

A DECADE OF ACTION DELIVERING SUSTAINABLE DEVELOPMENT GOALS IN THE GULF



1. WHY THE SUSTAINABLE DEVELOPMENT GOALS (SDGs) ARE CRITICAL

The 2030 Agenda for Sustainable Development Goals (SDGs) was launched in 2015. In the years since, these goals have provided governments with an organized and unified structure to address interconnected developmental issues such as poverty, economic inequality, education, the climate crisis, peace, justice, and responsible consumption and production.

While significant progress has been made in areas such as poverty eradication, the alleviation of hunger and access to education, it has been very slow.¹ In many areas, problems continue to manifest themselves to the same degree as before.

Thus far, the 193 countries that have committed to these goals have met with limited success in streamlining their operations towards accomplishing the 2030 Agenda. This is mirrored in the slow pace at which the journey toward achieving the SDGs is being made.

The Gulf region is not any different in this regard—progress in addressing these pressing challenges has been remarkably slow.¹ There is little chance the region's economies will meet the 17 goals in time, and that will have serious socio-economic implications across the region. Failure to do so, could result in a volatile cocktail of unsavoury ingredients including widening socio-economic inequalities, deepening political instability, an inhospitable environment, and a less promising future for coming generations.

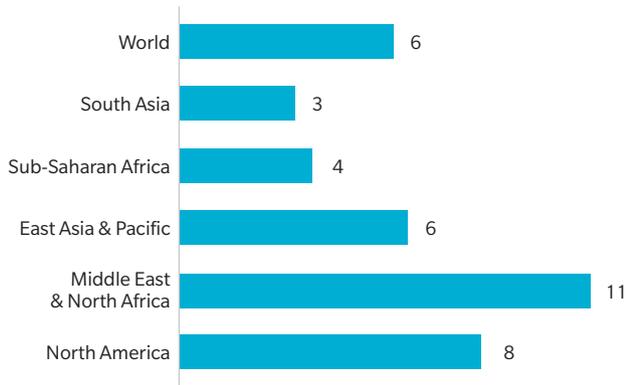
Thus it is imperative that governments in the Gulf—with the active engagement of private enterprise—strive to meet these goals in time.

This report provides insight into what some of the key constraints that the Gulf economies are facing when it comes to the successful delivery of SDGs. It also highlights the steps they can take to mitigate and/or address these challenges.

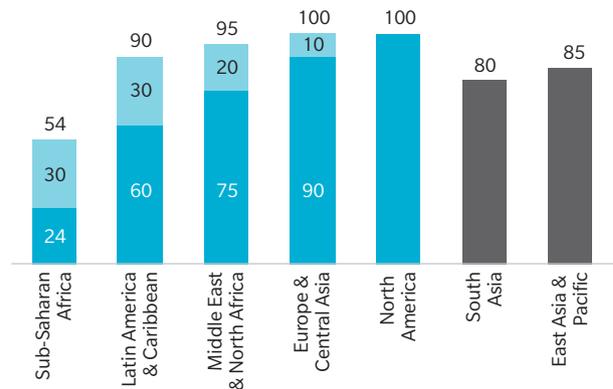
1. Financial Times. "Progress toward sustainable development is seriously off-track." Retrieved from <https://www.ft.com/content/0c0eadc6-f739-11e9-bbe1-4db3476c5ff0>

Exhibit 1: Progress towards meeting sustainable development goals has been dismal

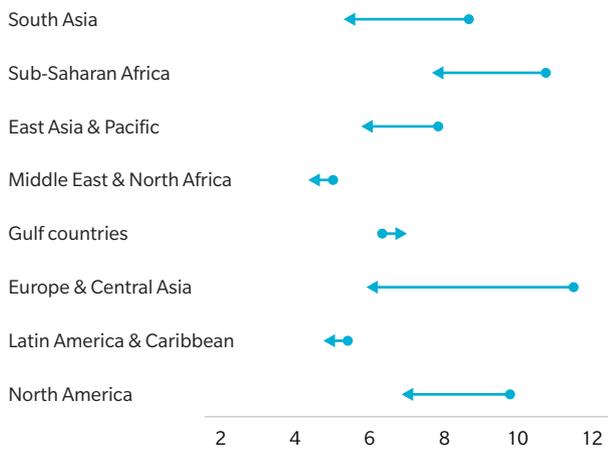
IN 2016, MENA REGION HAD THE HIGHEST OVERWEIGHT RATE IN CHILDREN AGED LESS THAN 5 OVERWEIGHT



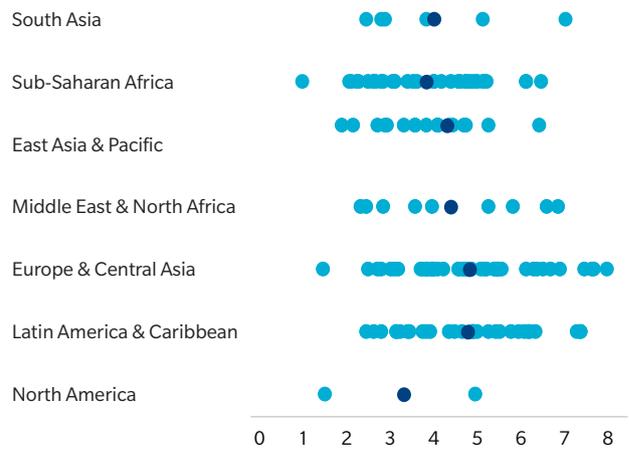
DESPITE ARID CLIMATE, 90% OF MENA RESIDENTS HAVE ACCESS TO SAFELY MANAGED WATER (71% WORLD AVERAGE), BUT IT IS RELIANT ON FOSSIL-FUEL DESALINATION



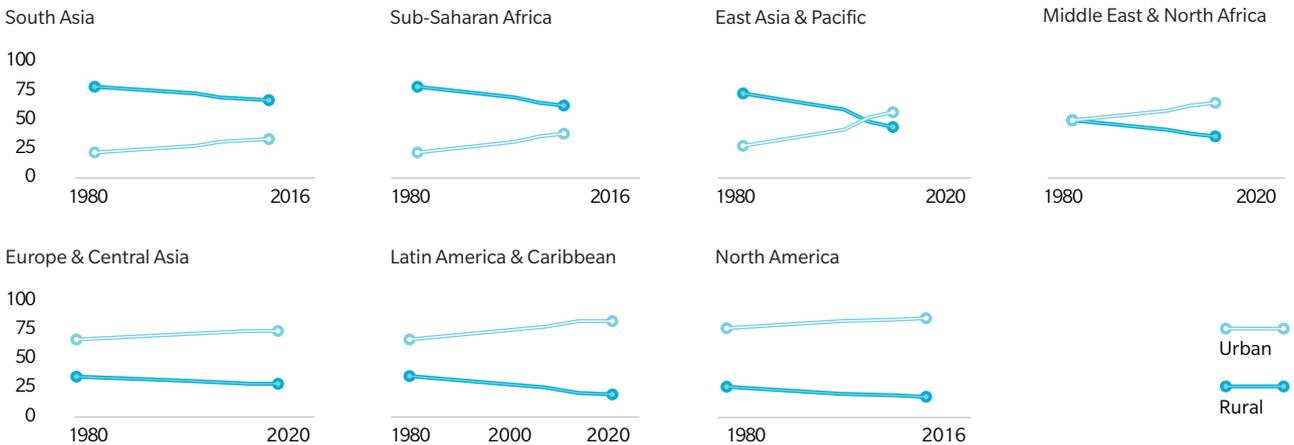
ENERGY INTENSITY HAS FALLEN EVERYWHERE BUT IN THE GULF COUNTRIES



EDUCATION SPENDING IN MENA RANGES BETWEEN 1% AND 8% OF GDP



URBANIZATION IN MENA IS RAPID, WHERE MOST OF THE POPULATION TODAY LIVE IN CITIES
SHARE OF TOTAL POPULATION (%)



Source: World Bank Group. Atlas of Sustainable Development Goals from World Development Indicators 2018.

