribute to this vulnerability.⁸²

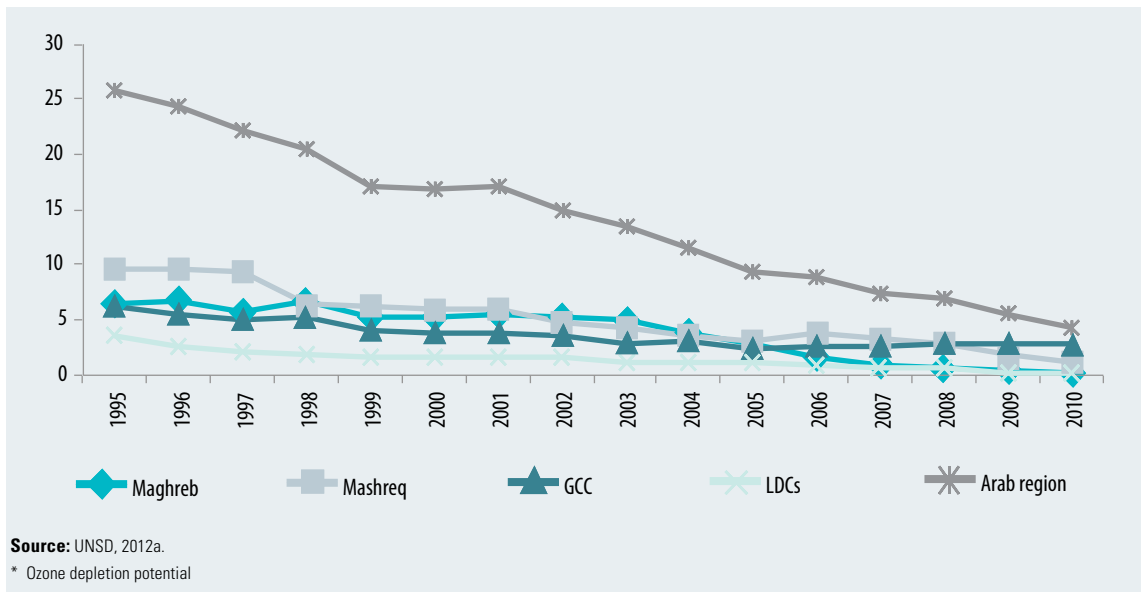
The region is increasingly protecting marine and terrestrial areas. However, most Arab countries have not yet adopted national sustainable development policies to link environmental, social and economic priorities. By 2012, protected areas covered 7.6 per cent of total territory (figure I-45), which represented a doubling in size since 1990. The increase was mainly due to an expansion of such areas in GCC countries. Algeria, Egypt and the Sudan have also protected larger terrestrial and marine areas.

Significant decline in the consumption of ozone-depleting substances

In 2012, the region had reason to celebrate the twenty-fifth anniversary of the Montreal Protocol on Substances that Deplete the Ozone Layer. Consumption of ozone-depleting substances had dropped by 83 per cent between 1995 and 2010 (figure I-46).⁸³ Maghreb countries and LDCs had led the decline, with a rate of 98 per cent, while Mashreq countries had decreased their consumption by 88 per cent. GCC countries had also reduced their consumption, but only by 56 per cent.

FIGURE I-46

Consumption of all ozone-depleting substances in ODP* (Thousand metric tons)



Target

Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation

Millions have benefited from improved access to safe drinking water, but some countries still have acute shortages

Between 1990 and 2010, coverage with improved access to safe drinking-water sources⁸⁴ in the Arab region reached 81 per cent (figure I-47A). While a number of Arab countries are on track to meet the water target, access has declined in Algeria, Iraq, Palestine, the Sudan and Yemen. Challenges in those countries can generally be attributed to water shortages, inadequate water management, lack of financial resources and insufficient investment. Conflict and instability can also curtail access to water.

Despite shortfalls, Algeria, Iraq, Palestine, the Sudan and Yemen have provided millions more people with access to drinking water since 1990. Iraq and the Sudan are among the Arab countries that have extended access to the highest numbers of people since 1995. Access to safe water markedly differs between urban and rural areas across the region. While 89 per cent of people in urban areas have access to improved drinking-water sources, only 73 per cent of rural dwellers do. This situation has a negative impact on their

daily lives, especially those of women and children who often bear the burden of fetching water over long distances.

Access to sanitation is improving, less so in rural areas

The region has performed better on access to sanitation than on access to water. Improved sanitation coverage⁸⁵ rose from 64 per cent in 1990 to 75 per cent in 2010 (figure I-47B), with increases in almost all countries. In Egypt, for example, the number of people without access to improved sanitation fell from more than 16 million in 1990 to less than 5 million in 2010, as coverage increased from 72 per cent to 95 per cent of the population. However, rural areas remain behind, especially in LDCs, where improved sanitation is only available to roughly one in five people. Despite this trend, Yemen has achieved strong progress in rural areas, increasing access from 12 per cent to 34 per cent.

In discussing water supply and sanitation coverage, this report draws on 2010 data. But since then substantial changes may have been caused by conflicts in countries such as Libya, Somalia, the Syrian Arab Republic and Yemen. Access to water and sanitation generally deteriorates in conflict and post-conflict contexts, where infrastructure may be destroyed and investments in improvements delayed.

Access to safe water markedly differs between urban and rural areas across the region

BOX 1-5

In Yemen, water supplies fall far short of demand

Yemen is one of the most water-stressed Arab countries. Demand is rising with population growth and increased per capita demand, even as water resources decline due to the overpumping of aquifers and an unsustainable water management practice called aquifer mining.

Even before the civil unrest that swept across Yemen in 2011 and 2012, some 4.5 million children lived in households with no access to safe drinking water. Over 5.5 million children had no access to adequate sanitation. In Sana'a and many other large cities, public services do not function properly and water is supplied intermittently. A growing number of families rely on expensive truck-provided water.

In 2011, in a UNICEF (United Nations Children's Fund) social protection monitoring survey that tracked water availability in sampled households in the governorates of Sana'a, Amran and Hodeida, 63 per cent of households reported a decline in water consumption in June. In September, that figure was halved to 32.5

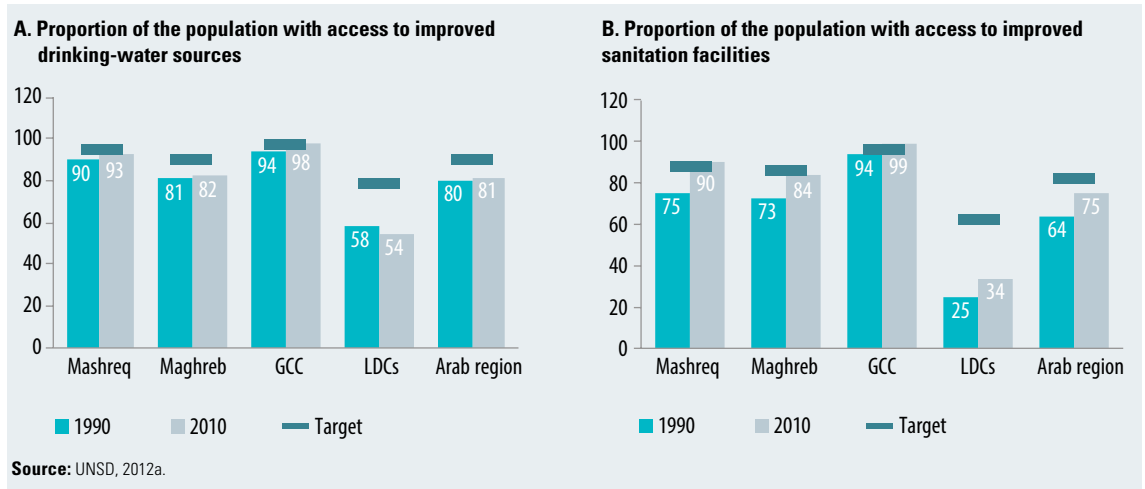
per cent, an improvement which coincided with that of the availability of electricity during the month of Ramadan (August 2011). The decline in water consumption had coincided with a high prevalence of diarrhoea among children under five: it had reached 46 per cent in June and declined to 21.8 per cent in September.

Source: WHO and UNICEF, 2010.

Note: Aquifer mining refers to the over-extraction of groundwater storage, generally for irrigation, which leads to the depletion of aquifers. Aquifers are of two types: replenishable and non-replenishable ones. When the replenishable aquifers are depleted, the maximum rate of pumping is automatically reduced to the rate of recharge. In the case of non-replenishable aquifers, depletion brings pumping to an end.

FIGURE I-47

Access to improved drinking-water sources and sanitation facilities



Target

By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers

The proportion of people living in urban slums varies across countries: LDCs have the highest concentration

Some Arab countries have almost eliminated slums; in others, conflict has fanned their growth. In the developing world, the share of urban residents living in slums declined from 39 per cent in 2000 to 33 per cent in 2012, but the absolute number of slum dwellers has continued to rise, from a 1990 baseline of 650 million to an estimated 863 million people.⁸⁶ In some Arab countries, slum dwellings are in isolated pockets,

but in most LDCs, more than two thirds of urban residents live in slums (figure I-48).

