UNITED NATIONS



Distr. LIMITED E/ESCWA/EC.8/2021/6 30 November 2021 ORIGINAL: ENGLISH

Economic and Social Commission for Western Asia (ESCWA)

Executive Committee
Eighth meeting
Amman, 23-24 December 2021

Item 7 of the provisional agenda



Arab SDG Gateway

Summary

The Economic and Social Commission for Western Asia (ESCWA) is mandated to support economic and social development in its member States, and assist them in monitoring and reporting on progress in implementing the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs). ESCWA devotes a large number of its activities to fulfilling this mandate. Two key pillars of these activities are making SDG-related statistical data and information available; and exploring avenues to finance the SDGs and national development goals. The ESCWA secretariat has developed a dedicated platform, the Arab SDG Gateway, offering a set of tools under those two pillars.

The present document provides an overview of the statistical and finance tools provided in the Arab SDG Gateway, with a focus on the Arab SDG Monitor and its regional hub for SDG national reporting platforms, and on the SDG costing and financing simulators. The Executive Committee is invited to take note of efforts to develop those tools, and make recommendations for their further development.

E/ESCWA/EC.8/2021/6

Contents

		Paragraphs	Page
Intro	duction	1-6	3
Chap	pter		
I.	Statistical pillar of the Arab SDG Gateway	7-17	3
	A. Main statistical components	7	3
	B. SDG national reporting platforms	8-17	5
II.	Financial pillar of the Arab SDG Gateway	18-38	9
	A. Considerations for the identification of national SDG priorities	20-26	10
	B. SDG costing methods and methodologies	27-29	11
	C. SDG costing and financing simulators	30-38	11
III.	Conclusion	39-41	13

Introduction

- 1. The adoption of the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs) in September 2015 has prompted a global debate on costing and financing their achievement, and has increased the need to strengthen countries' statistical capacity in measuring and monitoring progress.
- 2. On the statistical side, the international community has adopted an SDG indicator framework comprising 231 unique indicators to monitor the achievement of the 17 SDGs and their 169 associated targets. It produces an annual global progress report on the SDGs, prepared by the Secretary-General of the United Nations in collaboration with the international statistical system, based on global indicators and data from national statistical systems. Member States have stressed the role of national statistical offices as coordinators of national statistical systems. The global SDG indicators are complemented by indicators at the regional and national levels, which will be developed by those offices.
- 3. Regional and national monitoring dashboards are a means to report and disseminate statistics, including SDG indicators and descriptive metadata. Simplicity, transparency, advocacy and visibility of access to data on reporting platforms facilitate tracing countries' and regions' progress in achieving the SDGs. The objective of these platforms is to create sustainable pathways for sharing information, to reduce the potential duplication of work, and to support stakeholders in creating more interoperable data ecosystems for SDG reporting.
- 4. On the financing side, global cost aggregations mask significant disparities in the scale of SDG-related financing needs across countries. There is wide consensus across the political spectrum on the need to advance granular SDG cost assessments at the national level. This political expression has been echoed at consecutive sessions of the High-level Political Forum on Sustainable Development, and the Economic and Social Council Forum on Financing for Development, and within the ambit of the Initiative on Financing for Development in the Era of COVID-19 and Beyond. Estimating the costs of the SDGs and assessing SDG financing gaps at the national level has been an arduous task for many countries. Many United Nations specialized agencies, programmes, funds, offices and regional commissions have been working towards moving away from global aggregations to the granular level, by cross-fertilizing experiences, practices and tools, especially within a concerted drive to promote integrated national financing frameworks as a primary tool to finance national sustainable development strategies and priorities.
- 5. In line with the objective of strengthening statistical capacity to measure and monitor progress on the SDGs, and of financing capacity to realize both national development goals and the SDGs, the Economic and Social Commission for Western Asia (ESCWA) has developed the Arab SDG Gateway. The platform comprises several statistical and financial tools to support member States in the arduous tasks of measuring progress in implementing the SDGs in the Arab region and reporting on it on the one hand, and of costing national sustainable development goals, sectoral development plans and macroeconomic frameworks, while assessing SDG financing gaps and optimizing interlinkages, and harnessing the financing gains accruing from synergizing SDG costing, implementation and financing to support the transition to SDG budgeting and tagging, on the other.
- 6. The Executive Committee is invited to take note of efforts exerted to develop the Arab SDG Gateway and its related tools, and make recommendations for their further development.

