

UNITED NATIONS

**THE MILLENNIUM DEVELOPMENT GOALS
IN THE ARAB REGION 2005**

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Introduction

This summary of *Millennium Development Goals in the Arab Region 2005* was prepared as a collaborative effort of United Nations agencies in the region on the occasion of the September 2005 World Summit and the sixtieth session of the General Assembly, this effort was coordinated by ESCWA. It provides an overview of progress in the Arab region¹ towards the stated aim of achieving the Goals by 2015 and highlights key challenges and issues. Data and analyses are presented by sub-region. The Mashreq countries, namely, Egypt, Iraq, Jordan, Lebanon, Palestine and the Syrian Arab Republic; the Maghreb countries, namely, Algeria, the Libyan Arab Jamahiriya, Morocco and Tunisia; the States of the Gulf Cooperation Council (GCC), namely, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates; and the least-developed countries (LDCs), namely, Comoros, Djibouti, Mauritania, Somalia, the Sudan and Yemen. In order to facilitate analysis, countries were grouped according to geographic proximity, similarity in resource endowment and the level of development.

¹ The Arab region as defined in this report includes all 22 countries that are members of the League of Arab States, namely, Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, the Libyan Arab Jamahiriya, Mauritania, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Somalia, the Syrian Arab Republic, the Sudan, Tunisia, the United Arab Emirates and Yemen.

PROGRESS TOWARD THE MILLENNIUM DEVELOPMENT GOALS (MDGS)

With respect to progress towards MDGs, sharp regional and intra-country discrepancies are evident. The high-income GCC countries are relatively well placed to achieve the Goals. The majority of the middle-income Mashreq and Maghreb countries vary in their potential for reaching each Goal, because of national specificities. Based on past trends, the Arab LDCs, Iraq and Palestine will be unable to achieve most MDGs. It is likely that the majority of those countries, and those coping with conflict, will make limited progress. There is an urgent need for the resource-rich and wealthy countries in the Arab region, and globally, to devote resources to those countries.

Resources, unless combined with reform of governance, including improved targeting, equal wealth and service distribution and accountability, are insufficient. Overall, additional measures are needed across the region in order to meet the goals of poverty reduction, gender equality and environmental sustainability, and to forge strategic global and regional partnerships and formulate effective macroeconomic and social policies.

It is unlikely that the Arab region as a whole will succeed in eradicating poverty and hunger, particularly in the LDCs. Despite modest progress since 1990, in 2002 almost 20 per cent of children of primary school age were not enrolled, and some 44 million adult women aged over 15 years could not read or write. While gender equality in enrolment across all levels of education has generally improved, gains in education have not translated into economic and political empowerment for the women of the region, whose economic and political participation rates are among the lowest in the world.

Goal 1: Eradicate extreme poverty and hunger

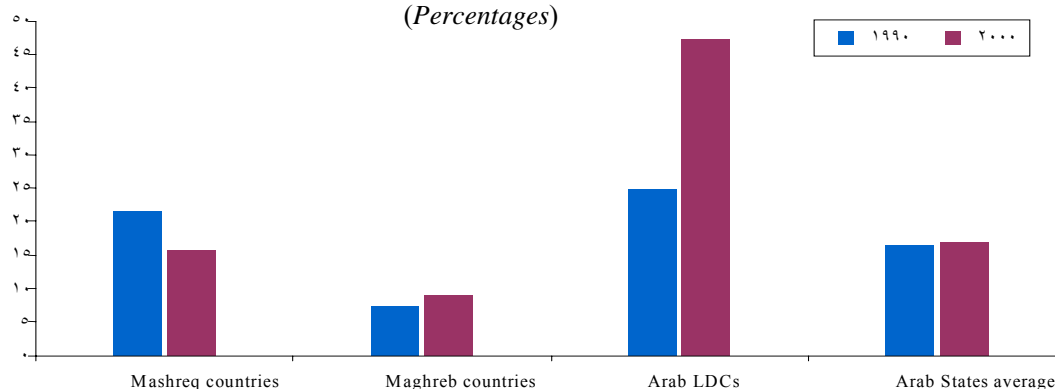
While measurement methodologies may vary, nationally-determined lines remain the most precise tool available for gauging poverty.² Based on those lines, and according to data available on 10 Arab countries which account for some 64 per cent of the Arab population, namely, Algeria, Comoros, Djibouti, Egypt, Jordan, Mauritania, Morocco, the Syrian Arab Republic, Tunisia and Yemen,³ 16.8 per cent of the Arab population was living in poverty in 2000, compared to 16.4 per cent a decade earlier. In 2000, poverty levels were estimated to be 15.7 per cent in the Mashreq, 9.1 per cent in the Maghreb, and 47.1 per cent in the Arab LDCs.⁴ No data are available for the GCC States. While between 1990 and 2000 slight fluctuations were observed in the Mashreq and Maghreb, poverty levels nearly doubled in the Arab LDCs, and the region as a whole is unlikely to succeed in achieving Goal 1.

² According to international figures, the percentage of the population living on less than \$1 per day in the Middle East and North Africa (MENA) (adjusted for purchasing power parity (PPP)) is 2.4 per cent, representing the lowest level anywhere in the world. While MENA does not correspond exactly to the Arab region, it may be taken to represent it. The \$1 per day benchmark has no relevance for the GCC countries, which are, on the whole, high-income States. In those countries, a relative poverty line is preferable to a benchmark figure.

³ The population of those 10 countries, taken together with that of Bahrain, Lebanon, Palestine, Somalia and the Sudan, represents some 79 per cent of the Arab population. The incidence of poverty in those 15 countries is estimated to be 23 per cent. The estimate for the 22 Arab countries is lower, because of the seven countries for which data are unavailable, only Iraq has a high incidence of poverty, while the GCC States and the Libyan Arab Jamahiriya have lower poverty rates. Data are based on MDG country reports.

⁴ MDG country reports, available at: www.undp.org/mdg/countryreports.html.

Figure 1. Proportion of population living below the national poverty line in the Arab sub-regions, 1990 and 2000
(Percentages)



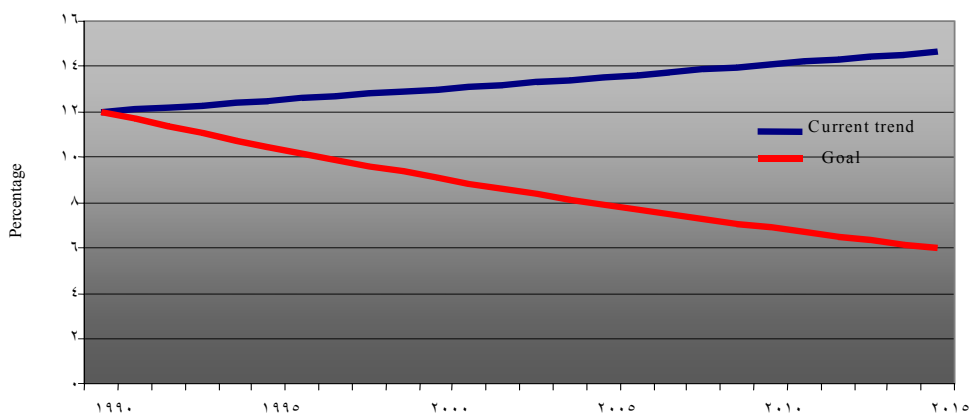
Source: Country Millennium Development Goals reports, available at: www.undp.org/mdg/countryreports.html.