Some Arab countries have made remarkable progress in improving the conditions of slum dwellers. Egypt, Morocco and Tunisia have made notable national commitments to upgrading slums using different models. Tunisia was the first Arab country to eliminate slums through SNIT (Société Nationale Immobilière Tunisienne) and ARRU (Agence de Réhabilitation et de Rénovation Urbaine). However, informal settlements in Tunisia, remain a challenge—an estimated 30 per cent of housing production is informal. Morocco reduced the number of its slums by 65 per cent between 1990 and 2010, thus decreasing the share of the slum population from 37 per cent to 13 per cent of urban residents. A government programme, Cities without Slums, upgraded 250 neighbourhoods in 25 cities.

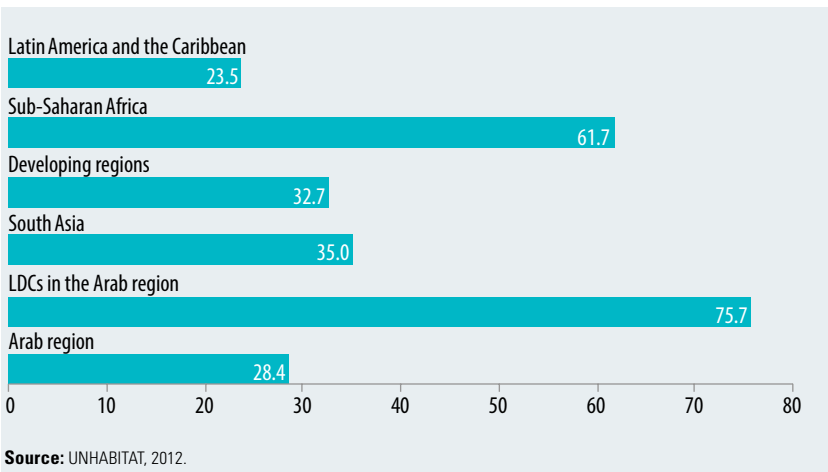
In countries affected by conflict and political instability, such as the Comoros, Iraq, Lebanon, Somalia, the Sudan and Yemen, 50 per cent to 95 per cent of urban residents live in slums. Conflict forced many people to slums, refugee camps and informal settlements, within or beyond national borders.

Urban growth in the region often happens illegally and under precarious environmental conditions. Some of the most significant challenges to the more sustainable development of Arab cities include declining fresh water resources and the lack of efficient systems for solid waste and wastewater collection, treatment and safe disposal. Cities should also be equipped to manage the effects of climate change.

Conflict forced many people to slums, refugee camps and informal settlements, within or beyond national borders

FIGURE I-48

Urban slum population as a percentage of total urban residents (Latest available data)



Goal 8

Develop a global partnership for development

Target

Develop further an open, rule-based, predictable, non-discriminatory trading and financial system

Developed countries now admit a higher share of Arab exports free of duty, but the region is still unable to fully utilize the potential of free trade

During the past decade, Arab countries have undertaken significant steps towards trade liberalization, and regional and global economic integration. They implemented a number of regional agreements including the Greater Arab Free Trade Area (GAFTA), GCC and the Arab Maghreb Union (AMU). Twelve Arab countries are members of the World Trade Organization (WTO) and nine more are negotiating WTO membership.⁸⁷ Most countries are eager to sign multilateral and bilateral free trade agreements, particularly with developed countries such as the United States, members of the European Union and members of the European Free Trade Association (EFTA).

Arab countries face fewer trade barriers today than in 1990. In 2010, 94 per cent of non-oil exports to developed countries were free of duty, a significant improvement over 48 per cent in 1996 (figure I-49). The Maghreb region achieved major progress, with Algeria and Tunisia registering the largest increases from 16 per cent and 9 per cent in 1996 to 100 per cent and 96 per cent in 2010, respectively. Mashreq and GCC countries also experienced considerable progress, with the exception of Palestine, where the share of duty-free exports oscillated from 81 per cent in 1996 to 1 per cent in 2001, and then back to 80 per cent in 2010. Arab LDCs had a high percentage of duty-free exports throughout this period.

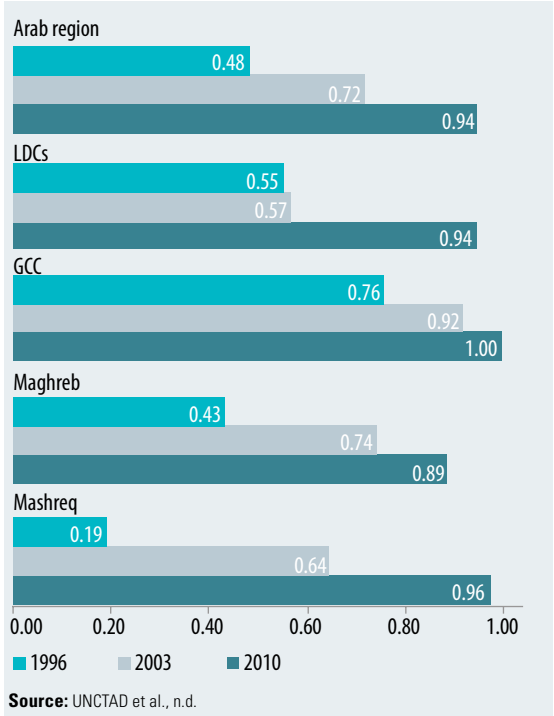
Under the most-favoured-nation (MFN) treatment principle, average tariffs on agricultural goods, textiles and clothing exports from Arab countries did not undergo any significant change during the past decade, with a rate of 10 per cent in 1996 and 9 per cent in 2010 (figure I-50). It

is likely to have remained so in 2011 and 2012. The average MFN tariff imposed on LDCs was the lowest in the region, reaching 7 per cent in 2010. From 1996 to 2010, MFN tariffs applied to LDCs had also seen the greatest decline, of about 12.5 per cent. Mashreq and Maghreb countries witnessed a decline of around 10 per cent during the same period.

The average preferential tariffs applied on agricultural goods, textiles and clothing exports from Arab countries decreased from 8 per cent in 1996 to 6 per cent in 2010 (figure I-51). Rates are likely to have remained stable in 2011 and 2012. Mashreq countries and LDCs showed the most significant declines, of 39 per cent and 34 per cent, respectively. LDCs continue to be subject to the lowest level of preferential tariffs, which reached 3 per cent in 2010.⁸⁸

The average preferential tariffs applied on agricultural goods, textiles and clothing exports from Arab countries decreased from 8 per cent in 1996 to 6 per cent in 2010

FIGURE I-49
Proportion of total imports of developed economies from Arab countries, by value, admitted free of duty, for all product categories excluding arms and oil



Arab countries are still unable to fully realize the benefits of the increasingly favourable conditions for trade. This is due to a number of factors, including overvalued exchange rates, supply constraints and a general weakness in non-oil

export promotion strategies. Consequently, non-oil commodity exports still represent only a small fraction of total Arab exports to developed economies, and the share of manufactured goods also remains low.

Arab countries are still unable to fully realize the benefits of the increasingly favourable conditions for trade

FIGURE I-50

MFN tariffs imposed by developed economies on agricultural, clothing and textiles exports from Arab countries

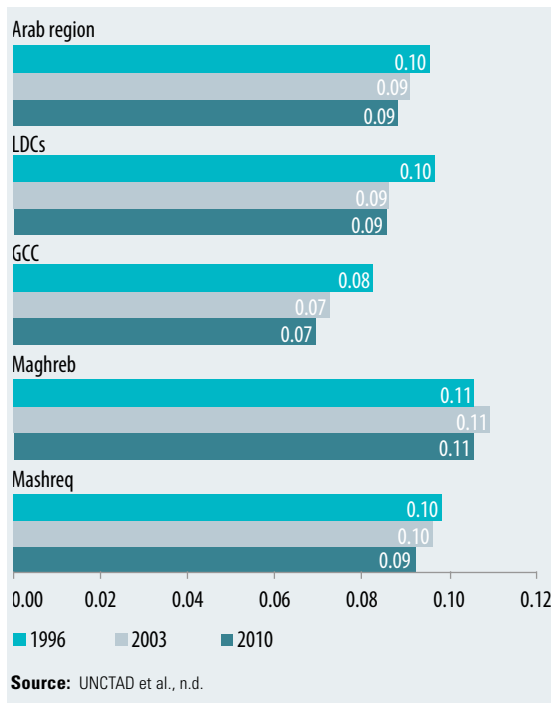


FIGURE I-51

Preferential tariffs imposed by developed economies on agricultural, clothing and textiles exports from Arab countries