I. Statistical pillar of the Arab SDG Gateway

A. Main statistical components

7. The Arab SDG Gateway, launched in 2021, includes the following six SDG statistical products developed by ESCWA to support countries in producing quality data and enhancing their ability to monitor and report on the SDGs (figure 1):

(a) Data dashboards

- The Arab SDG Monitor is a data-driven dynamic and user-friendly SDG dashboard, with country
 and regional visualizations. The dashboard presents SDG stories from different perspectives using
 heat maps, scorecards, speedometers, coxcombs and other tools to monitor progress towards SDG
 targets.
- The SDG Data Portal is a data warehouse with country profiles on the SDGs, which provides easy
 access to complete sets of data. It is under the umbrella of the ESCWA Data Portal, an integrated
 database with country profile dashboards that encompasses data for all 22 Arab countries from
 multiple fields, such as social, health and demographics statistics, economic and trade statistics, and
 environment and energy statistics.
- Leave No One Behind is a storytelling dashboard on gender, disability, young people and older persons, which provides country comparisons and information on laws and policies. It will be completed in 2022.



Figure 1. Arab SDG Gateway homepage

(b) Data supporting tools

- The E-Handbook on SDG Metadata, completed in 2019, presents the standardized metadata for each SDG indicator, along with available background resources in Arabic and English updated on a regular basis. It includes the official framework for SDGs and the gender- and children-related SDG indicator frameworks, all available for users to download. The E-Handbook also includes additional resources to learn more about each indicator.
- The SDG Indicator Tool is a dynamic interface offering methodological guidance for each SDG indicator on recommended sources and data collection questionnaires to facilitate the production of comparable and standardized data.

 The Arab Register of Censuses and Surveys is a resourceful register on all censuses and surveys, which provides comparable information on such activities implemented by Arab countries over the years.

B. SDG national reporting platforms

- 8. ESCWA initiated the process of establishing national reporting platforms as per the Arab SDG Monitor for all Arab countries, under one regional hub and based on national data. Reporting and disseminating information on the 2030 Agenda entail significant data and statistical challenges. With one decade left until 2030, less than half of Arab countries have SDG national reporting platforms. This does not only impede the process of country monitoring and reporting at the national level, but also negatively impacts the regional and global levels.
- 9. Availability of county data in the Global SDG Indicators Database indicates the strength of national data dissemination and data flow. A regional assessment of the Arab region shows only 40 per cent of county data with sufficient data points in the global database, an increase of only 5 percentage points since February 2020. Data flow in the region is weak. Without access to sufficient data, policymakers cannot change the course of progress.
- 10. However, developing a reporting and monitoring platform for national SDGs should not be seen as the ultimate objective. The cost and effort required to develop a good, useful and user-friendly platform requires intensive collaboration on different fronts. National statistical offices are therefore facing numerous challenges in developing national reporting platforms owing to limited resources.
- 11. National reporting platforms should follow minimum technical criteria, as outlined in the ESCWA report entitled "Arab national reporting platforms for the Sustainable Development Goals: assessment". Many countries have focused more on developing the design of their platforms, rather than their content. While simplicity and attractiveness are important, useful content remains the main objective. The completion, accuracy and transparency in which data and metadata are presented to policymakers and other stakeholders should ensure a truthful account of the evidence.
- 12. In this context, ESCWA has taken the initiative to invite several Arab countries to collaborate in this project, giving priority to those that do not have a national reporting platform, or that have requested ESCWA technical assistance to review SDG national data. ESCWA compiled national data for 15 countries, and has been holding weekly meetings to provide technical assistance in validating and completing national data and metadata. Results of the review show that there has been a significant impact on data availability and quality, tripling the availability of indicators and datapoints for some SDGs.
- 13. The process of validating indicators also facilitates the identification of strengths and weaknesses in the production of SDG indicator data, including data gaps and data discrepancies. ESCWA will assist countries in identifying missing indicators and data points, and facilitate the modernization of data collection tools from both administrative and survey sources. The process will also include holding focused capacity-building activities with United Nations specialized agencies at the national or subregional levels to address methodological challenges.
- 14. This work is expected to increase the availability of country data in the Global SDG Indicators Database, as a result of enhanced production and dissemination of national data and improved data flows to the global database.
- 15. The ESCWA regional hub for SDG national reporting platforms is user-friendly and dedicated to statistical monitoring and reporting on progress towards the SDGs. The objective of national reporting platforms is to enhance planning and decision-making by all types of users: national analysts and experts, and other stakeholders involved in national and regional high-level policy dialogues on implementing the 2030