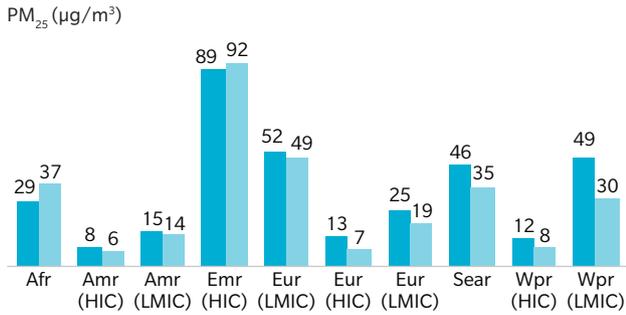
1. World Bank Group. Atlas of Sustainable Development Goals from World Development Indicators 2018.

2. World Health Organization. Ambient Air Pollution: a Global Assessment of Exposure and Burden of Disease.

3. World Bank Group, Water Global Practice. High and Dry Climate, Water and Economy.

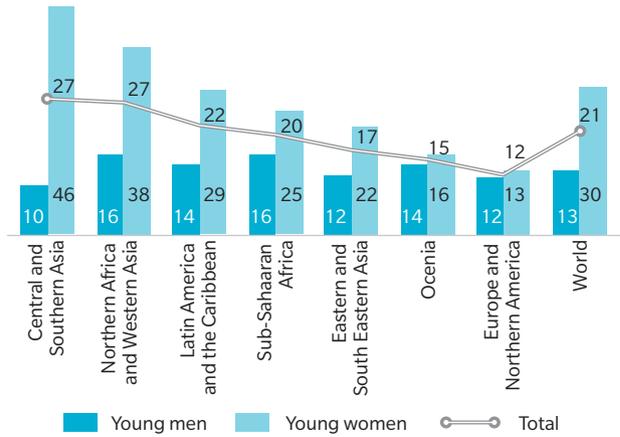
4. The New Climate Economy-The Global Commission on the Economy and Climate. Unlocking the Inclusive Growth Story of the 21st Century: Accelerating Climate Action in Urgent Times.

HIGHEST CONCENTRATION PM2.5 AIR POLLUTANT IN THE GULF²

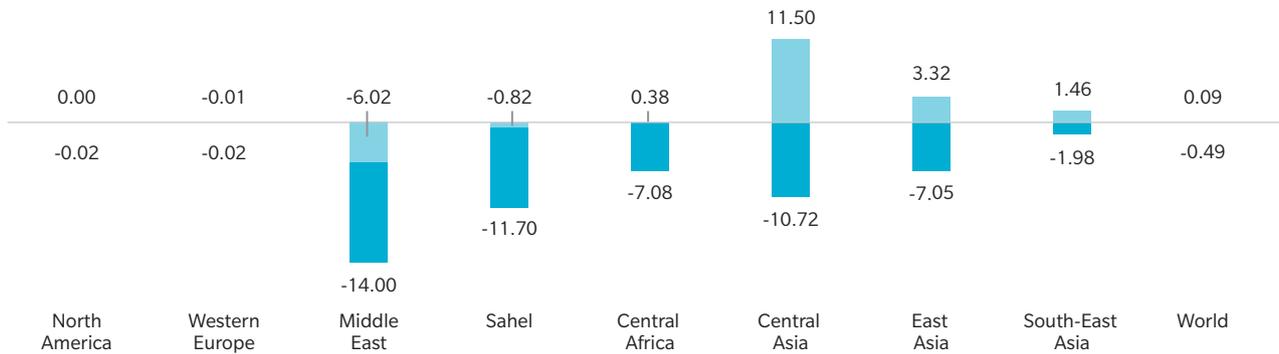


Afr: Africa, **Emr:** Eastern Mediterranean, **Eur:** Europe. **Sear:** South-East Asia, **Wpr:** Western Pacific, **LMIC:** Low and middle income countries, **HIC:** High-income countries Note: The graph represents the median PM_{2.5} of regional urban and rural areas. These estimates are not in relation to the number of people exposed to those levels.

IN MENA, 27% OF YOUTH ARE NOT IN EDUCATION, EMPLOYMENT OR TRAINING¹



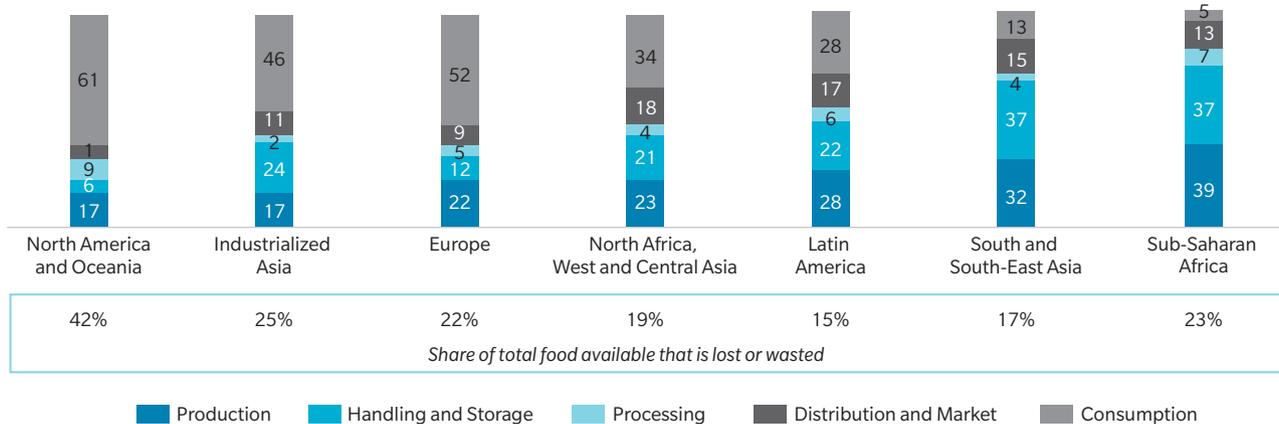
IMPACT OF CLIMATE CHANGE ON WATER RESOURCES WILL RESULT IN 6% DROP IN GDP IN THE MIDDLE EAST³



Source: World Bank 2015a

Note: The figure shows the range that climate changes effects on water will have on GDP for selected regions. It incorporates effects from different growth scenarios (SSP1 and SSP3) as well as different policy scenarios (business-as-usual policies and policies that encourage better water allocation).

FOOD WASTE IN MENA IS DRIVEN BY LOSSES IN FOOD FOR CONSUMPTION⁴



Source: WRI analysis based on FAO. 2011. Global Food Losses and Food Waste — Extent, Causes and Prevention. Rome: UN FAO

Note: Numbers may not sum to 100 due to rounding.

2. THE STRUGGLE TO MEET THE SDG AGENDA

Resource-rich Gulf economies have had a head-start over many of their peers in other parts of the world, given they have not been as financially constrained. However, that hasn't been enough when it comes to addressing the most pressing sustainable development challenges.

Delivering the SDGs still remains a formidable governance challenge for all countries, irrespective of their stage of development or income levels. One overarching challenge is ascertaining the appropriate governance mechanisms to work toward the attaining of the SDGs. This includes the problem of forming coordination structures across different ministries and levels of government hierarchy. The successful accomplishment of these goals will imply careful consideration and perhaps even compromises, should there be competing goals.