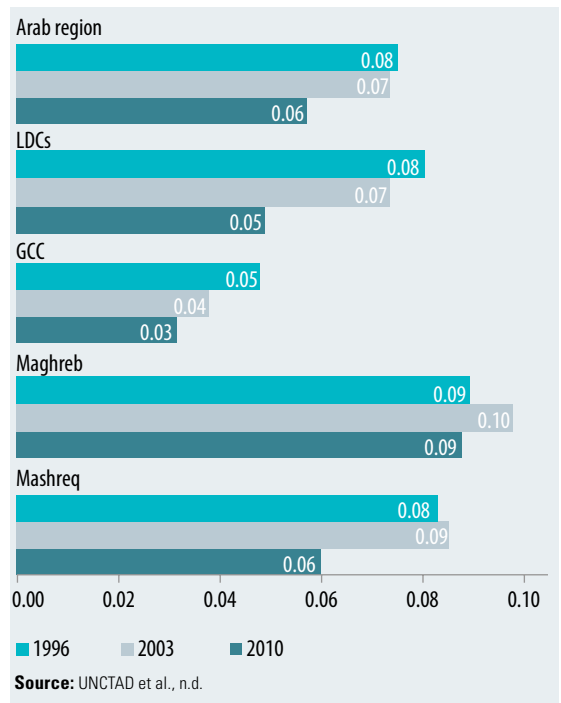
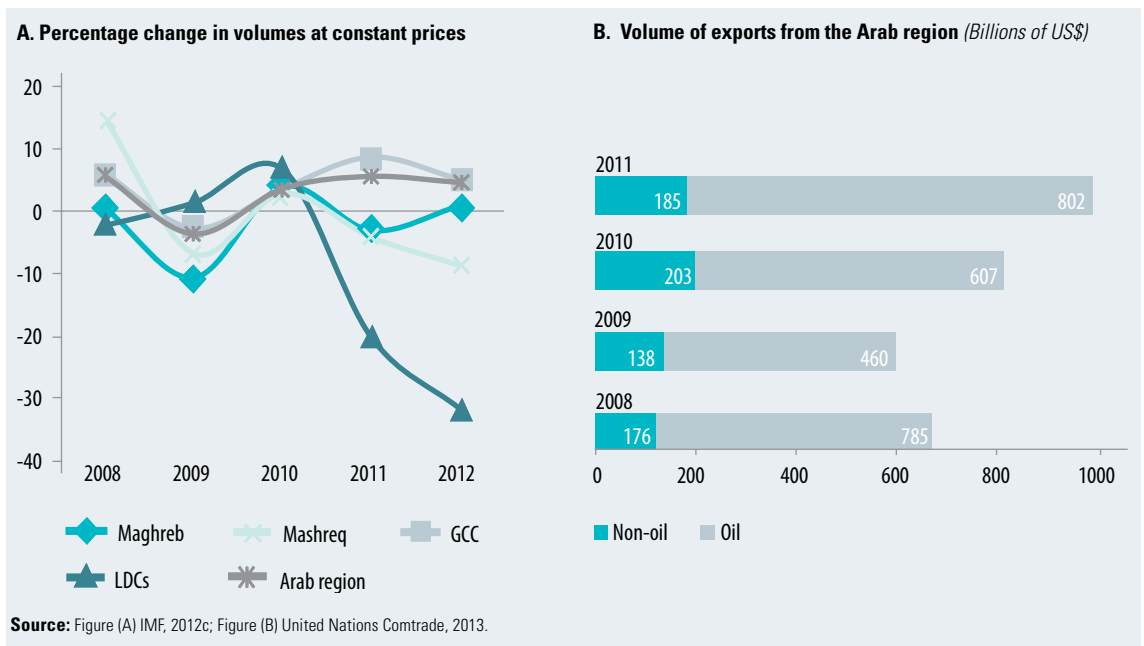


FIGURE I-52

Exports of goods and services



Weak economic growth in Europe had a negative impact on exports

The volume of exports from the Arab region has been highly volatile in the past few years. Annual exports increased by 4.6 in 2012, mainly driven by high oil prices and exports from GCC countries. The volume of exports from Mashreq countries and LDCs dropped significantly in 2011 and 2012. The decline of LDC exports was mainly due to conflict in the Sudan, while in Mashreq countries, it stemmed from instability in Egypt and the Syrian Arab Republic. In 2010 and 2011, calls for protectionism due to economic recession in the developed world did not restrict market access for Arab countries. Nevertheless, weak economic growth in Europe, a main trading partner for most Arab countries, did have a negative impact on their exports.

The region's current account balance as a percentage of GDP was positive in the last five years, mainly as a result of surpluses in oil-exporting countries. In 2011, the current account balance reached 13.9 per cent, but it declined to 13.5 per cent in 2012, largely driven by GCC countries (figure I-53). In contrast, Mashreq countries and LDCs have alarmingly large and increasing current account deficits.

Target

Address the special needs of the least developed countries

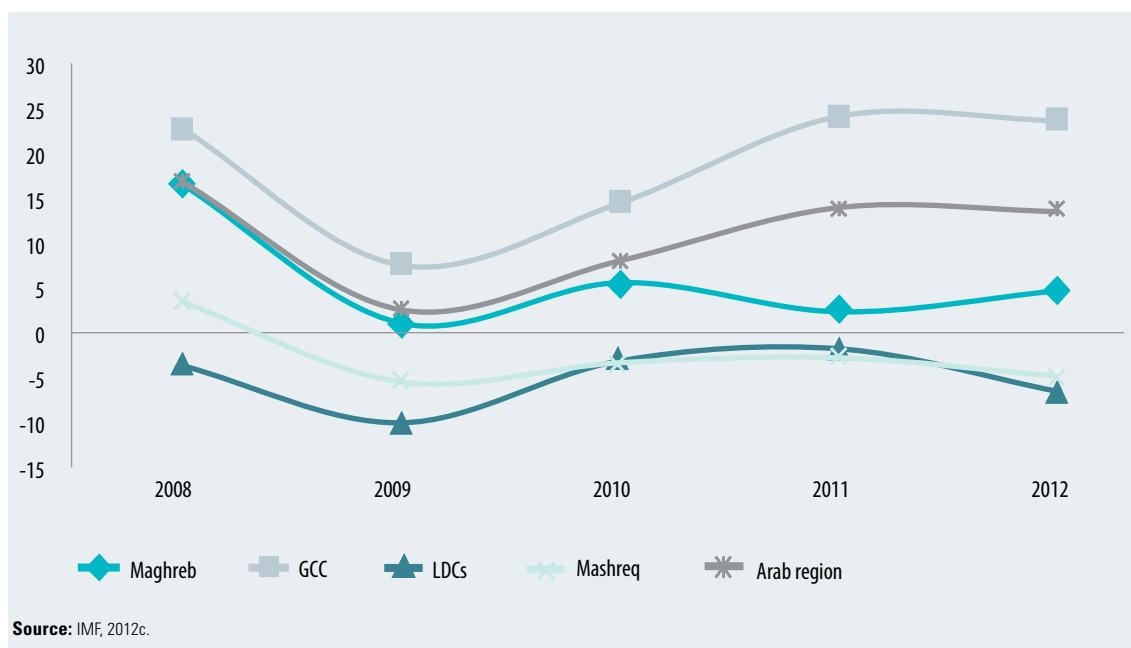
Although official development assistance to the Arab region is increasingly untied, it is still low and volatile

Official development assistance (ODA) allocations are far below the levels required to address the special needs of Arab countries, particularly LDCs. Total ODA to the Arab region (excluding GCC countries), measured by constant 2010 US\$, had significantly decreased from US\$19.1 billion in 1990 to US\$11.8 billion in 2011 (figure I-54). LDCs had registered a small increase of ODA allocations, mainly due to a substantial increase in support to the Sudan. However, other LDCs experienced stagnation and even decline, for some. Mashreq countries also saw a decline, despite continued significant commitments to Iraq and Palestine.

ODA in the Arab region is marked by high volatility. Sudden spikes are almost always conflict-related and/or due to political stances of donors. Examples include Egypt in 1990, Iraq after 2002, and Lebanon and Palestine after 2007. Such fluctuations are far less noticeable in Maghreb countries, but this trend may have changed starting 2012 due to political transitions in Tunisia and Libya.

FIGURE I-53

Current account balance, percentage of GDP



Source: IMF, 2012c.

ODA has not matched population growth, rendering per capita levels significantly less in 2011 than in 1990

ODA has not matched population growth, rendering per capita levels significantly less in 2011 than in 1990 (figure I-55). This is particularly alarming for LDCs. The strikingly low per capita ODA for Yemen, US\$18, stands out within ODA targeting LDCs. Per capita ODA to Mashreq countries declined from US\$131.5 in 1990 to US\$40.9 in 2011, except during the period 2003-2008 when Iraq, Lebanon and Palestine recorded the biggest increases.

Around one third of ODA to Arab LDCs is devoted to humanitarian assistance, in particular in Somalia and the Sudan, where the share is 63 per cent and 40 per cent, respectively. For the region as a whole, throughout 2009-2011, donor countries directed 69 per cent of ODA to social sectors and 31 per cent to economic sectors, with

some variations among subregions. Around 50 per cent of ODA to Maghreb countries was intended for the economic sector, compared to 26 per cent in Mashreq countries and LDCs.

ODA to the region is becoming increasingly untied to any conditions, in particular for LDCs. The Paris Declaration on Aid Effectiveness made a strong commitment to untie aid, and the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD) made further commitments to LDCs. As shown in figure I-57, the proportion of untied ODA to the Arab region increased between 2007 and 2011, especially in LDCs, where the share rose from 66 per cent to 92 per cent. The proportion of untied aid decreased in the Mashreq subregion, however, due to declines in Iraq and Jordan.