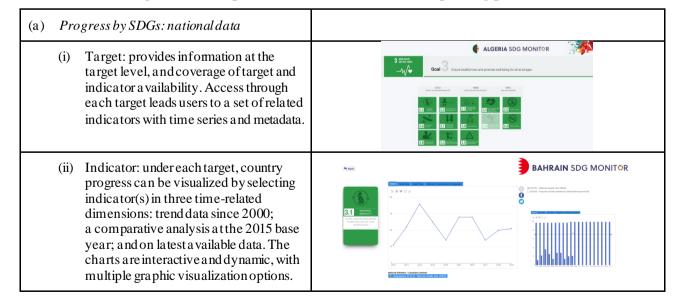
Agenda. National reporting platforms are based on data produced by national statistical systems and country information collected at the global level, compiled by ESCWA in consultation with Arab countries. Figure 2 show the national reporting platform of Somalia.

Figure 2. National reporting platform of Somalia

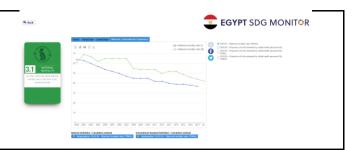


- 16. National reporting platforms present information at the Goal, target and indicator levels, and include various functionalities by employing appropriate and dynamic visualizations, such as line, bar, pie and bubble and coxcomb charts, speedometers, and waffle visualizations. The following are the key functionalities:
 - (a) Intuitive interface to explore SDG indicators and navigate goals and targets;
 - (b) Comparison of different years and indicators within the same target;
 - (c) State-of-the-art visual approach and multiple graphic options that can easily be shared or embedded;
 - (d) Data download functionality;
 - (e) Availability in multiple languages.
- 17. The components of an SDG national reporting platform are set out in figure 3.

Figure 3. Components of an SDG national reporting platform



(iii) Comparison between national and international data to provide users with information on data availability and metadata for each source. This da shboard also aims to increase data availability at the national and global levels, in addition to improving data reconcilliation.

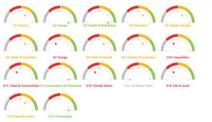


(b) Country tracking

Goaltracker: Presents country progress by each Goal through speedometer visualizations. A country can quickly see whether it is off track, in progress, or has achieved the Goal.

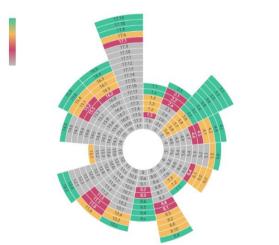
A dynamic visualization by Goal that provides information on progress/regress, and the strength of evidence with regard to sufficient availability of SDG indicators since 2000. Using a status index, a metric measure is set for each indicator to monitor progress made from 2000 to 2030. In addition, it provides information on how much progress still needs to be made to achieve the Goal.