The biggest hurdles facing the implementation of SDGs in Gulf countries are the following.

Shortcomings in institutional mechanisms that deliver SDGs. Governments have limited institutional capacity to develop a pipeline of profitable and sustainable development projects. The SDGs cannot be achieved by government entities disjointedly and cannot be met by states in an isolated manner. There must be collaboration both between different ministries and agencies in a state, and between states, for a successful SDG rollout. The resulting implementation will facilitate expertise sharing on issues such as climate change or depleting natural resources and sustainable use of energy.

Insufficient clarity on benefits and gaps in the evidence base. It is estimated there is no available data on approximately two-thirds of SDGs, impeding their rate of success in meeting the goals.² Without the sufficient collation—and analysis—of data, there is little rationalization to decision making. In the absence of these numbers, there is no yardstick to quantify results. This makes it difficult to raise awareness among stakeholders on the potential benefits of implementing SDGs.³ It also results in a failure to assess the efficacy of plans and programs already in place.

The lack of sufficient financing. One key factor for the stunted progress towards meeting the SDGs is the lack of adequate financing, even in the Gulf. It is estimated the financing gap in ensuring a successful SDG roll out in developing countries alone is \$2.5 trillion per year.⁴ This is much too expensive for governments to cover from their own budgets solely. It illustrates the need for governments to work more closely with the private sector and to facilitate private investment in policy and tools that are geared towards meeting the SDGs—not enough of this is happening.

2. International Institute for Sustainable Development "World Bank Officials Highlight Data Challenges, Promising Trends for SDGs."

3. United Nations. "UN Secretary-General's Strategy for Financing the 2030 Agenda." Retrieved from <https://www.un.org/sustainabledevelopment/sg-finance-strategy/>

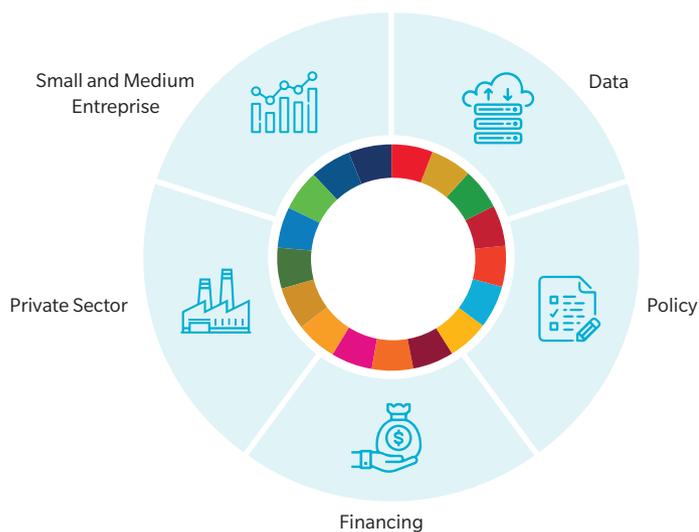
4. United Nations Conference on Trade and Development. "World Investment Report 2014." Retrieved from https://unctad.org/en/PublicationsLibrary/wir2014_en.pdf

3. HOW CAN SDG IMPLEMENTATION BE ACCELERATED?

As we enter the “decade of action” in 2020, it is abundantly clear there is need for faster and more ambitious response to SDGs, particularly in the Gulf region. It is important to acknowledge that there is no blanket, one-size-fits all solution. Instead, localization and a respect of local context and nuances is key to successful SDG implementation. There are no overall “leader countries” in the realm of SDGs, and states are at varying levels of implementation.

Gulf states have incorporated SDG initiatives into policy making and many are active in this sphere. A suggested approach is to emulate the example of countries that already have proven working models and perhaps tailoring them to suit each individual country’s unique context. The presence of a clear governance structure in most Gulf nations will only assist in further consolidating their SDG outreach programs.

Exhibit 2: Five building blocks of the implementation framework



Source: Oliver Wyman analysis

3.1 INTEGRATING SDGS IN GOVERNMENT PLANS

Translating the SDGs framework locally and its mainstreaming in policy-making helps countries commit firmly to SDG advancement while ensuring robust governance. At the government level, line ministries—especially the health, education and environment ministries—must commit towards developing a pipeline of projects towards achieving SDG priorities. The finance, economy and planning ministries need to be able to coordinate with line ministries to prioritize sustainable development projects and to develop the capacity to understand blended financing approaches. Several countries, including the likes of Egypt, Kuwait and the UAE, have already embedded SDGs in policy planning within their institutional development frameworks and governance structures.

The Gulf countries are already generous aid donors. The UAE and the Netherlands, for example, have incorporated the SDGs into their foreign humanitarian aid strategy, and this is a model that the other Gulf countries can replicate. In this manner, they will also be able to use the SDGs as a diplomatic tool. However, net global total official development assistance (ODA) in 2018 stood at \$149 billion, down 2.7 percent in real terms over 2017, despite pledges to boost development financing.⁵ This is a concern as ODA is the largest source of financing for the least developed countries. More broadly, there was also a 12 percent drop in external financing to developing economies between 2013 and 2016.⁶

Exhibit 3: Netherlands incorporates SDG in humanitarian aid

<p>Highlighted results</p> <ul style="list-style-type: none">• Adoption of resolution on conflict and hunger• Capacity of local partners strengthened• Improved use of data for assessments	<p>Related SDGs</p> <ul style="list-style-type: none"> No Poverty Zero Hunger Good health and well-being Gender equality Clean water and sanitation
<p>In 2019, the Netherlands made €380 million available for humanitarian aid through unearmarked contributions (54%), specific humanitarian crisis contributions (40%) and thematic contributions (6%)</p>	

Source: Ministry of Foreign Affairs, Netherlands, retrieved from: <http://dutchdevelopmentresults.nl/theme/humanitarian-aid>

5. OECD. "Development aid drops in 2018, especially to neediest countries." Retrieved from <https://www.oecd.org/development/development-aid-drops-in-2018-especially-to-neediest-countries.htm>

6. OECD. "Donor countries need to reform development finance to meet 2030 pledge." Retrieved from <https://www.oecd.org/development/donor-countries-need-to-reform-development-finance-to-meet-2030-pledge.htm>

In the Gulf, Kuwait has prioritized programs geared towards eliminating poverty and hunger even before the adoption of the SDGs. In addition, it also put focus on access to education for all citizens and towards ensuring a level playing field for both genders. Kuwait has also taken significant strides in healthcare and exhibited noteworthy results in key performance indicators.⁷ The seven pillars of the New Kuwait Vision 2035 have been aligned to the 17 SDGs.

The Kingdom of Saudi Arabia has prioritized SDGs, aligning them with its economic, social, and environmental objectives and policies. In fact, Saudi Arabia has also resolved to meet all guidelines of the Paris Convention.

Finance should be mobilized in tandem with national policy, but it is often the weakest component in national plans, considering 74 percent of analyzed plans globally do not provide costing details.⁸ Most government plans rely on annual government funding and lack explicit guidance on how to link broad policies, such as those targeting the private sector’s inclusion with the planning process. This gap is mirrored in the Voluntary National Reviews (VNRs), which provide very limited information on costing and financing sources.