FIGURE I-54
Net ODA received by Arab countries, in constant 2010 US\$

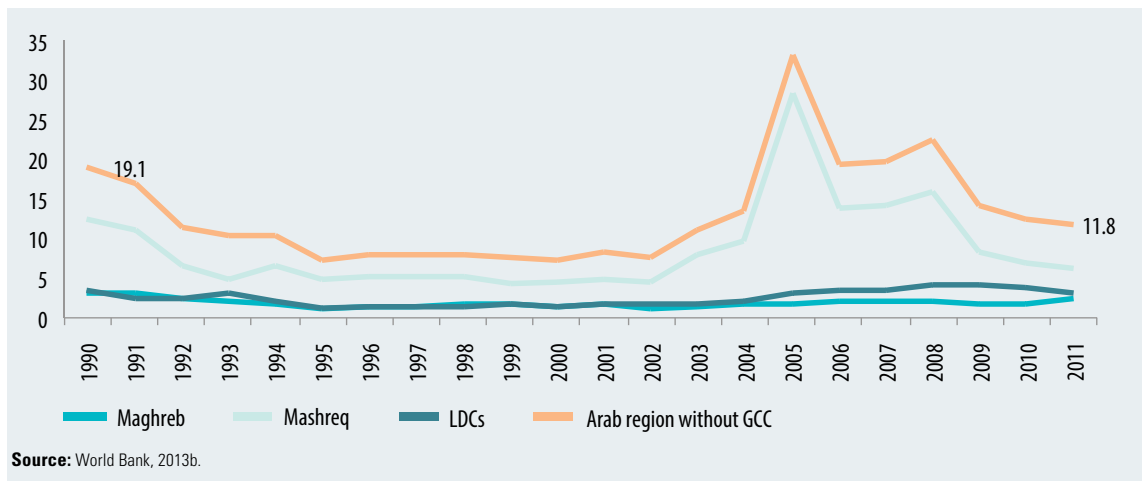


FIGURE I-55
Net ODA per capita received by Arab countries, in constant 2010 US\$

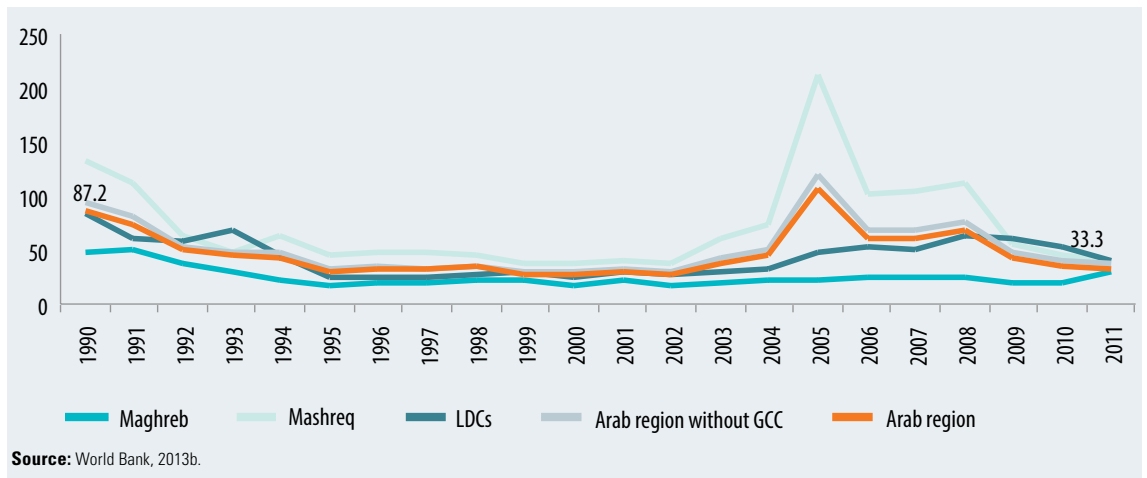
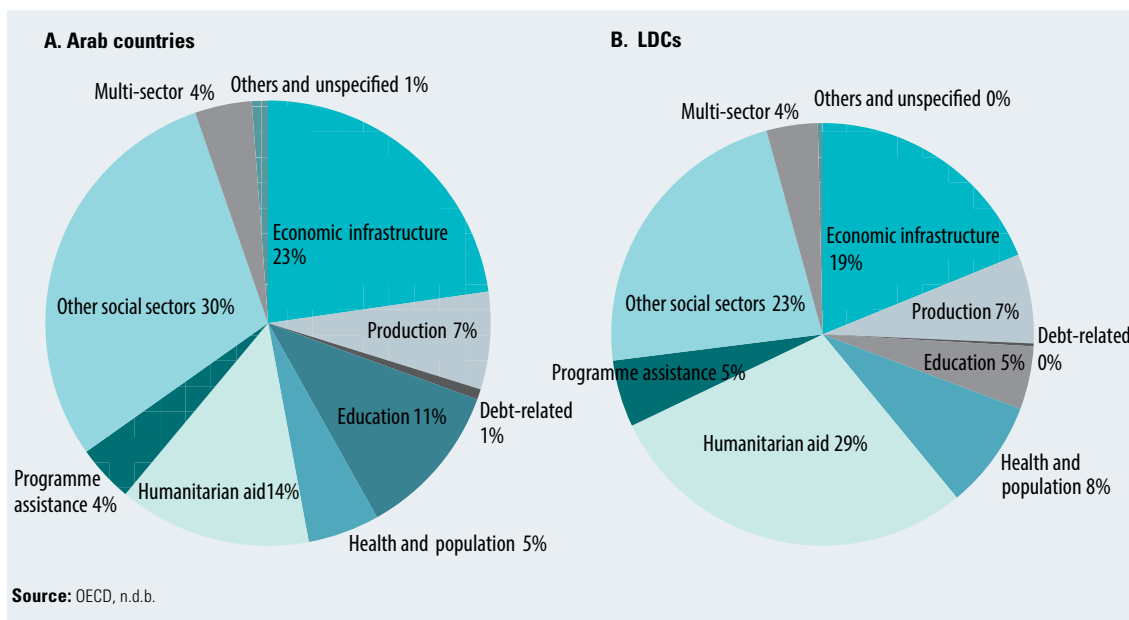


FIGURE I-56

ODA distribution among economic and social sectors, 2009 - 2011



Arab donors are more generous than DAC/OECD on average, but have significantly reduced ODA as a share of gross national income since 1990

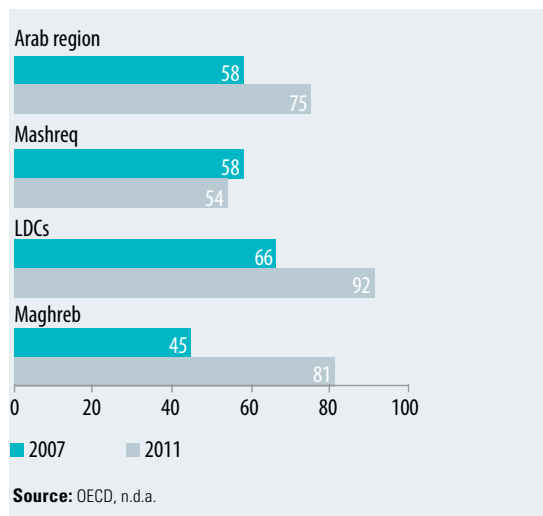
Arab countries do not only include ODA recipients: some of them, such as Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates, are among the most significant donors. Arab donors contributed around 5 per cent of total DAC ODA and 65 per cent of total non-DAC ODA in 2011 (figure I-58). During 1990-1994, ODA from Arab donors was around 1.5 per cent of gross national income (GNI), a share that has declined since then. By 2011, it had fallen to 0.46 per cent, but was still higher than the DAC average of 0.34 per cent (figure I.59).

There could be some discrepancy between national data on ODA and those reported by the OECD database for a number of reasons, including non-coverage or non-reporting of some aid as ODA. For example, Qatar national statistics on MDG progress for 2012 indicate that the country's ODA as a share of GDP was 0.54 per cent in 2011, but the OECD database does not report separately on Qatar's ODA and rather combines it with other ODA. However, this discrepancy does not affect the results of this report, which presents trends in ODA from Arab donors.

Aid to the region is projected to increase in the coming years, despite recession in the major donor countries. On the one hand, indications from

FIGURE I-57

Proportion of untied ODA



the DAC/OECD survey on donors' forward spending plans for 2012-2015 suggested that global ODA was expected to rise in 2012, but from 2013 on, it was expected to stagnate. This confirmed earlier studies that pointed to the fact that the impact of a recession on ODA is visible only after some time from its onset. On the other hand, the survey predicted that recent events in a number of Arab countries might result in ODA increases. There are also other indications that Arab donors and financial institutions have indeed made some adjustments in response to the needs of Arab countries going through political turmoil.