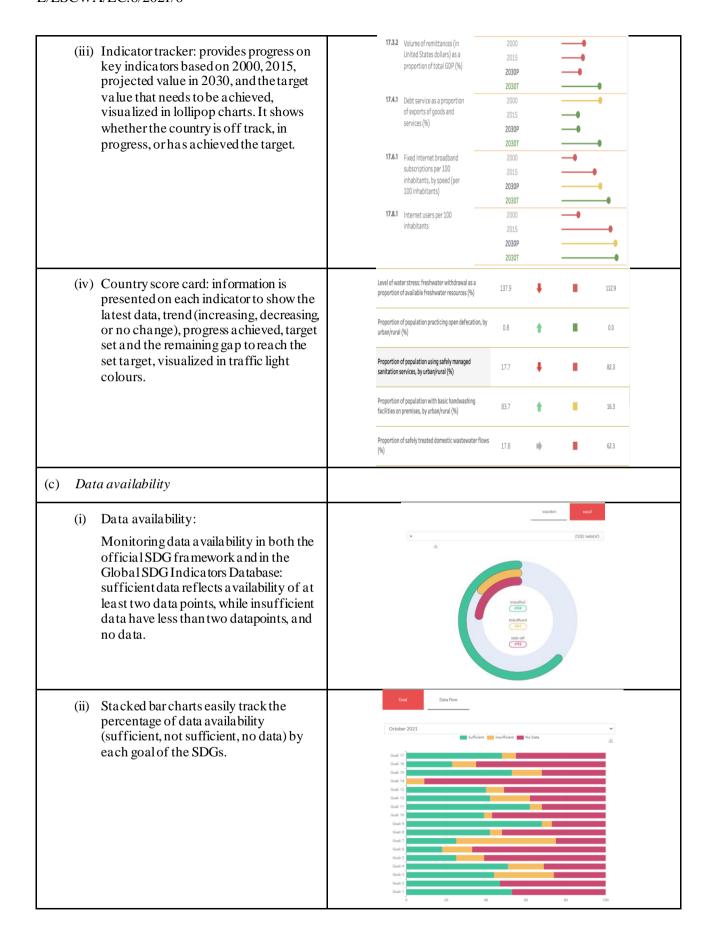


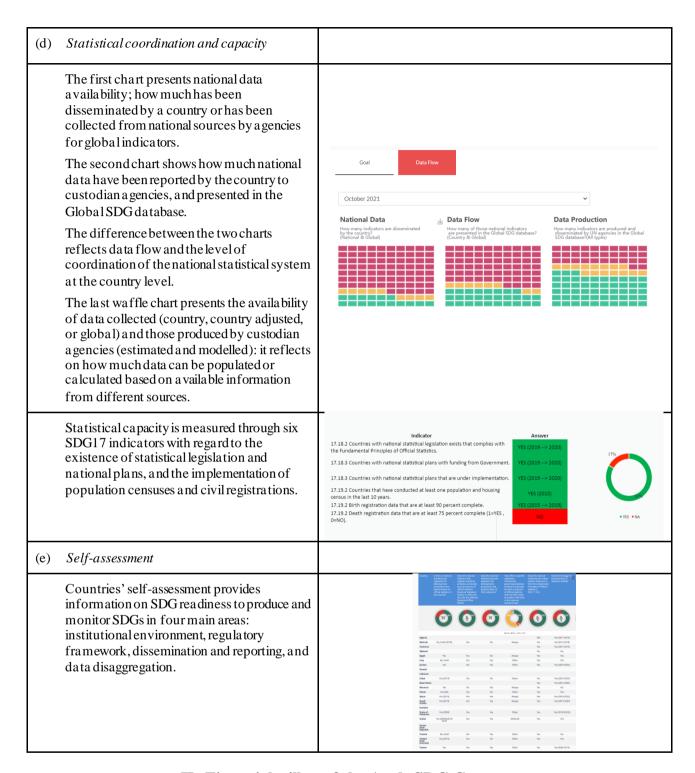




(ii) Target tracker: provides latest country performance and makes projections on status in 2030 against each target visualized in coxcomb charts, as per the latest data. It shows whether the country is off track, in progress, or has achieved the target.







II. Financial pillar of the Arab SDG Gateway

- 18. Six years after the adoption of the 2030 Agenda, Governments have yet to produce needs-based financial plans to match nationally defined SDG targets. While much progress has been made in mainstreaming the global SDG framework in national sustainable development strategies, estimations of the cost of these strategies and their financial implications remain largely elusive.
- 19. Estimating the cost of the SDGs and assigning a price tag to 169 targets remains an arduous task. This data-driven and technically rigorous exercise can nonetheless provide insights into the use of available SDG

fiscal space and the scale of additional resources required to implement national priorities. Costing exercises can also guide spending decisions, influence the design of resource mobilization strategies, and validate the instruments and modes of financing most suitable for distinct goals and targets. Costing the SDGs at the national level is a key consideration for budgeting, and a basis for articulating medium-term revenue and expenditure frameworks that support the transition to SDG-centric budgeting. This fills a much-needed knowledge gap in terms of scalability, financial management, budgetary planning and tagging. The costing exercise itself is a means to monitor financial management, and guide the design of resource mobilization strategies. Costing the SDGs also facilitates financing decisions in terms of prioritizing the spending of public resources, and appreciating the cost savings and value of current spending on national priorities as opposed to the costs that may be incurred to achieve the same national priorities in the future.

