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Economic and Social Commission for Western Asia (ESCWA)

Technical Committee
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Item 4 of the provisional agenda

ONGOING PREPARATIONS FOR THE TWENTY-SEVENTH ESCWA SESSION**I. DATE AND VENUE OF THE TWENTY-SEVENTH SESSION OF ESCWA**

1. Pursuant to paragraph (a) of article (1) of the Rules of Procedure of the Economic and Social Commission for Western Asia (ESCWA), the regular sessions of the Commission shall be held on a biennial basis at a date agreed by its member countries. Accordingly, the secretariat suggests that the Technical Committee hold the twenty-seventh session of ESCWA in April 2012 in Beirut, unless a member country offers to host the session. The Technical Committee shall be asked to provide guidance in this regard.

II. THE THEME OF THE TWENTY-SEVENTH SESSION

2. The Technical Committee will select one of the following topics suggested by the secretariat to be the main theme of the twenty-seventh session, pursuant to item 5 of the provisional agenda.

**A. A GREEN ECONOMY IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT
AND POVERTY ERADICATION**

3. The green economy, which is one of the two key themes of the United Nations Conference on Sustainable Development (Rio+20), is the subject of extensive debate at the international level. This concept is controversial, particularly in developing and the least developed countries, in view of its key role in reversing the failures of the current international economic system which has widened the divide between rich and poor, and failed to generate employment. It is increasingly hoped that the green economy will create employment opportunities, reduce social inequality and mitigate adverse environmental impact. Furthermore, the green economy is a cross-sectoral concept connecting industry, funding and jobs with a focus on promoting renewable energy and enhancing energy efficiency.

4. The session will provide a forum for experts and decision makers to discuss the advantages and disadvantages of the green economy for the Arab region and exchange views on this matter. Discussions will also deal with the complicated challenges that are currently facing the region, including: high unemployment, especially among youth; the impact of demographic growth and increasing demand on water, energy and other services; unsustainable consumption and production patterns; urban and rural disparities and widespread rural poverty; weak agricultural sector; unsustainable use of scarce water resources; and

traffic congestion and its impact on air pollution. To meet those challenges, the countries of the region should discuss the potential benefits of a green economy tailored to their needs to strengthen sustainable consumption and production patterns and uphold future generations' rights to clean air and sufficient natural resources, notably water.

5. The session will aim to address the concept of the green economy, facilitate discussions on some of its comparative advantages to the region and identify areas of its implementation. Participants will discuss such issues as labour-intensive green industries and ways of gearing development efforts towards rural areas and the poor. Special emphasis will be made on strengthening economic diversification and increasing revenues by promoting the use of such renewable sources as solar and wind power. Furthermore, participants will discuss possibilities to invest the skills of educated youth in research and development to promote innovation and adapt technologies to regional needs. This debate will prepare the foundation for national and regional policymaking targeting relevant sectors, and will review the latest developments in other regions.

6. The debate is expected to provide countries with an opportunity to discuss one of the two themes of Rio+20, one month prior to it. Participants will also review the outcomes of regional preparations and positions of member countries in several regional forums, the latest of which being the Regional Preparatory Meeting, held in November 2011, in Cairo. Countries of the region will have the opportunity to review and analyse the latest developments at the subregional, regional, and international levels, and reach a joint understanding and unified approach to the green economy, taking into consideration regional specificities and challenges. The participants will discuss the need for an institutional structure supporting the green economy and sustainable development and which measures are needed for the creation of an Arab Environment Facility.

7. In the coming Arab Economic Development and Social Summit, participants may suggest the creation of an Arab development bank to fund regional and subregional investments in green projects, such as railways, public transportation, energy networks, and shared water resources.

B. THE ROLE OF TECHNOLOGY IN DEVELOPING AN ARAB KNOWLEDGE SOCIETY

8. Knowledge has become a main economic driver and an influential factor in shaping the future of societies, and knowledge links have been identified across social, economic, political and educational sectors. Today, the key role of knowledge is ever clearer and more influential. As a result of the technology and knowledge boom, all societies now rely on knowledge, namely the expertise of human resources, competencies and skills, as a pillar of sustainable human development. Societies that place knowledge at the core of various equations can take advantage of a rare historic opportunity and unique quantum leap, transforming knowledge into a basis for society.