FIGURE I-58

ODA by Arab donors as a percentage of DAC and non-DAC ODA

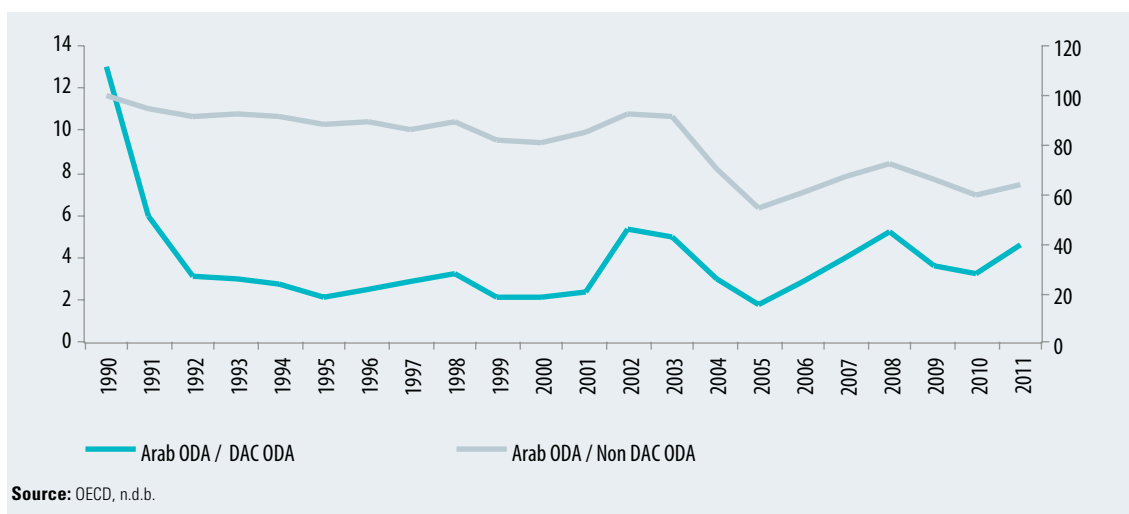
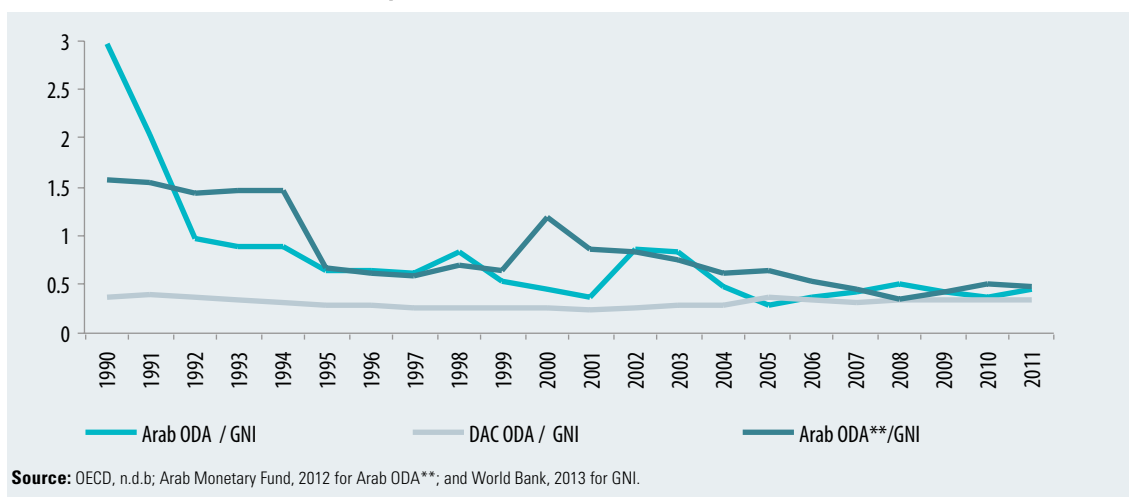


FIGURE I-59

ODA by Arab donors and DAC ODA as a percentage of GNI



Four out of five Arab LDCs with available rankings are classified as being at high risk of or in debt distress

Target

Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term

Public debt is reaching an alarming level in several countries due to global recession and political instability, but debt service remains relatively low

Debt sustainability models focus on the ability of countries to service debt, but in the context of MDGs, debt sustainability is defined in terms of whether or not debt obligations inhibit economic and social development. Currently, the Bretton Woods Institutions analyse debt sustainability

under the Debt Sustainability Framework (DSF). It sets limits or thresholds for borrowing in order to ensure debt sustainability, despite difficulties in determining critical thresholds beyond which debt would be unsustainable. For low-income countries, DSF sets the debt-to-GDP ratio threshold at 40 per cent and the threshold for debt service at 20 per cent of exports. For middle-income countries, the International Monetary Fund (IMF) does not set an explicit threshold, but a debt-to-GDP ratio above 60 per cent would trigger deeper analysis.

Based on the most recent assessment under DSF, four out of five Arab LDCs with available rankings are classified as being at high risk of or in debt distress.⁸⁹ The Comoros and the Sudan

are considered to be in debt distress, while Djibouti and Yemen are at high risk. Mauritania is classified as at moderate risk, while no rating is available for Somalia. The Sudan is in a particular situation, following the secession of South Sudan. According to an agreement between the two countries, the Sudan has assumed all external debt, but South Sudan has agreed to join an appeal to the international community for debt relief. There has been limited progress so far.

The Comoros, Mauritania, Somalia and the Sudan have been considered eligible for the Heavily Indebted Poor Countries (HIPC) Initiative, launched in 1996 by the IMF and the World Bank to address the special challenges of poor countries. Somalia and the Sudan are still at the pre-decision point, with an uncertain outcome, given their protracted arrears. The Comoros and Mauritania have reached the HIPC completion point and have benefited from irrevocable debt relief. Globally, as of January 2013, 35 of 39 countries had reached that point.

All Arab LDCs are above the 40 per cent debt-to-GDP threshold. In the Sudan, debt is above 80 per cent of GDP in 2012, and in Yemen, the situation is increasingly worrying, as debt is projected to increase from 41 per cent of GDP in 2010 to 45 per cent in 2013. In the Comoros, Djibouti and Mauritania, debt levels have declined in recent years, partly as a result of HIPC. But

debt levels in 2012 were still high, at 41 per cent, 51 per cent and 85 per cent, respectively.

Debt is reaching alarming levels in a number of Mashreq countries, where the overall debt-to-GDP ratio is projected to increase from 72 per cent in 2001 to 80 per cent in 2012. Egypt, Jordan and Lebanon are now all above the 60 per cent threshold set for middle-income countries. The ratio in Lebanon has fallen in recent years, but it is still crippling large at 135 per cent of GDP. In Egypt and Jordan, ratios have been rapidly increasing, and there are growing concerns about debt sustainability as levels approach 80 per cent. The ratios in Morocco and Tunisia have risen in recent years, but are still below the 60 per cent threshold.

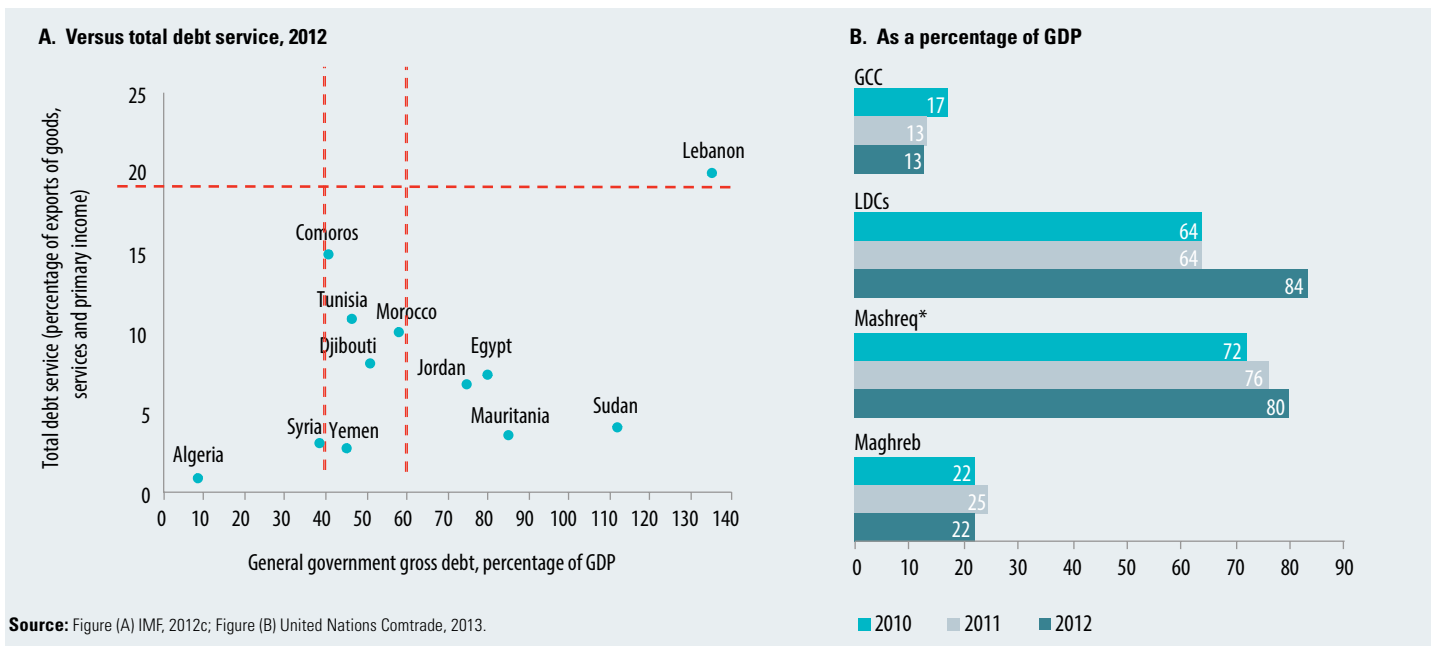
The cost of debt service and the share of short-term debt, two indicators of debt vulnerability, are relatively low, with a few noteworthy exceptions. Total debt service as a share of exports is below the 20 per cent threshold in all Arab countries, with the exception of Lebanon. The cost of debt servicing has increased in Egypt, Jordan and Tunisia in recent years, however, and this trend is expected to continue as debt levels rise. This increase will constrain fiscal space and policy, as a larger share of government revenue goes to debt servicing.