Exhibit 4: Linkages between policy and finance strategies



Source: UNDP DFA Guidebook 2019

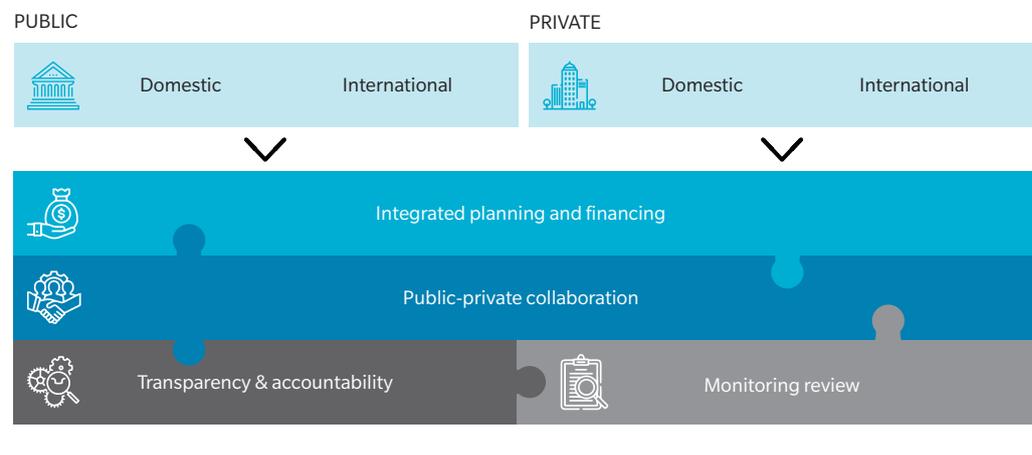
7. United Nations. “Kuwait: Voluntary National Review 2019.” Retrieved from <https://sustainabledevelopment.un.org/memberstates/kuwait>

8. Inter-agency Task Force on Financing for Development. Financing for Sustainable Development Report 2019. Pg. 12. Retrieved from <https://developmentfinance.un.org/sites/developmentfinance.un.org/files/FSDR2019.pdf>

The Development Finance Assessment (DFA) is a tool that supports governments in identifying opportunities to mobilize additional sources of finance and use existing resources more efficiently to achieve the SDGs.⁹ Common entry points for the DFA are the drafting of a new mid-term national plan or the alignment of national planning with SDGs. The DFA follows a multi-stakeholder consultation process and focuses on strengthening the link between planning and financing. It has been completed in 25 countries, and is currently underway in 10 additional countries, including Egypt.

Governments can also apply an integrated national financing framework (INFFs), a tool put forward by a taskforce of members from organizations such as the United Nations Conference on Trade and Development, the United Nations Department of Economic and Social Affairs, the United Nations Development Program (UNDP), and the World Bank. INFFs are used by governments to map the full financing landscape of sustainable development,¹⁰ overcome fragmentation of developmental assistance and manage increasingly complex private sector financing instruments, such as blended finance and guarantees. The objective is to help countries implement targeted policies and reforms to ensure their reach to SDGs.

Exhibit 5: DFA analytical framework



9. United Nations Development Programme. Development Finance Assessment Guidebook. Retrieved from <https://www.asia-pacific.undp.org/content/rbap/en/home/library/sustainable-development/development-finance-assessment-guidebook.html>

10. United Nations Inter-Agency Task Force on Financing for Development. Financing for Sustainable Development Report 2019. Retrieved from https://developmentfinance.un.org/sites/developmentfinance.un.org/files/FSDR2019_ChptI.pdf

Exhibit 6: Key building blocks of INFF



Source: United Nations, Inter-agency Task Force on Financing for Development. 2019 Financing for Sustainable Development Report

The World Bank Group's Maximizing Finance for Development (MFD) initiative seeks to gather expertise from varied sources. In addition, MFD will also influence financing channels and draw on solutions that will help accomplish the SDGs. It has run a pilot program in nine countries including Egypt, Iraq, and Jordan. The underlying idea is to extend fair opportunity, alleviate poverty and drive sustainable economic growth by empowering nations to find, manage, and implement solutions.¹¹

As a next step, it is recommended the Gulf countries:

- Integrate SDGs in government plans and policymaking
- Adopt an SDG-based framework for developmental assistance loans and funds; and work with international organizations that apply frameworks such as DFA, INFF or MFD
- Define the entire SDG financing landscape

11. The World Bank. "Maximizing Finance for Development (MFD)." Retrieved from <https://www.worldbank.org/en/about/partners/maximizing-finance-for-development#1>

3.2 INVOLVE THE PRIVATE SECTOR

There are new models of collaborative and multi-stakeholder partnerships emerging, across agents from both public and private sectors. In 2014, the UN created the SDG Fund to support sustainable development activities through integrated and multidimensional joint programs. The SDG Fund manages a \$70 million budget ¹² to support programs in 23 developing countries. In 2017, the SDG Fund created the global Private Sector Advisory Group (PSAG) with the objective of understanding how the UN and the private sector could better work together and partner to achieve SDGs.

In 2017, Nigeria set up a local PSAG with the aim of engaging the private sector in the implementation of Agenda 2030 and learning how public and private organizations could work together towards achieving the SDGs. The PSAG comprises 13 international private businesses tasked with building a roadmap for public-private alliances aimed at achieving the SDGs. Nigeria chose to tread this path following UN observations revealing that in several other nations, private organizations had effectively implemented successful CSR programs with little or no government assistance. A similar public-private alliance model could be emulated in the Gulf states.

Exhibit 7: United Nations' SDG Fund



Approximately
US\$70 million budget



Joint programs in **23 countries** supporting
5.4 million individuals people



National and international partners,
including the private sector, provide approximately
58% of the resources through matching funds



70% of joint program participants
are women and girls



By mobilizing matching funds, **every dollar**
invested in the SDG Fund **generated an additional**
US\$1.36 in the program budget

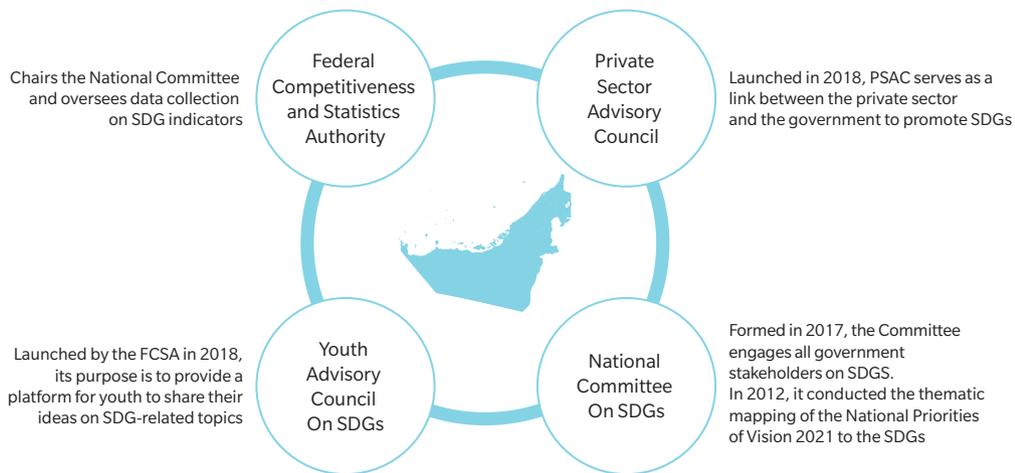


Each joint program contributes to
the achievement of several SDGs

12. Sustainable Development Goals Fund. "A UN mechanism to invest in joint partnerships for SDGs." Retrieved from <https://www.sdgfund.org/who-we-are>

Closer home, in the case of the UAE, several public and private committees and groups cooperate towards achieving the SDGs. In 2015, the UAE local chapter of the UN Global Compact was created to coach private businesses on how to incorporate SDGs in their strategy. Separately in 2018, the Private Sector Advisory Council (PSAC) was established by the government through the FCSA to drive private sector engagement in SDG implementation.¹³ The aim of PSAC is to advise the UAE’s National Committee on driving the implementation of the 2030 Agenda in country’s private sector.¹⁴

Exhibit 8: Stakeholders supporting SDGs in the UAE



13. Oliver Wyman. “Catalyze the Private Sector and Businesses to Support the Acceleration of SDGs.”

14. Federal Statistics Competition Authority of the UAE. Excellence in Implementation 2018: Data Towards The 2030 Agenda.