A. Considerations for the identification of national SDG priorities

- 20. Several Goals within the global SDG framework do not have clear numerical targets. While this leaves policymakers with room for subjective judgement, costing national sustainable development priorities requires predefined thresholds or quantifiable indicators of achievement that can be measured within specified timeframes. In other words, the choice of indicators and their targets are two central points for defining SDG costing and performance metric.
- 21. The targets themselves should be specific, measurable and achievable if Governments are to act on realistic costing figures. The choice of targets that can be costed is, nonetheless, contingent on ensuring the availability of consistent high-frequency data to measure specific SDG-related interventions (unit costs), establishing comparative needs assessments (frontier analysis), outlining project financing requirements (econometric models), and detecting any cost deviations that may arise between the costs incurred and the outcomes realized.
- 22. Country experiences show that any SDG costing exercise is heavily reliant on underlying assumptions. As a result, the accuracy of cost estimates for any national priority depends on the viability of the underlying assumptions, and on the parametric restrictions imposed to project the cost of the SDGs. Consequently, different national priorities require different costing methods and assumptions. According to the 2017 World Economic Situation and Prospects report, relying on a single measure or methodology to assess SDG costs and financing gaps renders distorted results. Instead, it states that SDG costing should be assessed nationally using a mix of methodologies based on a scorecard of measures.
- 23. The official list of indicators in the global indicator framework can serve as a baseline to cost SDG targets, particularly when lacking national targets and their corresponding indicators. In contrast, Governments may opt for alternate national thresholds/indicators than those provided by the global framework. In this regard, many acknowledge that the use of different case-sensitive indicators may be more appropriate to capture national contexts, and can better inform the costing exercise as they are predisposed to capture the priorities assigned, be they at the national or subnational levels.
- 24. In some cases, the costing exercise may not necessarily render or involve a money-metric figure. Instead, a change in public policies, offering incentives or using new technologies, for example, can generate cost savings that were initially unaccounted for in the SDG costing exercise. Equally, maximizing financing decisions may accrue financial savings that alter the cost implications associated with pursuing national priorities. These dynamics at both ends of the cost and revenue cycles and the uncertainties surrounding the macroeconomic situation (inflation, exchange rate, capital controls) place SDG cost estimates in a state of flux and change. SDG costing should not be administered as a one-off endeavour; it should rather maintain sufficient flexibility to capture new contexts and factor emerging cost realities.
- 25. The diverse range of national priorities brings into the costing equation the issue of aggregating costs across the SDG spectrum and sectors. These aggregations may involve overlaps and possible double counting. As national sustainable development priorities are being financed, several multiplier effects and positive

externalities can trigger ripple effects across other national priorities. The synergies arising from the implementation of different SDGs need to be factored in the costing exercise.

26. Accounting for SDG synergies may render lower cost estimates than otherwise considered. The 2020 High-level Political Forum therefore stressed the need for integrated approaches to SDG costing that factor in and leverage interlinkages, and minimize trade-offs across all SDG targets at the national level. In tandem, an understanding of how various investments and modes of financing interact to harness financing synergies and limit the trade-offs can potentially reduce the overall SDG financing gap. A lack of fiscal space in many developing countries to sustain SDG implementation highlights why interlinkages must be part of both the costing and financing equations.