In terms of the share of short-term debt in total debt, the portion was extremely high in Jordan, at

Debt is reaching alarming levels in a number of Mashreq countries

FIGURE I-60

General government gross debt



Source: Figure (A) IMF, 2012c; Figure (B) United Nations Comtrade, 2013.

The increase in debt levels in Mashreq countries and LDCs can be attributed to large and sustained government fiscal deficits

56 per cent in 2011, while the average was 33 per cent among upper-middle-income countries. In Somalia and the Sudan, the 2011 share was 27 and 25 per cent, respectively, much higher than the 4 per cent average of low-income countries.⁹⁰

The increase in debt levels in Mashreq countries and LDCs can be attributed to large and sustained government fiscal deficits. From 2011 to 2012, fiscal deficits grew from 2.3 per cent to 4.5 per cent in LDCs, and from 5 per cent to 8.4 per cent in Mashreq countries. Instability in those countries has affected government revenue through a

slowdown in economic activity. Governments have sometimes increased expenditures to appease the population or avoid further social unrest, thus exacerbating fiscal imbalances.⁹¹

A comparison of IMF debt projections in 2010 and 2012 indicates rising debt levels since the onset of political instability in the region. Global economic slowdown is another contributing factor to this increase. In four middle-income countries, Egypt, Jordan, Morocco and Tunisia, the differences are large; amounting to at least 10 percentage points.

FIGURE I-61

General government net lending/borrowing

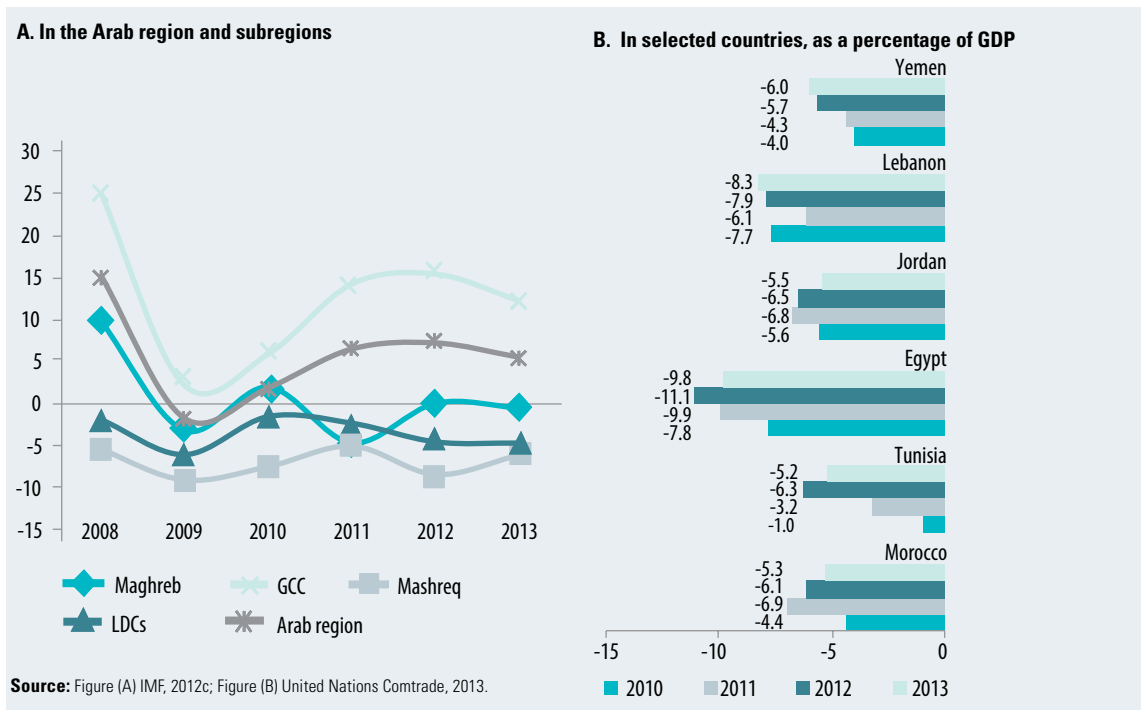
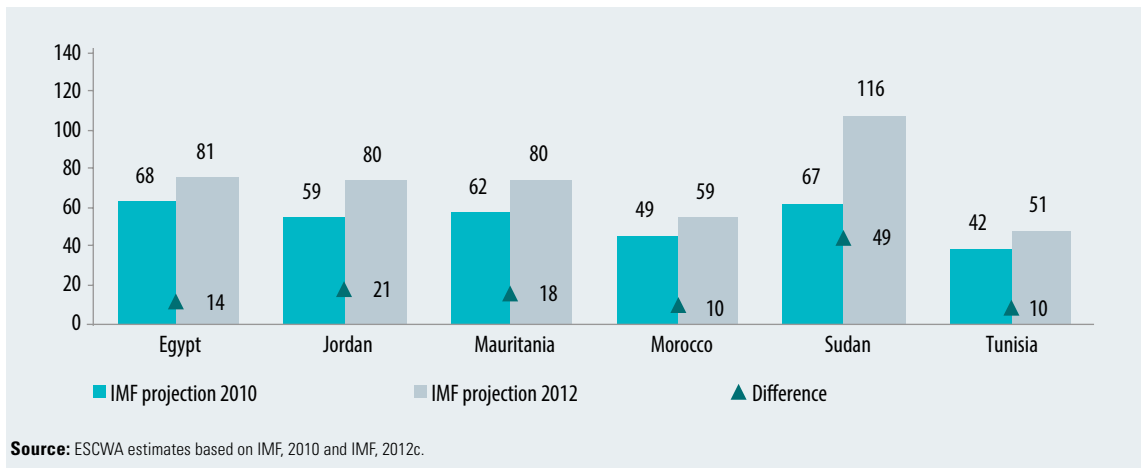


FIGURE I-62

IMF general government gross debt projections as a percentage of GDP, and percentage point difference in projections



Debt projections for Mauritania and the Sudan have also been adjusted upwards, but for different reasons than in the case of middle-income countries. In the Sudan, the issue has been the assumption of all external debt after the secession of South Sudan, and the delay in sorting out a debt relief agreement with the international community. In Mauritania, the increased projection is due to delays in resolving a long-standing debt with Kuwait. The lack of agreement with Kuwait on debt relief could raise the vulnerability of Mauritania to external shocks, but should not affect the risk of debt distress, which will remain moderate.⁹²

As part of the political transition in the region, a debate is taking place on the legitimacy of debt accrued by previous regimes. From an MDG perspective, the heavy cost of servicing this debt can jeopardize progress; it is therefore crucial to establish legitimacy. The new Tunisian regime has called for an audit of external debt to determine

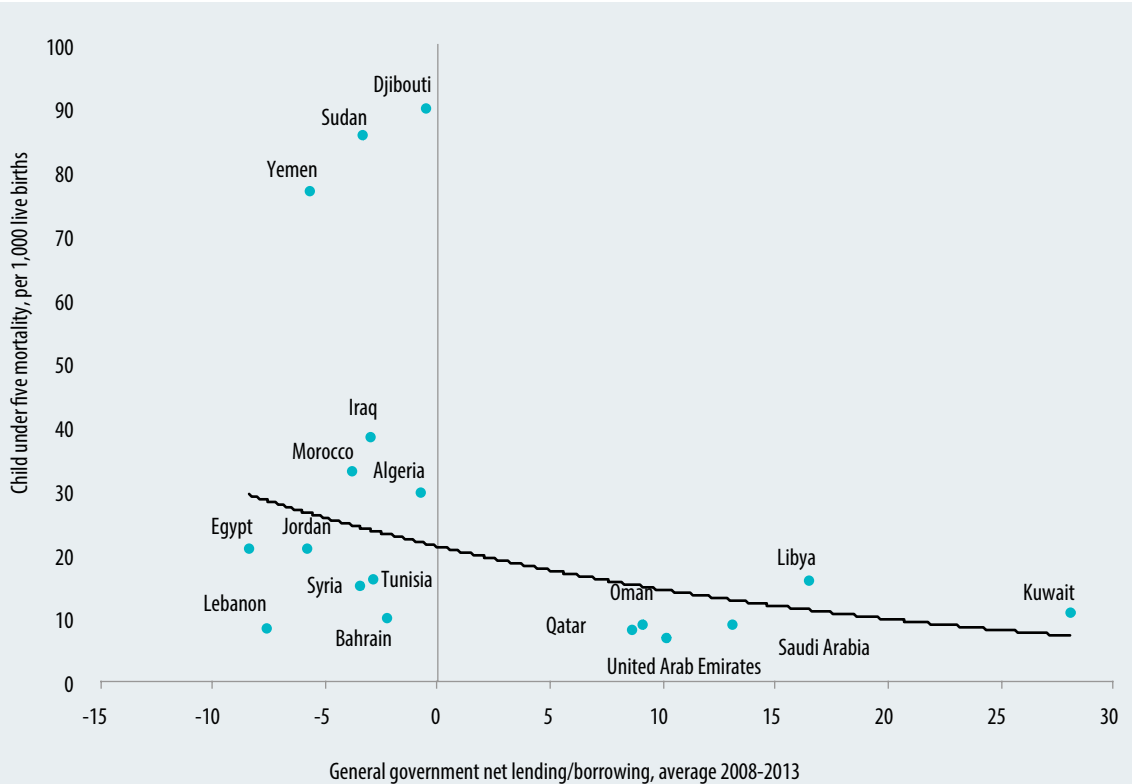
whether or not funds benefited the people of Tunisia, in order to distinguish between legitimate debt that should be honoured, and debt that served former rulers and should be repudiated. The United States has already offered debt relief to Egypt and encouraged others to follow suit.