In Japan, the UNDP, in conjunction with the Japanese Innovation Network, runs the SDG Holistic Innovation Platform (SHIP). This is an open innovation platform that highlights innovation opportunities in addressing SDGs. The SHIP Digital Platform collects insights from the ground pertaining to SDG issues across the globe. SHIP offers Japanese companies a variety of membership options to support innovation opportunities.

Similarly, across the Gulf, the private sector is increasingly involved in conversations around sustainable development and the goals, but it has not been an active participant in policy making and investment yet. Given that the spotlight is on private corporations globally and they are under pressure to take more responsibility for society's socio-economic problems, this is a good time to engage more coherently and actively with the private sector whose greater participation is likely to be more forthcoming in this backdrop.

As a next step, it is recommended the Gulf countries:

- Set up a private sector advisory group
- Organize local chapters of the UN Global Compact and other SDG-related groups
- Build innovation platforms around business opportunities unlocked by SDGs
- Provide incentive to the private sector to invest alongside government and to share its expertise and knowhow in the implementation of policy and frameworks that seek to achieve the SDGs

Exhibit 9: SHIP offers Japanese companies a variety of membership options to support innovation opportunities

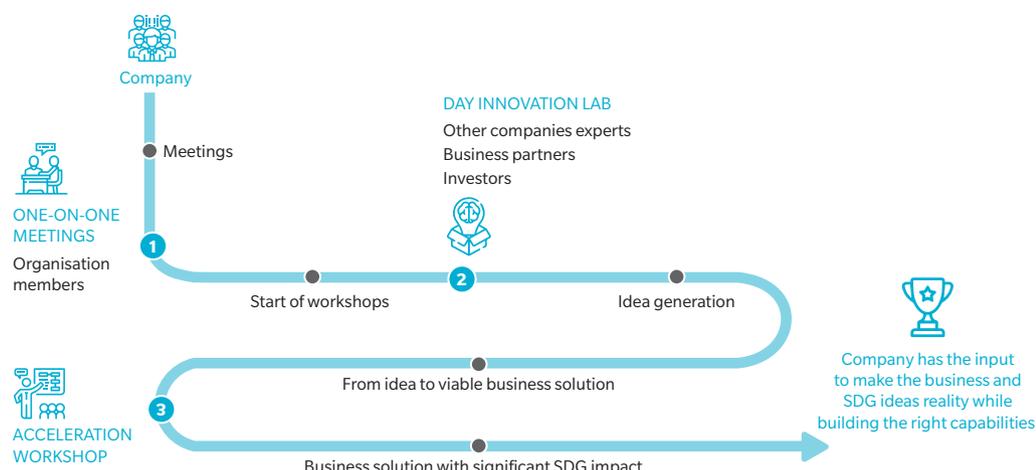


3.3 MAKE LOCAL SMES CENTRAL TO ACHIEVING SDGS

Capital and capacity building should focus attention on building a pipeline of projects comprised of local, early-stage or growth stage companies that can accelerate development. Small and medium enterprises (SMEs) are integral to the socio-economic prospects of economies globally given their important contributions to GDP and employment. As such, in addition to national policy and funding of government projects, development financing should also focus on SMEs, helping them to contribute to a sustainable economy.

In Denmark, for example, the Danish Industry Foundation funds the SDG Accelerator, a program managed by the UNDP’s Nordic Representation Office. The Accelerator has been developed in partnership with Nordic companies that have successfully integrated sustainability into their operations and business strategies while continuing to improve business performance. In the process, they have been creating value, having a positive impact on the journey to meeting the SDGs.¹⁵ Similar set ups in the Gulf could go a long way in getting more wholesome support for meeting the SDGs.

Exhibit 10: SDG Accelerator, a program by UNDP’s Nordic Representation Office



15. United Nations Development Programme. "Innovation Lab 2019." Retrieved from <http://www.sdg-accelerator.org/content/sdg-accelerator/en/home/news-centre/news/InnovationLab2019.html>

Elsewhere, in Turkey, the Global Cleanup Innovation Program (GCIP) for SMEs and Startups promotes innovation in clean technologies. The program works with entrepreneurs and SMEs across sectors to build sustainable innovation systems that support sustainable development. The GCIP is run by the United Nations Industrial Development Organization in partnership with the Global Environment Facility. It contributes particularly to SDG 9 related to industry, innovation, and infrastructure in nine countries. The GCIP Accelerator, which identifies the most promising innovators and entrepreneurs in Turkey, is a key part of the program.¹⁶

As a next step, it is recommended the Gulf countries:

- Set-up SDG Accelerators
- Promote social impact for social entrepreneurships
- Encourage cross-Gulf cooperation in SMEs to resolve regional issues

Exhibit 11: GCIP Accelerator



16. Ibid.

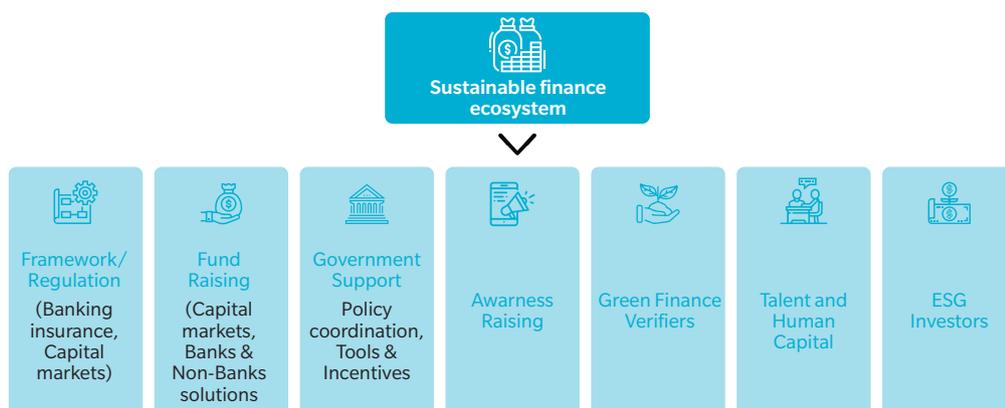
3.4 TAP INTO ISLAMIC FINANCING

The use of Islamic finance has become an increasingly important source of development funding globally. Indeed, it is rapidly becoming a part of the mainstream financial market on the back of healthy growth in the market. For example, in terms of global assets under management, the Islamic finance market grew Seven percent year-on-year to \$2.2 trillion as of Q2 2018.¹⁷

In keeping with the global trend, Islamic finance has emerged as a critical component of the financial markets in the Gulf, where the market share of Islamic banking assets, for example, has almost reached 35 percent of all banking assets.¹⁸

This underlines the importance of Islamic financing in the context of policy making and implementation as the region’s economies look too meet the SDGs in time. Islamic sustainable finance offers significant potential as it meets Shariah objectives (and hence the requirements of a wide variety of investors). There are moves being made in this segment of the market, with banks and financial institutions latching on to the opportunities Islamic finance provides, particularly given that its defining features are more naturally in sync with the attaining of the SDGs than instruments of traditional finance.