9. Recently, the accelerated spread of knowledge has positively affected the performance of some countries, which were able to keep pace with the knowledge society. Nevertheless, that spread resulted in a knowledge-based, technological and digital divide between countries that embraced, used and produced knowledge on the one hand, and countries that could not cope with the accelerated pace of development on the other hand. The latter countries, particularly in the Arab region, should make progress towards information and knowledge societies, and overcome the digital divide to achieve balanced and equal competition between countries.

10. Building an Arab knowledge society depends on two main conditions:¹ first, sustainability cannot be guaranteed without laying the foundations of freedom of expression, basic rights and participation; second,

¹ ESCWA, working paper submitted by Mr. Nabil Ali Abdulaziz on actions needed to move to a productive and active information society in the Arab Region, at the *Expert Group Meeting on Fostering Sustainable Development through Regional Integration in the Arab Region: A Strategic Vision for 2010-2020*, held on 15 and 16 January 2008, in Beirut.

competition and resilience to the growing globalization pressures cannot be achieved without regional integration and a culture-oriented Arab knowledge society.

1. *Sustainability*

(a) Freedom of expression is closely linked to development. The knowledge society cannot be built without this form of freedom. There is no doubt that the Internet has offered many forums that enable individuals and marginalized groups to voice their opinion and mobilize support. The widespread use of social media and blogs has recently offered a valuable opportunity to all to express their views and spread their creativity. Such means of communication have become a source of social development;

(b) Access to information in a transparent environment that respects privacy is a fundamental right of individuals in a knowledge society. Arab countries, however, are implementing their information-development programmes without clearly addressing such basic rights as individual privacy;

(c) Individual participation is ensured by creating opportunities for education, continuous learning and the exchange of knowledge, which are key to achieving social equality and overcoming social exclusion based on disparities of age, gender, income and so on.

2. *Competition in a globalized context*

(a) Regional integration is achieved through strategies based on a fourfold structure: integrating the infrastructure by linking telecommunications networks in the region; integrating Arab digital content; integrating knowledge transfer; and integrating the development of human resources;

(b) Arab cultural identity must be preserved. Culture has become the core of the development approach because the neglect of culture results in the failure of many development projects. In the Arab region, culture typically refers to creativity in art and literature. In the context of a knowledge society, however, the concept of culture includes language, media, education, creativity, values, and beliefs.

11. Information and communication technologies (ICTs), along with their required skills, have provided developed countries with a considerable socioeconomic advantage and resulted in the digital divide between developed and developing countries. Hence, developing countries should focus their attention on the role of ICTs in the implementation of their development plans. Scientific and technological knowledge is the hallmark of the present era, just as the industrial revolution and the development of societies marked previous eras. Yet, the Arab world did not undergo an industrial revolution. It must transition into the culture of technology and the knowledge society without an industrial phase. Arab countries should, therefore, consider the main requirements of effective participation in a knowledge society, bearing in mind the following major priorities for the Arab region:

(a) Establishing a productive and integrated ICT sector, oriented towards exports and competitiveness;

(b) Benefiting from the ICT sector to develop a knowledge-based economy;

(c) Creating an enabling environment for the development of a knowledge-based economy;

(d) Enhancing innovation in the ICT sector to achieve socioeconomic growth and development;

(e) Standardizing ICT measurements within a global framework of comparison and performance measurement.

III. TOPICS FOR DISCUSSION

12. The secretariat suggested various topics for discussion and called upon member countries to select a topic or suggest other topics that are vital for them. Below are the suggestions of the secretariat:

A. PARTICIPATORY DEVELOPMENT

13. Participation has gained prominence as a result of the uprisings that have swept the region since the beginning of 2011. Protesters voiced their dissatisfaction with autocratic political regimes, inequality, poverty and growing social marginalization. Those who participated in the uprisings in the region called for a democratic system promoting participation and for a new social contract consecrating civil and political rights and paving the way for equal development. The participation of citizens in life's decision-making is an advanced process with sophisticated targets, tools, and mechanisms. Participation focuses on equality and social justice as the key to social integration and must be based on a large-scale system that upholds and expands development.