Note: No data were available for the GCC region.

Prevalence of underweight children aged less than five years

Based on data from nine countries⁵ in the Mashreq, Maghreb, and Arab LDCs, 14 per cent of the child population in the Arab region was severely or moderately underweight in 2003, compared to 11 per cent in 1990. Because of the lack of data history, it is difficult to track trends and progress. However, it can be noted that between 1990 and 2003, prevalence of underweight children aged less than five years decreased in the Mashreq from 10.5 to 8.1 per cent, and in the Maghreb from 9.2 to 5.6 per cent. In the Arab LDCs, 39.2 per cent of children aged less than five years were underweight in 2003, compared to 38.4 per cent in 1990. The difference between the figures for those two regions may be explained in part by the 8.6 per cent in Egypt of underweight children and the size of that country's population, which heavily weights the figure for the Mashreq.⁶

Figure 2. Halving the proportion of the population of the Arab region that is food-deprived



Source: ESCWA estimates, based on data from the United Nations Statistics Division, MDG Indicators database, available at: http://unstats.un.org/unsd/mi/mi_goals.asp.

Note: Regional and sub-regional averages were calculated based on data for the following 14 countries: Algeria, Egypt, Jordan, Kuwait, Lebanon, the Libyan Arab Jamahiriya, Mauritania, Morocco, Saudi Arabia, the Sudan, the Syrian Arab Republic, Tunisia, the United Arab Emirates and Yemen.

⁵ Algeria, Comoros, Egypt, Jordan, Mauritania, Palestine, Somalia, Tunisia and Yemen.

⁶ United Nations Statistics Division, MDG Indicators database, available at: http://unstats.un.org/unsd/mi/mi_goals.asp.

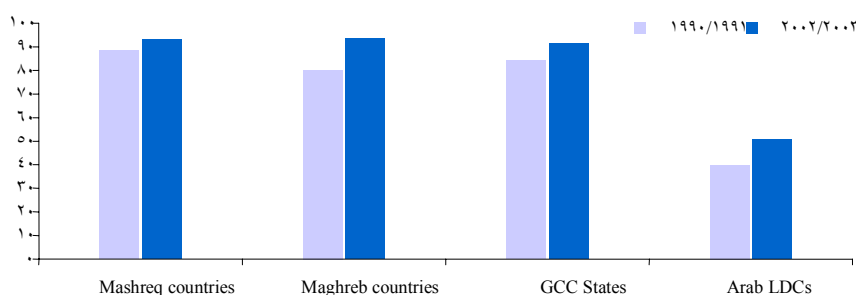
Food deprivation

It is estimated that in 2000-2002, 9.5 per cent of the population of the Arab region was food-deprived compared to 10 per cent in 1990-1992. That percentage may be attributed to the high level of food deprivation in the Arab LDCs, where the average was 28.9 per cent, down from 31.2 per cent in 1990-1992. Between 1990 and 2002, a decrease from 4.5 to 3.7 per cent in the corresponding rate was observed in the Mashreq, while in the Maghreb there was an increase from 4.6 to 5 per cent. In the GCC countries, food deprivation dropped from 6.1 to 3.6 per cent during the same period. It is unlikely that the Arab region will achieve the target of halving the proportion of people who suffer from hunger.⁷

Goal 2: Achieve universal primary education

While between 1990 and 2002, net enrolment rates (NERs) in primary education rose by an estimated 8 per cent, the region has yet to achieve universal primary education. In 2002, some 20 per cent of children of primary school age were not enrolled.⁸ The Mashreq, Maghreb and GCC regions are closest to achieving the goal of universal primary education, with NERs in excess of 90 per cent. On the other hand, almost half of all children in the Arab LDCs were not enrolled in school in that school year.

Figure 3. Net enrolment in primary education by Arab sub-region, 1990/91 and 2002/03 (Percentages)



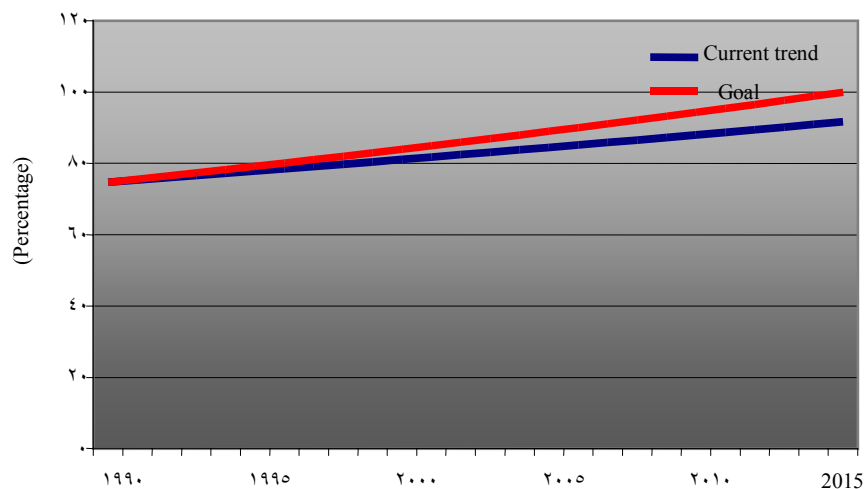
Source: United Nations Educational, Scientific and Cultural Organization (UNESCO) Institute for Statistics and ESCWA Social Statistics Datasets.

Progress rates vary across the sub-regions, with the most significant increases observed in the Maghreb, where NERs in primary education rose by 13 percentage points between 1990 and 2002, to reach 93.5 per cent. An 8 percentage point increase was observed in the GCC region, where NERs reached 91.6 per cent in 2002. NERs increased by 4 percentage points in the Mashreq area, reaching 93.2 in 2002. Notable progress is also evident in the Arab LDCs, where NERs in primary education increased by 11 percentage points to reach 51 per cent in 2002.

⁷ Ibid.

⁸ ESCWA Social Statistics Datasets. Calculations are based on national data.