Most Arab countries with low human development face constrained fiscal space

Fiscal space in the region is inversely related to the magnitude of human development challenges.⁹³ Countries with fiscal space constraints have also high child mortality rates (figure I-63). It is especially the case for LDCs, which would require external assistance in order to address the dual challenge of limited fiscal space and human development deficits. Regional cooperation could help to address the special needs of LDCs through greater trade linkages and financial support. Those subjects are discussed in the third chapter of this report.

FIGURE I-63

Under-five mortality rates per 1,000 live births versus general government net lending/borrowing as a percentage of GDP, average 2008-2013



Source: UNSD, 2012a; IMF, 2012c.

Access to social media is spreading rapidly

Target

In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

The Information and Communications Technology revolution is spreading in the region

The Information and Communications Technology (ICT) revolution brings the promise of major technological advancements to the developing world and has a considerable role in economic growth. While global demand for ICT continues to increase, Arab countries have a mixed record on different services. According to figure I-64A, they are performing above the global average in terms of mobile cellular subscriptions, but still lag behind in fixed telephone lines, fixed and mobile broadband, and the number of Internet users.

Over the past few years, the mobile telephone has emerged as the principal gateway to increase ICT access and use. The increase in mobile phone

penetration rates in Arab countries points to mobile phones as a “digital bridge” that will help many reduce the connectivity divide with countries that have a more extensive fixed-line infrastructure.

GCC countries are the most advanced in the region in mobile phone penetration rates. Despite low rates compared to other Arab countries, LDCs have also witnessed an increase in the number of mobile phone users. The rate of Internet users is growing robustly in most Arab countries, but it is still low in LDCs.

Access to social media is spreading rapidly. YouTube registers more than 167 million video views per day in the region. Facebook has more than 45 million users and Twitter 2 million. There is strong growth in content posted in Arabic on both Facebook and Twitter.⁹⁴ GCC countries have the highest usage rate, with Kuwait and the United Arab Emirates leading in terms of Facebook and Twitter. ICT and access to social media can be effective tools to improve governance and empower women (box 1-6).

BOX 1-6

Removing barriers to women’s access to ICT

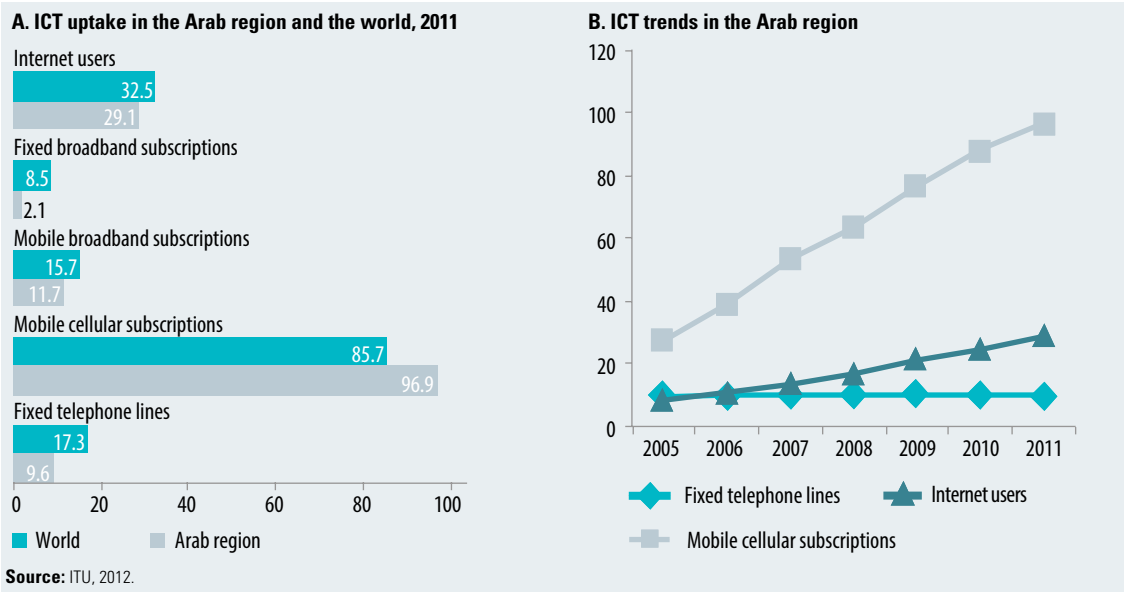
Arab women are at a disadvantage in accessing technology for several reasons. Limited financial resources prevent many from purchasing technology and accessing the Internet because of high monthly subscriptions fees. In addition, since many working women are in informal, low-skilled jobs, they do not have access to office computers. Facilities such as cybercafés are also male-dominated in some areas, which discourages women from using them. However, new employment models enabled through ICT, including teleworking, render the labour market more flexible and create a new range of employment activities. Providing women with access to ICT through specific policies and initiatives would enable them to benefit from these new job opportunities.

Few policies and initiatives to improve access to ICT specifically target women. But several measures could be pursued. They might include adopting a public access strategy geared at removing specific barriers faced by women; encouraging women’s ICT-related employment; considering ICT training for women and girls as a priority for development and including it as part of education curricula; and increasing efforts to compile statistics disaggregated by sex and age that could be used for gender-specific indicators on ICT use and needs.

Source: World Bank, 2009.

FIGURE I-64

ICT uptake and trends (Percentage)



Overall assessment of MDGs:

Significant gains, persistent challenges

There are notable differences in MDG achievement in the region. Some countries have made strong progress on most indicators, while others have witnessed limited or no progress. LDCs, all of which are poor MDG performers, are unlikely to achieve the set goals. Added to this group due to conflict and occupation are Iraq and Palestine. GCC countries, on the other hand, are the most advanced in the region in achieving many of the goals. But there are stark inequalities within countries as well as deep deficits in women's advancement. GCC countries are also heavily reliant on natural resources and face challenges in managing them sustainably.

The Maghreb and Mashreq subregions have registered different levels of achievement, generally performing better than LDCs but still lagging behind GCC countries. As noted in the *Arab Development Challenges Report 2011*,⁹⁵ the main challenge in these two subregions is to reduce subnational inequalities, as aggregate trends hide large disparities, be they between rich and poor, rural and urban residents, or men and women. Among Maghreb and Mashreq countries, Egypt, the Syrian Arab Republic and Tunisia have spearheaded the region's MDG progress. Unfortunately, security and political instability threaten to unravel achievements in the Syrian Arab Republic and, to a lesser extent, in Egypt.

One useful way to present the main findings is through the MDG achievement Index (MDGI).⁹⁶ Using percentage terms for 12 quantifiable MDG targets, it compares actual performance with the minimum required for the country to be on track towards achieving the goals. Table 1.2 shows the results, revealing that most countries are either slightly above or below where they should be for most targets. Some targets have already been achieved, most notably gender parity in education. Conversely, in some countries and mainly LDCs, some indicators have regressed below their 1990 baselines.

Figures 1-65A and 1-65B shed further light on MDG performance at the country and regional levels. The first one presents average MDGs successes

and shortfalls, measured by the extent to which achievements were above or below the required targets in 2011. Figure I-65B presents an average MDGI for Arab countries. Figure I-65C compares the Arab region and developing regions using the averages for each of the 12 MDGI performance indicators. Together with table 1-2, they confirm that MDG performance has been mixed according to country groupings and indicators.

On average, the Arab region is behind on MDGs by 9.6 per cent, a situation which is better than the 13.3 per cent average delay of all developing regions (figure I-65C). One of the most remarkable achievements of the region has been its progress towards education targets, most notably gender parity in education, which was already achieved by most Arab countries in 1990. Improvements in primary enrolment are, on average, comparable to those of the other developing regions of the world. The Arab region has also made impressive gains in extending access to improved sanitation, and it is ahead of the set target. However, there are notable differences between and within subregions.