Exhibit 12: Islamic financing in Malaysia



Source: World Bank Blogs. How Malaysia created a conducive ecosystem for Islamic sustainable finance. Retrieved from <https://blogs.worldbank.org/eastasiapacific/how-malaysia-created-conducive-ecosystem-islamic-sustainable-finance>

17. Islamic Financial Services Board. Islamic Financial Services Industry Stability Report 2019. Retrieved from <https://www.ifsb.org/download.php?id=5231&lang=English&pg=/sec03.php>

18. Euromoney. Middle East: Has Islamic banking set a new standard?. Retrieved from www.euromoney.com/article/b1dbwnl8vg0wrv/middle-east-has-islamic-banking-set-a-new-standard

For example, in 2018, HSBC’s Islamic banking business in Malaysia launched SDG Sukuk, an Islamic bond, to finance projects and initiatives in keeping with the global bank’s SDG Bond Framework. This is the world’s first sukuk issued by a financial institution that is centred on the SDGs, and will finance projects that benefit society and the environment. In particular, it will support projects aligning with SDG 3 (good health and well-being), SDG 4 (quality education), SDG 6 (clean water and sanitation), SDG 7 (affordable and clean energy), SDG 9 (industry, innovation and infrastructure), SDG 11 (sustainable cities and communities), and SDG 13 (climate action).¹⁹

Malaysia is widely perceived to be a global leader in Islamic finance. In order to drive sustainable finance in Malaysia, the government has launched a slew of incentives to spur growth. These include grants and tax deductions on the issuance costs of socially responsible investing sukuk. This is to encourage investment in green technology activities in energy, transportation, building and waste management, among others.²⁰ In 2017, the country issued the world’s first green sukuk. Since then, the World Bank has provided technical assistance in developing local certifying criteria for these green sukuk, bolstering the ecosystem.

In next door Indonesia, the financing landscape is unique. Domestic private finance for SDGs accounts for the largest financing currently, comprising 48 percent of aggregate financing for SDGs. In Indonesia, UNDP has partnered with Badan Amil Zakat Nasional—the national zakat (mandatory alms) collection body—to direct zakat funds for the first time towards local SDG projects, starting with renewable energy projects in underserved communities.²¹ In April 2019, the two organizations launched the Waqf (endowments) Blockchain to enhance transparency and credibility in waqf delivery, in filling the holes in SDG financing.²²

Exhibit 13: Islamic financing in Indonesia

Zakat	Sukuk	Waqf
		
<p>UNDP has partnered with BAZNAS – the national Zakat collection body – to apply Zakat funds—for the first time ever—towards local SDG projects, beginning with renewable energy projects in underserved communities</p>	<p>Cooperation with the Ministry of Finance to integrate Agenda 2030 into the budget process. In 2018, the government of Malaysia issued its first green sukuk worth USD 1.25 billion</p>	<p>Partnership with Badan Wakaf Indonesia, the national waqf board of Indonesia, which resulted in collaboration to develop a waqf digital platform (kitawakaf.com) using blockchain technology to encourage waqf contributions</p>

19. IISD. “HSBC Malaysia Issues Islamic Bond to Support SDGs.” Retrieved from <http://sdg.iisd.org/news/hsbc-malaysia-issues-islamic-bond-to-support-sdgs/>

20. World Bank. “How Malaysia created a conducive ecosystem for Islamic sustainable finance.” Retrieved from <https://blogs.worldbank.org/eastasiapacific/how-malaysia-created-conducive-ecosystem-islamic-sustainable-finance>

21. United Nations Development Programme. “Innovative financing for SDGs: Mobilising ummah’s potential to leave no one behind.” Retrieved from <https://www.asia-pacific.undp.org/content/rbap/en/home/blog/2018/innovative-financing-for-sdgs.html>

22. United Nations Development Programme. “UNDP and Badan Waqf Indonesia join forces to launch Waqf blockchain for SDG.” Retrieved from <https://www.id.undp.org/content/indonesia/en/home/presscenter/pressreleases/2019/undp-and-badan-waqf-indonesia-join-forces-to-launch-waqf-blockch.html>

These examples illustrate that Islamic finance instruments, if intuitively structured, have the potential to provide a fillip to funding for projects and initiatives that align with the SDGs. There is growing recognition among global multilateral organizations and among economies in other parts of the world of the tremendous potential promised by the Islamic finance market. Given the composition of their capital markets—and the prominent role played by Islamic finance in them—the Gulf countries are well placed to tap into its features to help meet the SDGs.

As a next step, it is recommended the Gulf countries:

- Integrate an SDG strategy in Islamic institutions, such as waqf, sukuk, and Islamic banks
- Launch SDG sukuks
- Set up similar mechanisms at a national level—particularly those related to water scarcity and climate change infrastructure adoption—and streamline them at the regional level to overcome common development challenges

3.5 DATA MEASUREMENT AND ANALYTICS

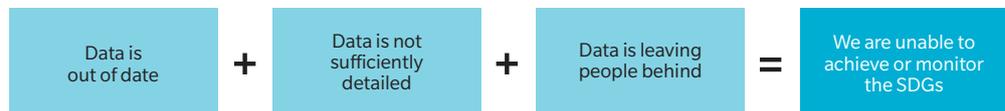
Quality data is vital for stakeholders to enable informed decision-making and to ensure an accurate review of the 2030 Agenda implementation. Moreover, it is also required to inform the public of the progress made by governments toward meeting the SDG goals and to invite public “buy-in” for policies and initiatives implemented towards this end.

The data requirements for reporting on SDGs drive countries to strengthen their national statistical offices and systems. However, this requires countries to invest in statistical capacity across various government ministries and agencies. While countries naturally want to invest in this endeavor, they sometimes do not have adequate means to do so. As of 2018, the share of total ODA committed to the improvement of statistical quality and availability stood at just 0.33 percent. In order to meet the data and statistical requirements demanded by the SDG goals, this share needs to double.²³

In the Gulf countries today—as elsewhere—data measurement is faced with issues related to timeliness, inclusiveness, and accuracy. Although technology is generating granular data at an unprecedented rate, it is yet to be ascertained whether this data will be completely reliable and useful. Therefore, achieving the SDGs requires strong action on the part of all Gulf countries to strengthen both data collation and analysis.

The Data-for-Now initiative is geared towards enhancing data collection tools, potentially resulting in improved timeliness and quality of SDG-related data. The initiative seeks to “build a community of data users, leaders, and innovators, partnering in new ways to deliver more robust and timely data that will help us achieve the SDGs” through partnership and collaboration, and the sharing of information and support.²⁴

Exhibit 14: The Global Partnership for Sustainable Development Data



23. United Nations Statistics Division. “Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.” Retrieved from <https://unstats.un.org/sdgs/report/2019/goal-17/>

24. Big Data UN Global Working Group. “Planet and Google are ready to help the United Nations in the data work behind the 2030 Agenda for Sustainable Development.” Retrieved from <https://unstats.un.org/bigdata/blog/2019/planet-google.cshhtml>

Exhibit 15: Voluntary National Review for Gulf countries

GCC VNR	Year	SDG priorities
Bahrain	2018	Good health and well-being (SDG 3), Quality education (SDG 4), and Decent work and economic growth (SDG 8)
Kuwait	2019	Quality education (SDG 4), Decent work and economic growth (SDG 8), Reduced inequalities (SDG 10), Climate Action (SDG 13), Peace, justice and strong Institutions (SDG 16), and Partnerships for the goals (SDG 17)
Oman	2019	No clear mention of priorities: Clean water and sanitation (SDG 6) and Responsible consumption and production (SDG 12) are mentioned as key for national strategy
Qatar	2018	Clean water and sanitation (SDG 6), Affordable and clean energy (SDG 7), Sustainable cities and communities (SDG 11), Responsible consumption and production (SDG 12), life on land (SDG 15), and Partnerships for the goals (SDG 17)
Saudi Arabia	2018	Clean water and sanitation (SDG 6), Affordable and clean energy (SDG 7), Sustainable cities and communities (SDG 11), Responsible consumption and production (SDG 12), Life on land (SDG 15), and Partnerships for the goals (SDG 17)
UAE	2018	SDG priorities were determined as those under the UAE National Agenda 2021, as defined during a mapping exercises undertaken in 2016.