Figure 4. Ensuring by 2015 that children in the Arab region complete a full course of primary education

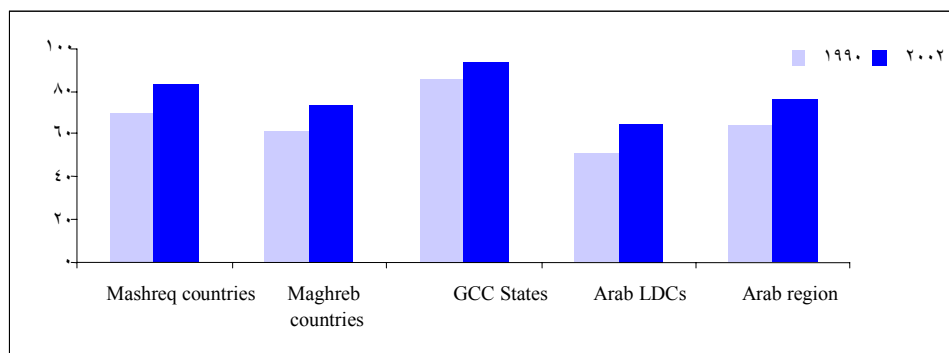


Source: ESCWA estimates, based on data from the UNESCO Institute for Statistics and ESCWA Social Statistics Datasets.

Youth literacy

Between 1990 and 2002 the youth (15-24 year-old) literacy rate in the Arab region increased from 63.9 to 76.3 per cent.⁹ GCC States lead in that respect, with a youth literacy rate of 94 per cent, followed by the Maghreb at 83.2 per cent and the Mashreq, where 73.6 per cent of the youth are literate.¹⁰ In the Arab LDCs, more than one third of youth continue to be unable to read or write.¹¹

Figure 5. Adult and youth literacy rates in the Arab region, 2001
(Percentages)



Source: UNESCO Institute for Statistics, available at: www.uis.unesco.org.

⁹ UNESCO Institute for Statistics (UIS), www.uis.unesco.org.

¹⁰ Ibid.

¹¹ Ibid.

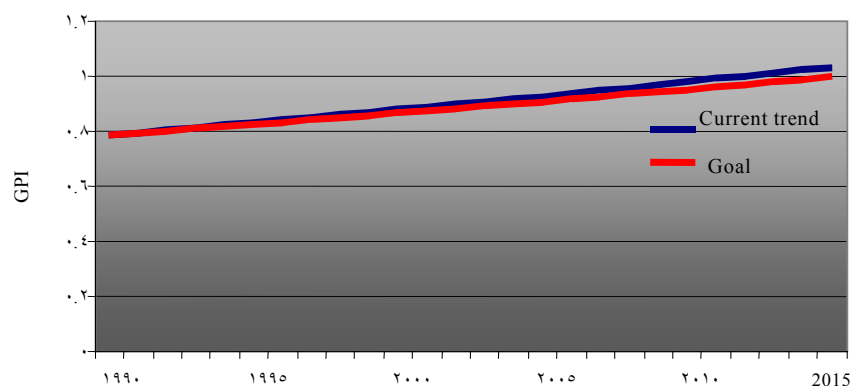
Goal 3: Promote gender equality and empower women

Gender disparities in literacy and education

Albeit literacy rates have risen, it is estimated that in 2002, 44 million adult women (aged over 15 years), representing almost half of the female population, could not read or write. Of the 13 million illiterate young people (aged 15-24 years) in the region, 8.5 million were women.¹²

It is expected that if countries maintain the current rate of progress, the overall Arab region will succeed in achieving gender equality at all levels of education by 2015. Between 1990 and 2002, the gender parity index (GPI) increased at all levels of education: from 0.79 to 0.90 in primary education, from 0.76 to 0.91 in secondary education, and from 0.60 to 0.85 in tertiary education.¹³

Figure 6. The elimination in the Arab region of gender disparity in primary education, preferably by 2005, and by 2015 at the latest



Source: ESCWA estimates, based on data from the UNESCO Institute for Statistics.

At the sub-regional level, the following increases in GPI for primary education were noted between 1990 and 2002: from 0.86 to 0.92 in the Mashreq; from 0.82 to 0.92 in the Maghreb; from 0.89 to 0.97 in the GCC States; and from 0.54 to 0.78 in the Arab LDCs.¹⁴

Gender disparities tend to decrease at higher levels of education, because of the combined effect of the growing trend in Arab society towards girls' education and that a higher dropout rate for boys, who join the labour market early, especially those from poor households. That explains the improvement in gender parity in secondary education enrolment rates.

In 2002, GPI for secondary education reached 0.92 in the Mashreq, up from 0.77 in 1990. During the same period, the ratio of girls to boys in secondary education in the Maghreb rose from 0.79 to 1.01, while the corresponding ratio for the GCC States increased from 0.85 to 0.94. GPI for secondary education in the Arab LDCs was 0.62, up from its level of 0.51 in 1990.¹⁵

Only in the GCC countries did women's enrolment in tertiary education exceed that of men, with a GPI of 1.63. That may be explained in part by cultural practices, which favour sending men abroad for post-secondary education. It may also be that women engage in tertiary education as a second choice non-

¹² Ibid.

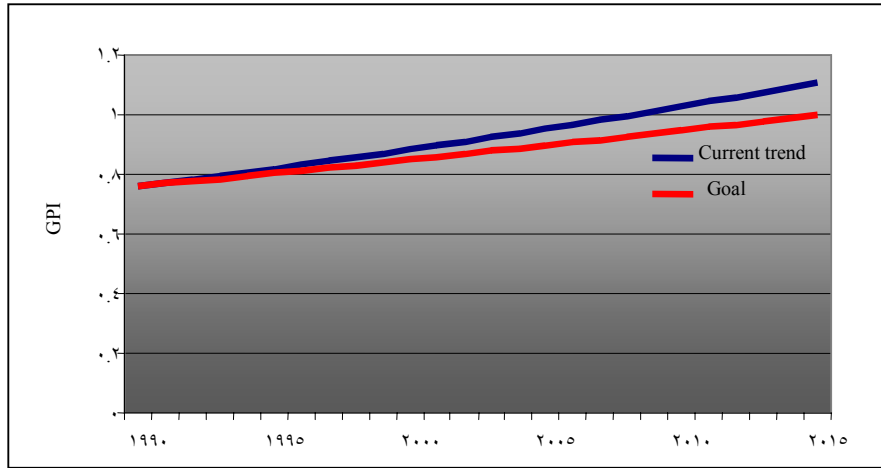
¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