Gains are, however, shadowed by glaring deficits in combating hunger, as the region is nearly 20 per cent below the target on reducing undernourishment, and in providing access to drinking water, an indicator for which the discrepancy between Arab countries and the developing world average is highest. In health indicators – infant, child and maternal mortality – the divide between rich and poor Arab countries is clearest. Only one Arab LDC has recorded a positive score on only one of these health indicators: Yemen, on maternal mortality. The performance of Arab LDCs on births attended by skilled health personnel is only marginally better in 2011 compared to 1990.

Five Arab countries – Egypt, Oman, Saudi Arabia, the Syrian Arab Republic and Tunisia – have a positive average MDGI, which indicates that they are, on average, above set targets. Three of those countries also scored very high on the

One of the most remarkable achievements of the region has been its progress towards education targets, most notably gender parity in education

FIGURE I-65

MDG performance in Arab countries (Percentage)

On average, the Arab region is behind on MDGs by 9.6 per cent, a situation which is better than the 13.3 per cent average delay of all developing regions

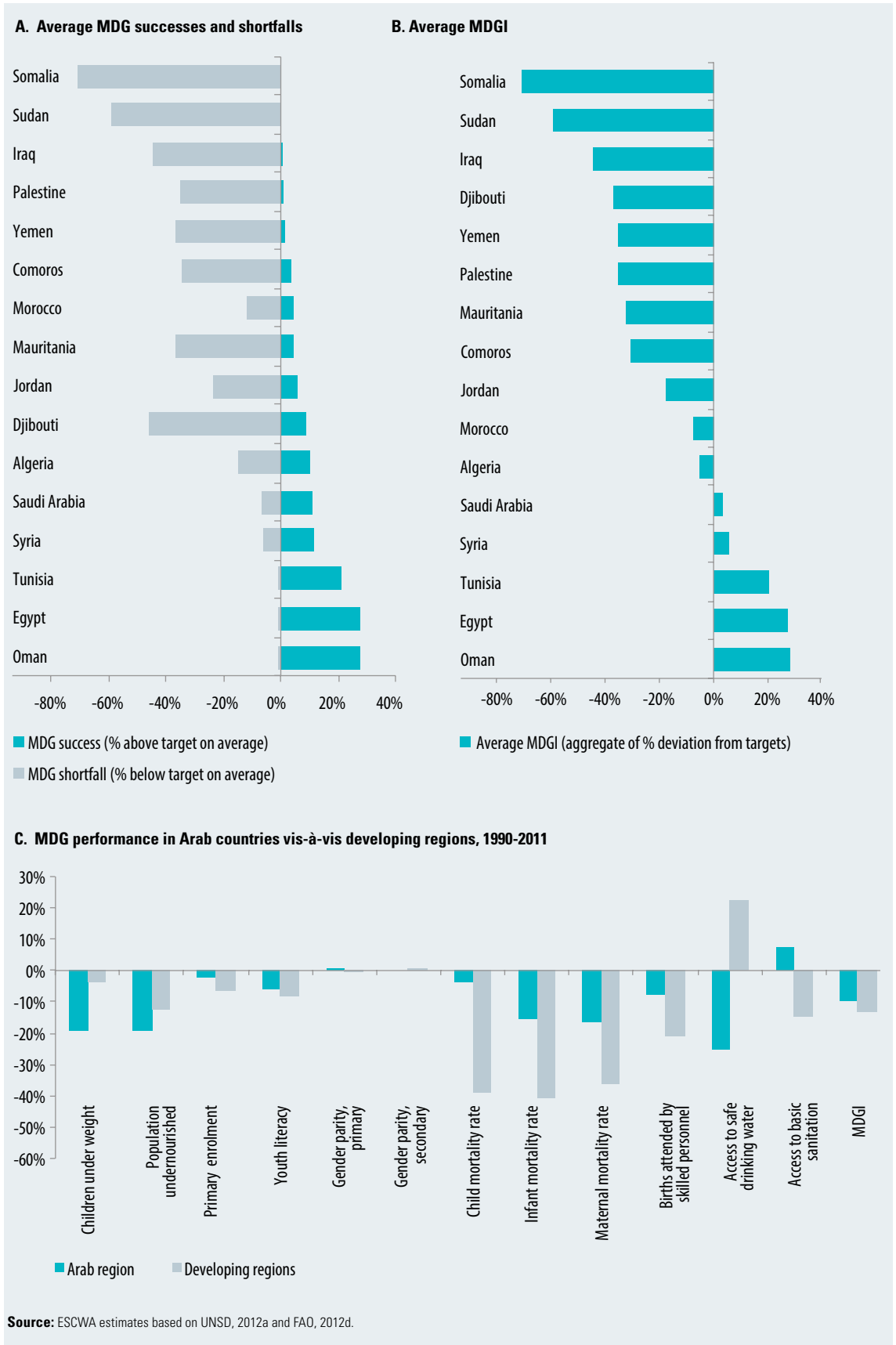


TABLE 1-2

MDGI for selected indicators, 1990-2011 (Percentage)

	Children underweight	Population undernourished	Net enrolment in primary education	(15-24) Literacy rates	GPI in primary education	GPI in secondary education	Under five mortality	Infant mortality	Maternal mortality	Births attended by skilled health personnel	People not using improved drinking water	People not using improved sanitation
Egypt	-1	n.a.	-1	-6	1	n.a.	49	40	28	12	76	70
Iraq	1	-100	-5	-13	n.a.	-9	-88	-80	-77	-3	-84	-35
Jordan	n.a.	36	-7	n.a.	n.a.	n.a.	-26	-21	-43	6	-67	n.a.
Palestine	n.a.	-100	-9	1	n.a.	n.a.	-11	-19	-78	2	-100	-2
Syrian Arab Republic	-23	n.a.	n.a.	-3	n.a.	n.a.	10	3	27	7	-19	44
Algeria	44	18	-1	-3	n.a.	n.a.	0	-21	-10	9	-100	31
Morocco	-65	-33	4	-14	n.a.	-3	13	4	17	8	-5	-6
Tunisia	44	n.a.	n.a.	1	n.a.	n.a.	26	23	-8	6	49	7
Oman	8	n.d.	6	-1	n.a.	n.a.	56	52	27	3	8	91
Saudi Arabia	47	n.a.	7	-1	n.a.	n.a.	55	11	-36	1	-11	n.a.
Comoros	-99	-100	-6	-8	5	-14	-44	-53	-59	4	36	-29
Djibouti	-100	42	-43	n.d.	n.a.	-14	-66	-65	-72	37	9	-100
Mauritania	43	-50	-15	-22	11	-8	-100	-100	-68	-14	-19	-47
Somalia	-80	-83	-33	n.d.	n.d.	n.d.	-100	-100	-100	-40	-43	-59
Sudan	-65	-60	n.d.	-6	n.a.	n.d.	-56	-81	-83	-69	-100	-69
Yemen	-91	-94	-10	-7	-5	-23	-37	-36	18	-34	-100	-3
	45 to 100% above target	20 to 45% above target	1 to 20% above target									
	-1 to -20% below target	-20 to -45% below target	-45 to -100% below target				over -100% below target		n.a. target not applicable		n.d. no data	

Source: ESCWA estimates based on UNSD, 2012a and FAO, 2012d.

Note: See Annex for technical details. MDGI was not calculated for some GCC countries, namely Bahrain, Kuwait, Qatar and the United Arab Emirates, for reasons including that they had already attained most goals by 1990, and that data were in some cases insufficient for calculating the index.

Human Development Index of the global Human Development Report (2010) and featured among the 10 'top movers' from 1970-2010 – i.e. countries that have seen the greatest improvements in human development relative to their starting point in 1970, with Oman followed by Tunisia and Saudi Arabia actually leading developing countries. MDG results are thus not entirely surprising.⁹⁷

Members of a second group of countries – Algeria, Jordan and Morocco – are, on average, slightly below the MDG set targets. It is important to distinguish Jordan, because it had already achieved 5 of the 12 targets considered in table 1-2 by 1990. Both Algeria and Morocco are generally on track, and were it not for specific deficits, related to access to water for the former and underweight children for the latter, they would have joined the group of countries with a positive MDGI.

The remaining eight Arab countries can be classified in two groups. The first group, behind according to MDGI by 35 per cent to 40 per cent, includes the Comoros, Djibouti, Mauritania, Palestine and Yemen. Palestine stands

out because its performance is heavily affected by severe bottlenecks in three areas – access to water, undernourishment and maternal mortality – which are heavily affected by occupation and blockades. For the rest of the group, the underlying causes of poor MDG performance are comparable to causes hindering performance in the majority of LDCs: poverty, fiscal limitations and general socioeconomic conditions that pose high hurdles.

The second group includes three countries facing special circumstances: Iraq, Somalia and the Sudan. The obvious common factor is that since 1990, all three have endured longstanding conflict. Iraq is distinct for its higher level of per capita income, and because only three decades ago, it was a global model for development achievement.

With the deadline for MDGs fast approaching and discussions for a post-2015 agenda gearing up at the global level, the lessons learned from the Arab region provide insights for informing the post-2015 framework of development. This subject matter is tackled in the second part of the report.