In order to share information and their experiences with respect to various aspects of the implementation of the 2030 Agenda, countries present their VNRs at the High-level Political Forum at the UN. The VNRs bring about a degree of accountability in efforts to meet the SDGs. As of 2020, all Gulf countries had already published at least one VNR report.

The Gulf countries are also taking steps to increase the amount of information that is being made available to stakeholders. In the UAE, for example, the National Committee on Sustainable Development publishes an annual monitoring report of select SDG indicators, including a brief overview of recent achievements and policies and an analysis of the challenges facing the implementation of particular SDGs.

Qatar, meanwhile, is investing in an integrated system to monitor the implementation of SDGs. The system is based on an alignment between the second National Development Strategy 2018 – 2022 and the SDGs. It will be supported by advanced software that will produce periodic reports through sophisticated dashboards and help measure progress along the main national strategy projects and the SDGs.²⁵

25. United Nations. The State of Qatar Second Voluntary National Review, 2018. Retrieved from https://sustainabledevelopment.un.org/content/documents/20443SDG_Qatar_En_Draft7_Landscape_3.pdf

26. United Nations Environment Programme. GEO-6: Regional assessment for West Asia. Retrieved from http://wedocs.unep.org/bitstream/handle/20.500.11822/7668/GEO_West_Asia_201611.pdf?sequence=1&isAllowed=y

In Saudi Arabia, the King Abdullah University of Science and Technology has installed Shaheen II—acknowledged to be the seventh most powerful supercomputer in the world—and is using it for a wide range of research projects including climate modelling and the development of renewable energy grids, which are related to SDG 8 (Decent work and economic growth) and SDG 13 (Climate action)²⁶.

These are encouraging signs from across different Gulf countries that will facilitate data collection, analysis, and reporting.

As a next step, it is recommended the Gulf countries:

- Invest in developing the capacity of their respective national statistics offices
- Publish a regular SDG monitoring report
- Leverage big data for indicators and statistics related to challenges that manifest regionally across borders

Exhibit 16: Building Blocks

Sustainable development stakeholders can use the five ensuing building blocks to strengthen the SDG framework and overcome development challenges by creating a thriving SDG ecosystem in the Gulf.

<p>A</p> <p>Integrate SDGs into national programs and policies</p>	<p>All six Gulf nations have outlined long-term visions that are in harmony with the Agenda 2030 timeline. This unique opportunity enables the integration of SDGs in medium- and short-term programs. By building on their strengths, the Gulf countries can create pipelines of projects that achieve national priorities while supporting the achievement of SDG ideals.</p>	<ul style="list-style-type: none"> • Integrate SDGs in government plans and policymaking • Adopt an SDG-based framework for developmental assistance loans and funds • Define the entire SDG financing landscape
<p>B</p> <p>Harness the expertise of the private sector</p>	<p>Establish private sector groups to secure commitments of influential businesses to advance the SDG agenda locally. These groups can also support knowledge sharing on business opportunities related to SDG implementation. Facilitate private sector investment and participation in initiatives and projects related to the achievement of the SDGs to fill financing and expertise gaps that currently exist.</p>	<ul style="list-style-type: none"> • Set up a private sector advisory group; • Build innovation platforms around business opportunities unlocked by SDGs; and • Provide incentive to the private sector to invest alongside government.
<p>C</p> <p>Support SMEs to achieve SDGs</p>	<p>The Gulf countries are increasingly tapping into the potential of small and medium enterprises (SME), as one of the building blocks towards expanding their economies. This is a good opportunity to support, both financially and otherwise, those SMEs that accelerate local SDGs in each Gulf country.</p>	<ul style="list-style-type: none"> • Set-up SDG Accelerators; • Promote social impact for social entrepreneurs; and • Encourage cross-Gulf cooperation in SMEs.
<p>D</p> <p>Apply the SDG framework to Islamic finance</p>	<p>The core principles of Islamic finance are well-aligned with the path to meeting the SDG agenda. Islamic finance seeks to promote risk sharing and avoid excessive speculation, both healthy features. Additionally, Islamic social finance tools such as the zakat, sadakah (charitable giving) and waqfare also in sync with the objectives of the SDGs.²⁷ Given the growth in the Islamic finance market globally, Gulf countries ought to tap sources of innovative financing domestically and regionally to fill the SDG financing gap.</p>	<ul style="list-style-type: none"> • Integrate an SDG strategy in Islamic institutions • Launch SDG sukuks; and • Set up similar mechanisms at a national level and streamline them at the regional level.
<p>E</p> <p>Invest in strengthening SDG-related data.</p>	<p>Gulf countries must strengthen the capacities of the national statistics offices and formulate effective national statistical plans. This will enable and facilitate evidence-based policy-making, and allow the effective monitoring of SDG targets and indicators. The collection of data relating to priority SDG targets must be enhanced.</p>	<ul style="list-style-type: none"> • Invest in developing the capacity of their respective national statistics offices; • Publish a regular SDG monitoring report; and • Leverage big data for indicators and statistics related to challenges.

27. United Nations Development Programme. "Islamic finance partners." Retrieved from <https://www.undp.org/content/undp/en/home/partners/islamic-finance.html>

4. PRIORITIZING SDGS REALIZATION

By leveraging the five building blocks tools, sustainable development stakeholders can strengthen the SDG framework in the Gulf and overcome developmental challenges by creating a thriving SDG environment. The direct benefits of doing so include the following:

- A. Open market opportunities estimated at \$12 trillion at least.** The projected volume of opportunities that the achievement of SDGs can create is enormous, and spans sectors such as energy (estimated at \$4.3 trillion), building of affordable cities (estimated at \$3.7 trillion), food and agriculture (estimated at \$2.3 trillion), and health and wellness (estimated at \$1.8 trillion). Cumulatively, the aforementioned facets represent around 60 percent of the real economy and are instrumental in successfully achieving SDGs. While large corporations have, until recently, prioritized the maximizing of shareholder value, they will also now have to accommodate social as well as environmental sustainability to partake in the opportunities these endeavors present. They will also increasingly look to do so to avoid public backlash. The potential of a large number of companies coming together to fulfill an objective such as this will ensure this becomes a movement of sorts, akin to a formidable force.²⁸
- B. The creation of 380 million jobs worldwide,²⁹ including 5.4 million in the Middle East.** The largest number of jobs is likely to be created in the SME segment. It is commonly acknowledged that small businesses keep the global economy running, and in helping fulfil the SDGs, the same fundamental premise holds true. Should governments align firmly with the 2030 Agenda, an estimated 380 million additional jobs are likely to be created in the SME segment alone, globally. This is crucial in successfully establishing sustainable markets and value chains. However, they need support, particularly in the form of affordable access to finance. As such, micro and nano credit organizations will play a pivotal role in ensuring SMEs find themselves on firm footing. Affordable finance will also encourage sustainable investments which, in turn, could yield positive environmental and societal impact.