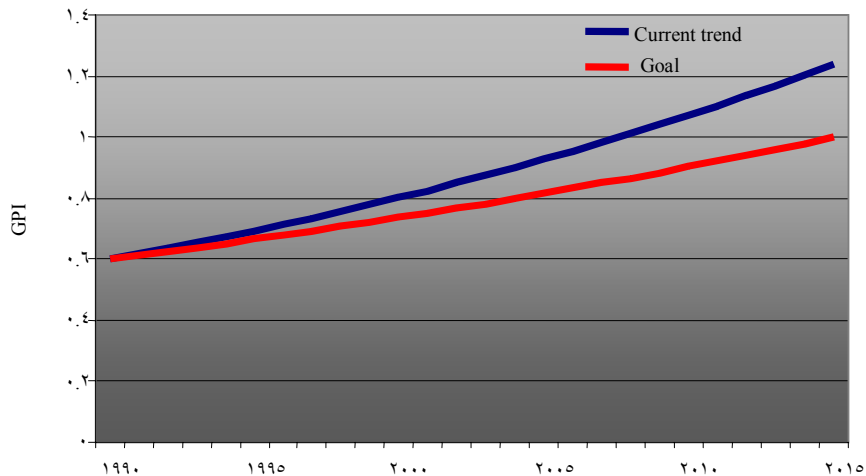
employment activity, because of lack of job opportunities or attitudes towards women working outside the home.¹⁶

Figure 7. The elimination in the Arab region of gender disparity in secondary education, preferably by 2005, and by 2015 at the latest



Source: ESCWA estimates, based on data from the UNESCO Institute for Statistics.

Figure 8. The elimination in the Arab region of gender disparity in tertiary education, preferably by no later than 2015



Source: ESCWA estimates, based on data from the UNESCO Institute for Statistics.

Note: Data on GPI in tertiary education in the Arab LDCs refer to the latest year available, namely, 1999/2000.

Non-agricultural wage employment

The women's economic activity rate in the Arab region, at approximately 29 per cent in 2000, is one of the lowest in the world.¹⁷ That is because of a combination of factors, including sluggish economic

¹⁶ Ibid.

¹⁷ ESCWA, *Where do Arab women stand in the development process? A gender-based statistical analysis*, 2004. E/ESCWA/SDD/2004/Booklet.1, p. 12.

growth rates, the poor absorptive capacity of the labour market, legal frameworks and social and cultural norms. In general, women's share of the labour force is higher in the Arab LDCs, where agriculture is an important sector and a large employer of women. The lowest share of women in the labour force prevails in the higher-income countries, where oil-based industrial activities may not be deemed suitable employment for women. Women's economic activity rates in the Mashreq and Maghreb are relatively high, given the predominantly services-oriented nature of those sub-regional economies.

Women's share of paid employment is smaller than that of men. In 2001, women's share of non-agricultural wage employment in the Arab region ranged from a low of 7 per cent in Yemen to a high of 27 per cent in Morocco. Even in countries where women have better access to paid employment opportunities, the conventional division of labour, whereby women mostly find jobs in the health, education and services sectors, persists. A higher economic activity rate may not solely indicate a greater degree of economic empowerment, but also point to greater poverty, or the need for two household incomes.¹⁸

Representation in national decision-making

Arab women's political participation remains one of the lowest in the world. As of May 2005, women's share of seats in national parliaments had reached 8 per cent, compared to 4 per cent in January 1997. In 2005, women in the Mashreq enjoyed the greatest parliamentary representation, at 10 per cent, followed by the Maghreb and Arab LDCs, with rates of 8 and 6 per cent respectively. In the GCC region, women are represented only in the national parliament of Oman, leaving the average for this sub-region at 2 per cent.¹⁹ On a positive note, in 2004 the first female minister in the history of the United Arab Emirates was nominated. Kuwaiti women are also no longer excluded from political life, having been given the right to vote in 2005. In Iraq, a quota system was recently introduced, allocating some 32 per cent of parliamentary seats to women. Nonetheless, women's political empowerment has a long way to go, given that they are only marginally represented in political parties, trade unions and civil society organizations. The same can be said of women's role in decision-making within the household in many segments of Arab society. Furthermore, women's representation in parliaments does not necessarily indicate that they will endorse legislation in favour of gender equality and women's empowerment, given cultural and social norms and pressure. Therefore, the promotion of gender equality and women's empowerment will have to be approached on a participatory and rights-based basis, inclusive of both women and men.

Goal 4: Reduce child mortality

Between 1990 and 2003, under-five child mortality in the Arab region declined from 91 to 70 deaths per 1,000 live births. With the exception of the LDCs, Arab countries are on track to achieve the target of reducing child mortality by one third. In Iraq, child mortality rates have risen as the result of more than 10 years of war and sanctions.²⁰ In 2003 in the Mashreq, the under-five child mortality rate declined from 78 deaths per 1,000 live births in 1990 to 56. There has been a dramatic reduction in child mortality in the Maghreb, where child mortality rates have decreased by more than half since 1990, reaching 37 in 2003. Child mortality is lowest in the GCC countries: 23 in 2003, down from 39 in 1990.²¹

Conflict, extreme poverty and low investment in social services, including health, education, water and sanitation, are some of the basic causes for child mortality. Under-five child mortality is highest in countries affected by chronic conflict and/or underdevelopment, namely, Djibouti, Iraq, Mauritania, Somalia, the Sudan and Yemen. In those countries, close to or more than 1 in 10 children die before the age of five. In

¹⁸ Ibid., p. 13.

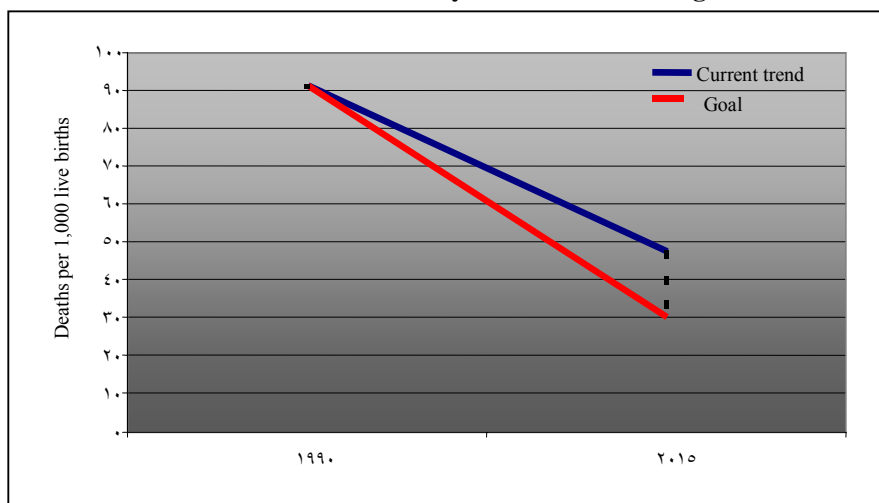
¹⁹ Calculations are based on data derived from the Inter-parliamentary Union (IPU) database on women in parliament for the latest year available. For the year 1997, no data were reported for Bahrain, Mauritania, Oman, Qatar, Saudi Arabia and Somalia. Women's share of parliamentary seats was not known for Iraq or the Libyan Arab Jamahiriya. For the year 2005, no data was reported for the Libyan Arab Jamahiriya, Qatar or Somalia. Data for Palestine was obtained from the United Nations Development Programme (UNDP) Programme on Governance in the Arab Region (UNDP-POGAR), available at: www.pogar.org.