B. SDG costing methods and methodologies

- 27. There is no single correct methodology to cost the SDGs. Several methodologies have been employed, including back-of-the-envelope methods that estimate incremental capital-output ratios (ICORs) that link a certain level of investment to the achievement of certain target variables; input-output elasticities that furnish cost estimates based on trend analysis; and frontier analysis that derives the costs of pursuing SDG targets based on similar actions taken by comparable income economies or geographical areas (the Organisation for Economic Co-operation and Development distance approach). Other methods involve sector-wide analysis based on econometric models. Some adopt a unit-cost approach that disaggregates the cost of the SDGs by country or income categories to provide ballpark SDG costing estimates. The latter has been used to provide an account of the cost of delivering public goods such as closing poverty gaps, eliminating hunger and putting an end to out-of-pocket health and education expenditures.
- 28. Typically, the methodologies that rely on cross-sectional costing render asymmetric cost estimates that vary in scope, baselines, targets and other assumptions. None of these methodologies are comparable when employed to cost national sustainable development priorities. In some instances, countries seek to establish upper and lower-bound SDG cost estimates, and qualify their possible landing zones to avert shortcomings of the methodologies that are heavily geared towards econometric analysis. These methods, however, remain useful to the extent that their assumptions are validated at the national level and account for important costing determinants, including behavioural economic dynamics at play in the pursuit of different national targets, particularly in relation to costing SDG 5 (gender equality), SDG 9 (changing consumptions patterns), SDG 13 (the cost of climate action) and SDG 16 (quantifying the so-called windfall gains from corruption and illicit finance).
- 29. According to the United Nations, there is no consensus on which methodology works best, partly because there are trade-offs between the ease and rigour of different methodologies. Intuitively, the methods that are considered easier to implement, such as intervention-based needs assessments and unit costs, cannot capture some desirable technical aspects of integrated models, whereas the methods that can potentially capture spillover effects are relatively difficult to calculate and interpret. Some studies are goal-based (they work backwards from quantified time-bound goals), while others extrapolate current trends into the future without regard as to whether this will be sufficient to achieve quantified and time-bound goals. Some consider economy-wide effects or the impact of climate change while others do not.

C. SDG costing and financing simulators

- 30. The SDG costing framework developed by ESCWA takes cue from the above findings to advance an intuitive multidisciplinary approach that relies on a series of methodologies and empirical tools, drawn from a range of sciences and disciplines, to project and simulate the costs associated with achieving national sustainable development priority targets by 2030.
- 31. The framework is based on a detailed mapping of national sustainable development strategies, sector development plans, and financing-related macroeconomic frameworks devised at the country level. The

framework posits a set of rigorous techniques to estimate these national priorities, and is complemented by mirror estimates derived from the methodologies established by the United Nations SDG custodian agencies, funds and programmes, and the methods employed by international financial institutions, including the International Monetary Fund and the World Bank.

- 32. Data sets are built using official national statistics to project two scenarios: a business-as-usual scenario, and an SDG optimizing scenario that assumes attainment of the targets and/or indicators of achievement defined at the national level. Projections of business-as-usual scenarios up to 2030 are run using the World Economic Forecasting Model, with multiple simultaneous equations employed to capture elasticities among several variables influencing the cost of targets following the methods of the SDG index and dashboard. The gap between the business-as-usual and SDG optimizing scenarios is then quantified to render an estimate of the associated cost of pursuing national priorities. The SDG costing framework is supported by a simulator developed by ESCWA that displays these cost assessments for each country, and leverages an empirically based SDG optimization tool to capture the efficiency gains that can be accrued from harnessing SDG synergies based on an input-output analysis.
- 33. While the framework follows a defined sequence to render assessments and 2030 projections to estimate the cost of achieving national sustainable development priorities, it remains cognizant that terms such as "spending", "expenditures", "investment needs" and "financing" are often used interchangeably, even though each has a distinct technical meaning. The projections undertaken are as good as the time series available at the country level and the efficiency of any nowcasts that factor the effect of the COVID-19 pandemic on economies. Cost estimates do not necessarily capture crucial questions of resource efficiency or quality of design in governance, policy and programmes, nor are they intended to divert attention away from those questions. The ESCWA national SDG costing framework is the product of deliberations among United Nations Sustainable Development Group entities and members of the Inter-Agency Task Force on Financing for Development, including the United Nations Conference for Trade and Development and the United Nations Development Programme, and has been shared with resident coordinator offices as part of the United Nations costing offer made to Arab countries within the context of advancing pilot integrated national financing frameworks (INFFs).
- 34. While extensive work has been undertaken to identify the main sources of financing available for sustainable development, projecting the availability of these financing resources remains a relatively unexplored subject, especially at the country level. Although country-specific studies have been hailed as an integral component of financing strategies for sustainable development in the Addis Ababa Action Agenda, there are few instances where country-specific models were built to establish the level of available financing for Governments to direct policies.
- 35. The SDG financing simulator developed by ESCWA is an interactive tool that employs a set of econometric models to assess financing needs, gaps and financing for Arab economies. The simulator provides an overview of a country's development financing idiosyncrasies by linking the SDG costing estimations for national sustainable development priorities with measures of the aggregate mix of financing, which typically extend beyond the notions of funding or calculating fiscal space and budgetary outlays and expenditures. On this basis, the simulator further assesses SDG-related financing gaps, and renders a determination of the sources of financing (public, private, domestic and international and debt leveraging capacities). It also identifies the potential sources of additional financing that can be tapped to implement national sustainable development strategies.
- 36. Different channels of financing available to a country are then tested to provide a benchmark/baseline mapping of the development financing landscape while quantifying the untapped potential sources of financing, as identified through the Addis Ababa Action Agenda. A clear understanding of this baseline is critical to calculate needs estimates. Accordingly, an aggregate measure of the resources to finance a baseline of national SDG targets is developed to determine its buoyancy and responsiveness to output growth and other macroeconomic variables. The aggregate measure of resources builds on and expands the concept established