28. United Nations Global Compact. SDG Bonds and Corporate Finance: A Roadmap to Mainstream Investments. Retrieved from <https://www.unglobalcompact.org/docs/publications/SDG-Bonds-and-Corporate-Finance.pdf>

29. Business & Sustainable Development Commission. Better Business Better World. Retrieved from <https://sustainabledevelopment.un.org/content/documents/2399BetterBusinessBetterWorld.pdf>

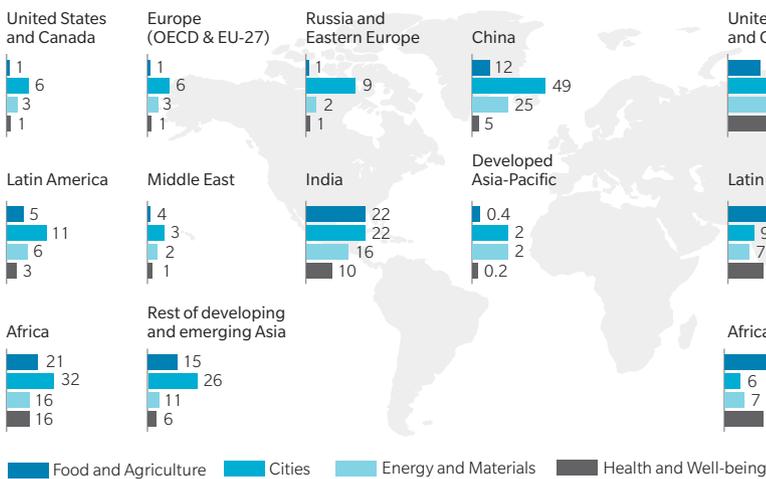
- C. Fully closing earnings gap between women and men could contribute \$160 trillion to global wealth, including \$3.1 trillion the Middle East.** Traditionally, most societies across the globe are patriarchal. While men are typically associated with income generating activities, women are linked more to a “home-making” role. This mindset overlooks the loss in national wealth due to gender inequality in earnings. Research has found countries could grow global wealth to as much as a whopping \$160 trillion if they increase human capital wealth by achieving gender equality in earnings. In effect, this represents twice annual global GDP.³⁰
- D. Climate action could avoid loss of \$26 trillion by 2030 globally.** The Global Commission on the Economy and Climate recently published a report with radical findings. It highlights that governments were, until now, possibly undervaluing the full potential of encouraging growth that fostered a sense of environmental responsibility. Cleaner and climate-centric growth has the ability to deliver as much as \$26 trillion in economic benefits through the next decade. Should the typical “business-as-usual” attitude continue to prevail, however, the likely corresponding losses are massive. Evidently, adhering to environmental stewardship must be designated a key priority area, considering its resultant benefits—ranging from new job creation to renewed market opportunities, and from improved healthcare and wellbeing to significant economic savings.³¹

30. World Bank. Unrealized Potential: The High Cost of Gender Inequality in Earnings. Retrieved from <https://openknowledge.worldbank.org/handle/10986/29865>

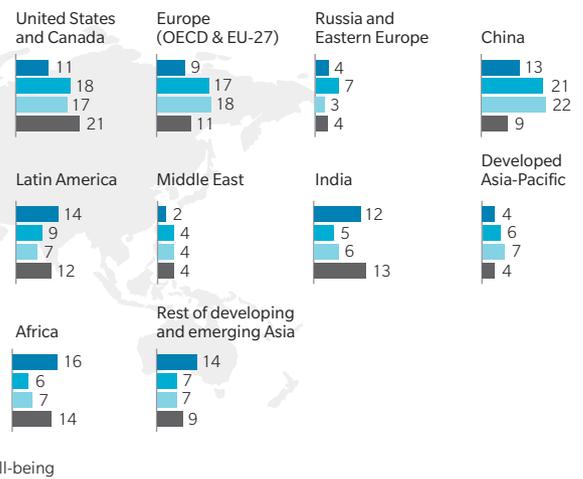
31. The New Climate Economy. Unlocking the Inclusive Growth Story of the 21st Century: Accelerating Climate Action in Urgent Times. Retrieved from <https://newclimateeconomy.report/2018/>

Exhibit 17: The Global Partnership for Sustainable Development Data

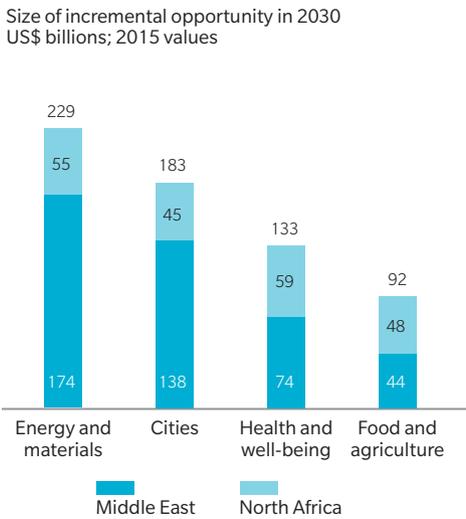
1.2 MILLION JOBS CREATED IN THE MIDDLE EAST BY SDG BUSINESS OPPORTUNITIES¹



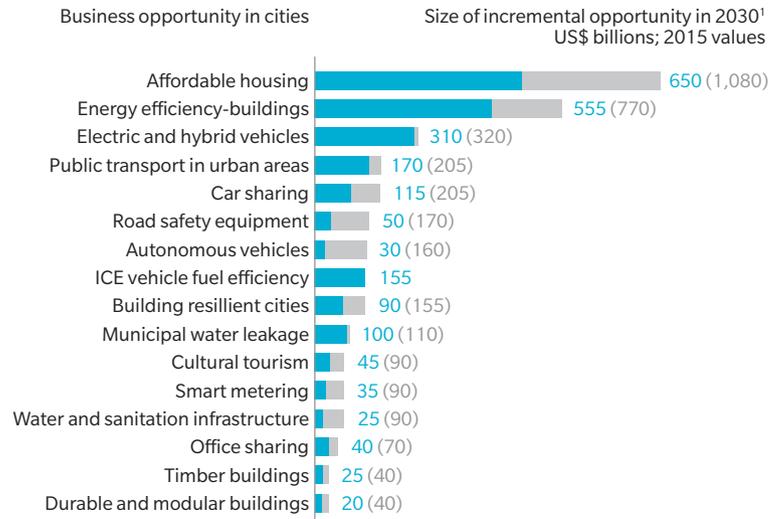
SHARE OF VALUE OF SDG BUSINESS OPPORTUNITIES¹



BUSINESS OPPORTUNITIES UNLOCKED BY THE GLOBAL GOALS IN MENA²



THE PRIVATE SECTOR WILL BE CRUCIAL TO DELIVERING THE SDGS AND THERE ARE POTENTIALLY OVER US\$3.7 TRILLION WORTH OF BUSINESS OPPORTUNITIES³



1. Business and Sustainable Development Commission. Better Business, Better World. Retrieved from <http://report.businesscommission.org>
 2. Business and Sustainable Development Commission. Better Business, Better World. Sustainable Business Opportunities in the Middle East and North Africa. Retrieved from <http://report.businesscommission.org>
 3. Business and Sustainable Development Commission Valuing The SDG Prize In Cities Unlocking Business Opportunities To Accelerate Sustainable And Inclusive Growth. Retrieved from: <http://report.businesscommission.org/>

5. ASPIRING FOR A SUSTAINABLE FUTURE

The Gulf countries have been working towards achieving the SDGs by 2030, and remain committed to overcoming or mitigating the various challenges discussed in this paper. In the past decade, there has been a defining shift towards a climate economy that has gone hand-in-hand with growing awareness and around the impact of social and economic activity on the environment, and the implications of adversely impacting this increasingly fragile environment.

This has contributed to greater action on the part of governments worldwide to commit to action intended to make the world more sustainable. Momentum toward a more sustainable future is building, but the pace of progress towards achieving the SDG agenda in the Gulf leaves a lot to be desired.

The pace of change must accelerate to not only arrest current unsustainable practices but to also counter the effects of several decades of irresponsibility and to lay the building blocks for a more economically secure, environmentally sustainable and socially equitable future.

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