²⁰ WHO databases.

²¹ UNICEF, *State of the World's Children 2005*.

the LDCs alone, child mortality represents more than half of the total for the entire Arab region. In those countries, child mortality is closely tied to high levels of malnutrition, poor access to health services, poor nutrition and mothers' lack of education.

Figure 9. The reduction by two thirds, between 1990 and 2015, of the under-five mortality rate in the Arab region



Source: ESCWA estimates, based on data from UNICEF, *State of the World's Children 2005*.

Goal 5: Improve maternal health

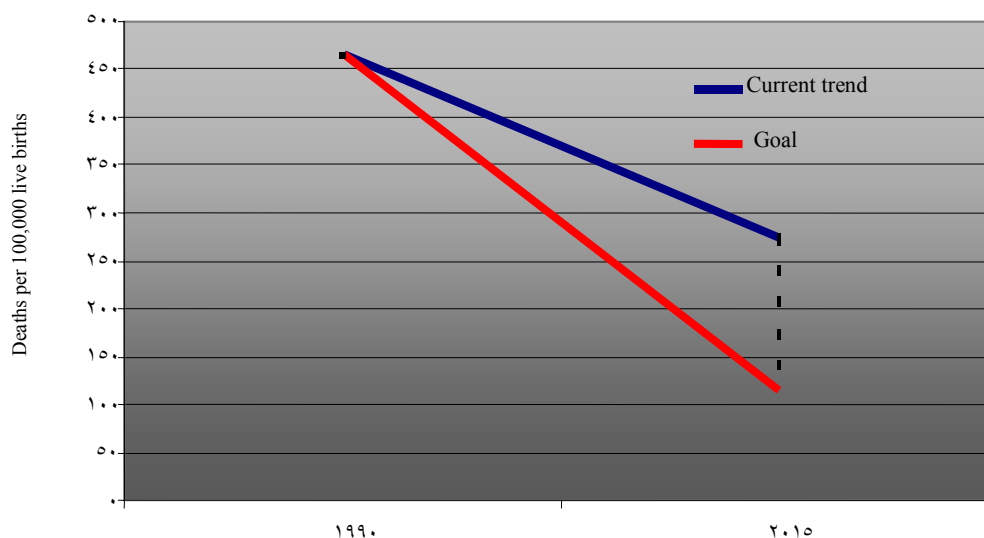
Notwithstanding the progress that has been made, current maternal mortality rates (MMRs) and data on natal care indicate that the region is not on track to meet maternal health-related targets. In 2002, there were 377 maternal deaths per 100,000 live births, compared to 465 in 1990.²² The greatest decline in MMRs was in the Arab LDCs, where they decreased by 2.2 times their 1995 level. There is, however, significant variation between the sub-regions. In 2000, MMRs in the GCC region were 29.8, compared to 144.8 and 165.5 in the Mashreq and Maghreb regions respectively. In the Arab LDCs, there were 716.7 maternal fatalities per 100,000 live births. Poor obstetric care services and lack of access to ante-natal services are often cited as key causes of high maternal mortality, in addition to poor referral systems and insufficient emergency obstetric care.

In the period 1995-2001, only 67 per cent of all Arab women gave birth assisted by skilled health personnel.²³ During that period, over 90 per cent of deliveries in GCC countries were attended by skilled health personnel, whereas only slightly more than half of those in LDCs had such access. In the Mashreq and Maghreb regions, the proportion of births attended by skilled health personnel were 67.1 and 71.7 per cent respectively.

²² UNICEF, *State of the World's Children 2005* and UNDP, *Human Development Report 2004*.

²³ United Nations Population Fund (UNFPA) databases.

Figure 10. The reduction by three quarters, between 1990 and 2015, of the maternal mortality rate in the Arab region



Source: ESCWA estimates, based on data from UNICEF databases.

Goal 6: Combat HIV/AIDS, malaria and other diseases

While HIV/AIDS is not highly prevalent in the Arab region, the number of cases is on the increase. Between 1990 and 2003 the number of reported AIDS cases rose by some 42 per cent to 13,865. Over half of those cases are in the LDCs, where more than 1 per cent of the sub-region's population aged between 15 and 45 is HIV-positive. However, there may be under-reporting of HIV/AIDS, because of the inadequacy of data collection, monitoring and reporting systems. Consequently, much uncertainty surrounds the extent to which the virus has spread among the principal at-risk groups. Data on the HIV status of pregnant women are also insufficient. Effort is required to create an early warning system and improve surveillance, monitoring and reporting, in order to contain the disease before it becomes a problem for the region.²⁴

Eradicating malaria

Malaria no longer poses a severe threat, except in the Arab LDCs, which accounted for almost 100 per cent of all reported cases in 2003. In 2003, the total number of reported cases in the Arab region was 3.28 million, down from 7.03 million in 1999.²⁵

Tuberculosis

The proportion of tuberculosis (TB) cases detected and cured in the region is currently 81 per cent, with 80 per cent of the region under directly-observed treatment, short-course coverage in early 2004²⁶. In 2000, the

²⁴ WHO-EMRO databases. The regional and sub-regional averages for the number of reported cases of HIV/AIDS include all 22 Arab countries, with the exception of Algeria, Comoros and Mauritania.

²⁵ WHO-EMRO databases. The Arab regional total for malaria cases does not include Algeria, Comoros or Mauritania, for which data are unavailable.