by the OECD measure of Total Official Support for Sustainable Development (TOSSD) beyond the scope of public official support, and factors the prime financing channels that can be tapped by a country, while analysing the magnitude of these flows (in terms of intensity and direction) under different growth scenarios and policy configurations.

- 37. The aim of compounding and aggregating financing flows and measures of official support for sustainable development is to provide an integral framework that can both identify and quantify the total amount of resources available to a country to finance the SDGs, or any national adaptation thereof. This measure not only helps policymakers identify key areas of interest in their financing strategies, but to forecast future progress with regard to financing the 2030 Agenda. This process provides an important normative foundation to anchor SDG financing strategies. The aggregate measure of available resources serves as a basis for measuring the total financing available for the SDGs at the national level, and is employed to assess the progress path of countries within their INFFs and financing strategies.
- 38. The SDG financing simulator is a normative interactive tool to support policymakers in the following:
- (a) Establishing the growth rate required to generate sufficient levels of financing, as measured through the aggregate measure of SDG support, to finance country-specific SDG financing gaps, be they rendered on the basis of the ESCWA costing framework or other user input SDG cost estimates;
- (b) Estimating the incidence of different policy decisions on the SDG-related financing gap by allowing for the redistribution of financial resources to attend to different national priorities, be it in pursuit of a socially conscious or economically biased financing approaches;
- (c) Determining the magnitude of the prime channels of financing that can be mobilized to finance national sustainable development priorities for any projected level of growth through 2030, including an embedded feature that can capture medium-term debt reduction strategies;
- (d) Establishing a dynamic relationship to assess the impact of actual growth levels on SDG-related financing. The same functionality can be employed to capture the implications of shocks to gross domestic product, and their financing propensities to inform the SDG budgeting process;
- (e) Simulating and projecting the behaviour of the prime financing channels in available countries at the national level up to 2030, and comparing actual versus simulated financing potentials;
- (f) Estimating the opportunity lost in financing associated with forgone revenues corresponding to a given level of projected output or user input GDP growth forecasts;
- (g) Estimating the rate of growth` that needs to be achieved or targeted to bridge user pre-defined SDG cost estimates;
- (h) Simulating the efficiency gains that can be achieved by improving public investment efficiency on particular SDG-related sectors, notably in infrastructure, health and education, on the basis of a partial free disposal hull methodology;
- (i) Serving as a useful component in devising national SDG financing strategies within the ambit of developing INFFs.

III. Conclusion

39. ESCWA recognizes that a significant share of data on the SDGs is available at the national level. It also recognizes that the United Nations data ecosystem is insufficiently robust, lacks timely and real-time data, and is made up of multiple data centres that coexist with limited coordination. ESCWA has therefore taken steps to urgently develop a regional statistical system, based on upgrading SDG national datasets through data mining and by ensuring quality of country data to invigorate data flow to the United Nations data ecosystem.

¹ A/74/73–E/2019/14, para. 107.

- 40. ESCWA will ensure a regional home for data and statistics relating to the 2030 Agenda, so that the regional level is not a "forgotten level", and will use all available coordination mechanisms to foster collaboration. In doing so, ESCWA urges member States to pay attention to the content of their national reporting platforms. ESCWA also encourages countries to take the lead in data and metadata verification processes, so as to increase the flow of quality, transparent and disaggregated data as a vital tool for evidence-based policymaking. ESCWA calls upon countries to modernize their legislation system to support a more effective and coordinated national statistical system to provide timely and quality data to the public, researchers and national policymakers.
- 41. On the financing side, ESCWA calls upon member States to make use of the tools on SDG costing and the financing simulators that it has developed to formulate and implement integrated national financing frameworks.