²⁶ This figure relates to the Eastern Mediterranean Region, which does not correspond exactly to the Arab region, but may serve as representative.

highest prevalence of TB was in the Arab LDCs: 1,853 cases per 100,000 population, compared with 437 in the Mashreq, 272 in the GCC States and 176 in the Maghreb.²⁷

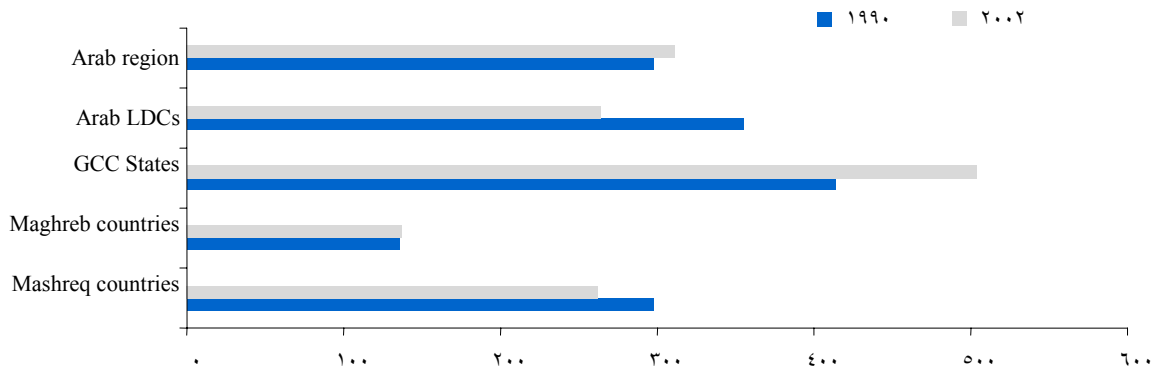
Goal 7: Ensure environmental sustainability

Progress has been made in many countries of the region in addressing the challenges of sustainable development. A number of political forums have been established at the regional level, including the Arab Initiative for Sustainable Development, advanced by the League of Arab States in 2002, with a view to improving governance, defining goals and priority action areas and adopting such integrated approaches to sustainable development as the Abu Dhabi Declaration of 2003. However, the achievement of environmental sustainability will require more concerted efforts to protect and conserve natural resources, particularly energy, water and soil resources, improved efficiency in the use of non-renewable energy and water resources, and the correction of market failures and distortions by including the environment in national accounts.

Energy accessibility and efficiency

Despite the vast energy resources of the region, in 2003 only 78.6 per cent of the Arab population had access to electricity, ranging from almost 100 per cent in the GCC countries to under 8 per cent in LDCs. The region’s overall energy efficiency (kilogram (kg) oil equivalent per \$1,000 GDP (PPP)) has improved unevenly in the past decade. In 2002, the GCC countries reported the highest energy use (504 kg oil equivalent per \$1,000 PPP), followed by those of the Mashreq (262 kg oil equivalent per \$1,000 PPP) and the Maghreb (some 137 kg oil equivalent per \$1,000 PPP). Data available data on energy use in the Arab LDCs are inadequate.

Figure 11. Energy use per unit of GDP (kilograms of oil equivalent per \$1,000 GDP (PPP)), 1990 and 2002



Source: United Nations Statistics Division, Millennium Development Goals Indicators Database, http://unstats.un.org/unsd/mi/mi_goals.asp.

Note: Sub-regional average energy use per unit of GDP is based on available data. The average for the Arab LDCs is based on data for the Sudan and Yemen only. That of the GCC excludes Qatar, while the Maghreb average does not include the Libyan Arab Jamahiriya. The average for the Mashreq excludes Iraq and Palestine.

²⁷ WHO-EMRO databases. The Maghreb average for TB prevalence does not include Algeria, for which no data are available. Similarly, the corresponding average for the Arab LDCs excludes Comoros and Mauritania, for which no data are available.

Water resource protection

The availability and protection of water resources is a major issue in the Arab region. Agriculture is the highest water consumer in the region (some 80 per cent of total consumption) and the main cause of over-exploitation and degradation of quality. The situation is further complicated by the fact that several water resources are shared by a number of countries. On the country level, policies, investment in technology and innovative water use have been employed in an attempt to conserve and protect the available resources. However, the policies adopted and actions taken seem to be largely ad hoc and are therefore of limited effectiveness.

Forestry and protected areas

In the Arab region, forests and protected areas cover 3.4 per cent and less than 2 per cent of all land, respectively. In the LDCs, a 19 per cent decrease in forest coverage since 1990 has been reported. Land degradation and desertification constitute more serious problems in the region than deforestation.

Ozone layer and climate change

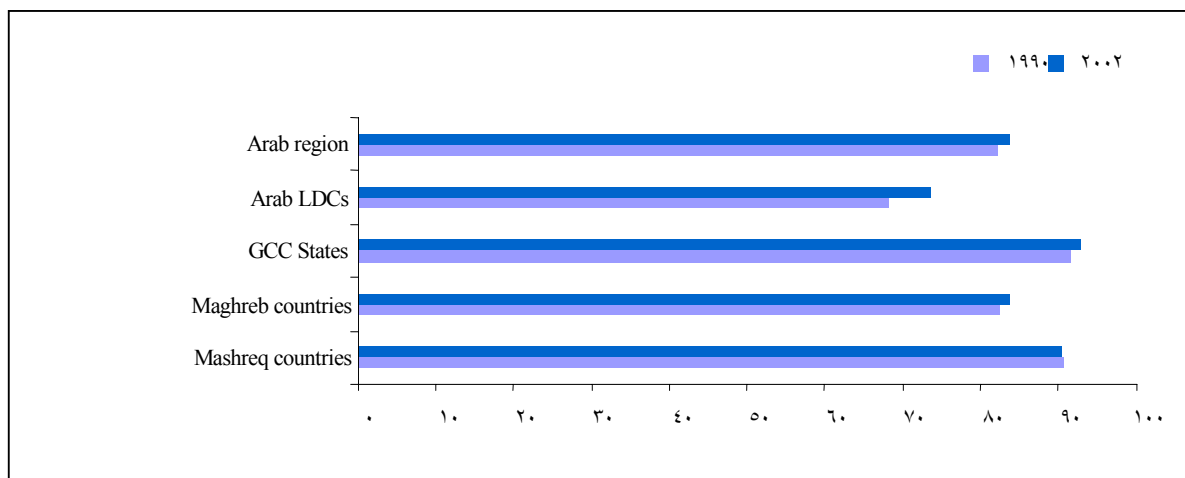
Between 1995 and 2000, concerted efforts succeeded in reducing chlorofluorocarbon (CFC) production across the region. During that period, CFC production decreased in the Mashreq, Maghreb and Arab LDCs by 38, 21 and 4 per cent respectively. In the GCC region, CFC production declined by 9 per cent from 1995 to 2000, and by more than 50 per cent between 2000 (495 metric tons) and 2001 (235 metric tons). Notwithstanding efforts to improve energy production and consumption efficiency in the region, carbon dioxide (CO₂) emissions per capita increased by 15 per cent between 1990 and 2003. During that period CO₂ emissions per capita increased in the GCC countries from 20 to 25 metric tons, largely caused by the sub-region's vast oil and hydrocarbon industries. Emission levels in 2003 in the Maghreb and Mashreq (2.7 and 2.2 metric tons respectively) decreased in the same period by 24 and 19 per cent respectively. In the Arab LDCs, emission levels decreased to 0.5 metric tons (65 per cent less than in 2000). The relatively low emissions level in the Arab LDCs may be ascribed to the predominance of the agriculture sector, limited industrial activity and the limited private use of vehicles or energy.

Safe drinking water and sanitation

Water supply and sanitation indicators suggest that significant efforts are still needed in the Arab countries in order to meet the set targets, especially in the rural areas of the region and the Arab LDCs. Between 1990 and 2002, the proportion of the population with access to safe water remained relatively unchanged across the four sub-regions. At the regional level, 86.7 and 72 per cent respectively of the urban and rural population had access to safe water. Greatest access to safe drinking water was in the GCC States (93 per cent) followed by the Mashreq, Maghreb and Arab LDCs (90.5, 84 and 74 per cent respectively).

Fewer people have access to sanitation than to safe drinking water, especially in the rural areas and, in particular, in the LDCs, where considerable efforts continue to be required. Between 1990 and 2002, levels of access to improved sanitation remained relatively unchanged in urban areas, at 83 per cent. In rural areas, access to improved sanitation has improved by 6 per cent since 1990, to reach 69 per cent. In 2002 the proportion of population with access to improved sanitation in the rural areas was lowest in the LDCs (17.7 per cent) followed by the Mashreq and Maghreb (67 per cent) and the GCC countries (87 per cent). In the urban areas, access to improved sanitation did not exceed 55 per cent in the LDCs, compared to some 92 per cent in the Mashreq and Maghreb, and almost 100 per cent in the GCC countries.

Figure 12. Proportion of population with access to improved sources of safe water in the Arab sub-regions, 1990 and 2002
(Percentages)



Source: United Nations Statistics Division, Millennium Development Goals Indicators Database, http://unstats.un.org/unsd/mi/mi_goals.asp.

Goal 8: Develop a global partnership for development

The achievement of Goal 8 is directly related to the creation of an enabling environment for pro-poor development at the national, regional and global levels. That pre-supposes a commitment by developed countries to assist developing countries to grow and participate effectively in the global economy. At the same time, developing countries should adopt policies that promote growth and development and socio-economic integration and confront the challenges of globalization. One major problem facing the Arab region is that it is still perceived by many donors as being resource-rich, a perception which is strengthened by the classification of many Arab countries as middle-income countries and therefore not a priority for official development assistance (ODA).

Total aid to the region

In recent years, total aid (measured in current \$US) to the Arab region increased from \$5.33 billion in 1999 to \$8.32 billion in 2003. However, three middle-income countries, namely, Egypt, Iraq and Jordan, received over half of all aid in 2003, reflecting, in part, new donor priorities, which are influenced by political considerations. Bilateral and multilateral aid flows are being diverted from Egypt, traditionally the largest recipient, towards Iraq, in order to support post-conflict reconstruction. Djibouti, Iraq, Jordan and Palestine were the next highest recipients of aid per capita in 2003.²⁸

As noted by the Millennium Project, an increase in financial aid is required to accelerate growth and achieve the MDGs in LDCs. On the positive side, as the data set forth above indicates, the average aid per capita for Arab countries rose from \$19.40 to \$27.80 over the period from 1999 to 2003. However, that average in the LDCs of the region was only \$20.80 in 2003. Yemen, in particular, experienced a sharp decline, from \$26.90 in 1999 to a mere \$12.70 in 2003. Moreover, with the exception of in 2002, LDCs have consistently received less than the regional average in aid per capita: in 2003, they received only 16 per cent of all ODA (\$8.3 billion), despite constituting 22 per cent of the total Arab population in that year. Furthermore, there are big differences between LDCs in respect of aid allocation: in 2002, the amount of aid

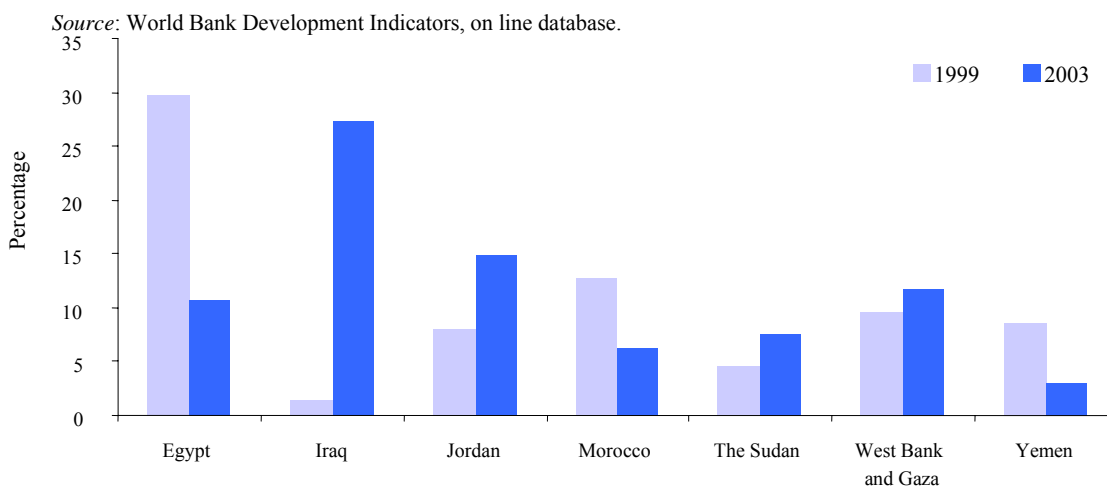
²⁸ UNCTAD calculations, *Annual Report on LDCs, 2004; Annual Review of Developments in Globalization and Regional Integration in the Countries of the ESCWA Region, 2003*.

received by Djibouti and Mauritania was, respectively, more than ten and five times greater than that received by the Sudan and Somalia.²⁹

Intra-regional aid

While an increase in foreign aid in general and in aid from the richer Arab countries to LDCs in particular is crucial if the targets are to be met, it should be noted that the latter group of countries has made significant contributions to ODA at the regional and international levels in the past: between 2000 and 2003, GCC countries provided a total of \$13.7 billion in development aid. Saudi Arabia, the largest donor, contributed 58 per cent of the total. In 2003, Saudi Arabia alone donated \$2.8 billion (1.3 per cent of GDP) of the total \$3.1 billion for that year. Kuwait and the United Arab Emirates contributed \$82 million and \$130 million respectively.³⁰

Figure 13. Major recipients of aid in the Arab region (percentage of all aid to the region), 1999 and 2003



Other sources of financing

Other important sources of financing for development include short- and long-term borrowing, workers' remittances and foreign direct investment (FDI). With respect to the first, data for Arab countries indicate an improvement in the terms of debt commitments in recent years. That is because of debt restructuring, rescheduling and forgiveness agreements reached with both the Paris and the London clubs, which have contributed to a noticeable reduction in debt service burdens in recent years (with the exception of in Lebanon, data on which show an alarmingly high and growing debt-service ratio). However, for many countries, that improvement can also largely be attributed to soaring oil export earnings, casting doubt on future debt-servicing sustainability.

Trade liberalization

In recent years, most Arab States have initiated trade liberalization programmes, in order to further their integration into the global economy and reap the proclaimed benefits of globalization. Those efforts to open their economies have produced mixed results. Only a few countries have achieved outstanding or impressive results through an outward-oriented strategy. In 2002, total exports from the region made up only 3.6 per cent of total world exports, while imports represented 2.5 per cent of total world imports. In terms of FDI inflows, the region accounted for merely 0.7 per cent of world FDI inflows and 2.8 per cent of FDI

²⁹ Ibid.

³⁰ Ibid.

received by developing countries in 2002.³¹ Moreover, notwithstanding attempts to diversify, most countries in the region continue to export a narrow range of low value-added goods, dominated by fuels (70 per cent of total exports in 2002), agricultural products, textiles and chemicals, to a limited number of export markets, and, predominantly, the European Union.³²

KEY CHALLENGES AND ISSUES

The Arab region has demonstrated progress in many MDG-related fields. However, progress varies across the sub-regions and at the country level, where urban-rural disparities persist. Despite concerted efforts, there have also been setbacks that are attributable to several factors, including poor economic performance, inadequate financing and political tensions and conflicts. The Arab region had one of the lowest per capita GDP growth rates in the 1990s and early 2000s. That poor growth record has been reflected in slow progress in human development in comparison with the average for developing countries. The Arab region faces a number of challenges to achieving the MDGs, including unemployment, the gender gap, illiteracy, regional disparities, war and conflict. Other prerequisites for the success of all the Goals include the rule of law, respect for human rights, democracy and good governance.

Unemployment

Unemployment is a major obstacle to growth and higher income. The Arab region is grappling with labour market challenges that have serious implications. The Arab labour force is growing by some 3.5 per cent per annum. Structural unemployment is in double figures and female unemployment is twice that of men. At 21 per cent, the unemployment rate among Arab youth in 2004 was more than double that of adults. Those levels have remained high throughout the Arab region since 1991.

The employment problem in the region is not only confined to middle-income countries and LDCs. In the GCC States, unemployment has become a national concern. One key problem of employment generation is the predominance of the energy sector, which has an extremely low employment multiplier, and the issue of foreign labour, which exceeds that of nationals, creating the problem of the nationalization of labour. Regionally, the problem of unemployment is tied to the quality of education and the mismatch between the skills of graduates and labour market demands.

Gender gap

Because gender equality is an integral part of development the gender gap poses a challenge. Gender equality and the empowerment of women are essential components of all eight MDGs, and it is therefore vital that the gap is closed. With the exception of Morocco and, more recently, Iraq, no Arab country has attempted to introduce quotas for women in the political arena or build their capacities to become political participators, both as voters and candidates. Other factors, including social and cultural norms that marginalize women, should also be addressed.

Illiteracy

Countries all over the world have made the battle against illiteracy one of their top priorities. Egypt, Morocco and the Arab LDCs have the highest illiteracy rates.

War and conflicts

The cost of war and conflict, in terms of lost lives, displacement, and setbacks to development, continues to be high, as is particularly evident in Iraq, Palestine, Somalia and the Sudan. Political tensions and wars have plagued the region and diverted Government budgets towards military expenditure, reconstruction and coping with the impact of conflict. The instability brought by war and conflict threatens

³¹ UNCTAD calculations, *Annual Report on LDCs*, 2004; *World Investment Reports*, 2002, 2003, 2004.

³² Ibid.

the sustainability and equal distribution of development gains. Peace and stability is urgently needed to enable the Arab region to better deploy its efforts to achieve MDGs.

THE WAY FORWARD

The achievement of MDGs is largely dependent on the adoption and implementation of pro-poor development policies and strategies and legislation that concerns gender equality, the environment, rural and urban development, health systems, education, science, technology and innovation. Stronger regional partnerships and integration, including greater intra-regional trade, are also required, as are increased funding and investment aimed at improving productivity.

Pro-poor policies and investment

Pro-poor, investment-led growth and heavy investment in social services and infrastructure are needed in order to produce the higher levels of economic growth that will assist in the realization of the MDGs. Public sector investment may serve as a channel for introducing labour-intensive techniques and promoting the growth of labour-intensive sectors. In light of the low capacity of the private sector to generate high investment rates, the inability of institutions to mobilize and direct savings, and imperfect market signals in the Arab region, the State continues to have a considerable role to play in harnessing resources for development.

Given the low literacy rate among women and the poor, an MDG-friendly policy framework requires concerted efforts to reduce illiteracy as part of its investment in human capital. Increasing the participation of women, the poor and other marginalized persons, including refugees, requires removing and changing institutional barriers, including legal frameworks and formal and informal discriminatory rules and practices.

Stronger regional partnership and integration

The achievement of MDGs requires global and regional partnerships based on mutual accountability and responsibility, in which wealthier nations, through funding, debt relief and fair trade agreements, support the efforts of developing countries to adopt relevant development strategies within a supporting global environment. Greater South-South cooperation is also necessary for sharing experience and expertise. The integration of Arab markets would render the region more attractive to world investors, facilitate investment and growth, and generate employment opportunities and income.

In order to finance investment, Arab countries must receive higher ODA. However, it is equally important to raise funds from domestic sources. Various approaches can be adopted, including improved tax collection, an increase in non-traditional exports, the optimum use of natural resources, improved productivity and increased growth. Such measures must be adopted as part of a pro-poor comprehensive national development strategy.

Improved productivity

Productivity across all sectors of the economy must be improved. Significant proportions of the population of many Arab countries are economically dependent on agriculture, and the incidence of poverty among those segments of the population is markedly higher than in urban populations. Significantly increased agricultural prosperity is required in order to achieve the MDGs in rural and agriculture-based communities. Increased investment in infrastructure and basic social services is essential to improve agricultural productivity and income. Sizeable investment in irrigation and land reclamation schemes would not only promote a rise in productivity but would also make more arable land available for distribution to landless farm labourers.

Institutional capacity-building for monitoring and reporting

Throughout the region, institutional capacities to collect, compile, analyze and use statistics for policy and project formulation and management are weak. Developing institutional capacities to produce quality statistics would not only facilitate monitoring and reporting on MDGs, but also contribute to greater transparency and accountability.

Commitment to keeping the promise

Both rich and poor countries in the Arab region share the risks and benefits of not investing the financial and human resources necessary to achieve MDGs by 2015. Arab countries must enhance their human and institutional capacities, improve policies, promote investment and increase donor aid. That will require sustained action at the local, national and regional levels, and reform aimed at good governance, partnership, gender equality, environmental sustainability and pro-poor economic policies.