14. Additional attention is needed to create the political, economic, and social conditions that enable participation, and to create capacity within public administration to provide basic services and to influence decision-making within civil society organizations. Many political factors influence participation, namely: regulations; legislations; rule of law; human rights and fundamental freedoms; democracy and centralization; political will for change and modernization; decentralization and its implementation; civil society organizations and their institutional capacity; and transparency and accountability standards. Economic conditions influence the creation of favourable policies aimed at promoting social justice, creating work opportunities, and combating poverty. Social conditions affect and are affected by participation because they promote interaction and exchange between social groups and institutions and create social integration systems and mechanisms. In addition, the capacity of public institutions to fulfil their social functions affects and is affected by participation, notably their capacity to provide basic services based on equality and social justice and to adopt a development approach conducive to mobilizing resources, coordinating efforts and empowering local communities.

15. Building the capacity of member countries to participate in social organizations is a key area of interest for ESCWA activities and programmes. Capacity-building requires monitoring and analysing political developments in the region to redress the functions of those organizations, increase participation in their activities and incorporate the concept of participation into current reforms and processes of change and modernization.

B. THE INSTITUTIONAL FRAMEWORK OF SUSTAINABLE DEVELOPMENT

16. Sustainable development cannot be achieved unless its economic, social and environmental pillars are strengthened. Therefore, the three pillars should be integrated into the institutional structure. The debate on this topic will help to identify ways for incorporating social and environmental issues into economic plans, strategies and policies.

17. Participants will discuss the suitable national and regional institutional structure to incorporate the three pillars, taking into consideration national and regional conditions. They will also review national and regional strengths and weaknesses and discuss how to address them. In addition, the current role of international governmental practice in harmonizing national policies, encouraging regional cooperation on cross-border issues and resources, and addressing joint challenges will be discussed with an emphasis on coordinating policies. The analysis will also highlight good practice and lessons learned.

18. The session will provide a forum for representatives of Arab countries to review suggested options for the international institutional structure, and discuss their advantages, disadvantages and implications. The five suggested options are the following:

- (a) Enhancing the United Nations Environment Programme;
- (b) Establishing a new umbrella organization for sustainable development;
- (c) Establishing a specialized agency such as a world environment organization;
- (d) Reforming the United Nations Economic and Social Council and the Commission on Sustainable Development;
- (e) Enhancing institutional reforms and streamlining existing structures.

19. It is worth noting that Nairobi-Helsinki Outcome included five functional goals for the reform of global organizations in the absence of a common vision, namely:

- (a) To register and document the science-policy interface;
- (b) To strengthen the global authoritative voice for environmental sustainability;
- (c) To achieve effectiveness, efficiency and coordination within the United Nations system;
- (d) To ensure adequate and sustained funding;
- (e) To follow a harmonized approach to meet the needs and priorities of countries.

20. The session will offer an opportunity for the countries of the region to discuss one of the two themes of Rio+20, one month prior to the conference. At the end of the session, participants should reach a plan of action including future steps and required institutional changes in the region to pursue national and regional efforts beyond Rio+20, and achieve inclusive sustainable development based on the three pillars. Participants will focus in their discussions on the latest international developments in order to analyse them and adopt a unified position about regional concerns at the Rio+20 Conference. The session aims to raise the following issues:

- (a) Identifying national actions needed to incorporate economic, social and environmental dimensions into the institutional framework of sustainable development;
- (b) Amending the current regional institutional structure to link the three pillars of sustainable development;
- (c) Identifying implications and requirements;
- (d) Identifying the response of the existing structure to Rio+20 outcomes;
- (e) Identifying the role of ESCWA in coordinating regional policies;
- (f) Identifying which of the five international options will gain the support of the region.

C. INCLUSIVE FINANCE

21. ESCWA countries have a strong monetary position and liquidity surplus, yet companies, individuals and households are still facing considerable obstacles to finance. Most indicators of financial services used by individuals in the region are lower than global rates. In addition, obstacles to the use of financial services are not only geographic, but can also be attributed to the nature and quality of available services.

22. With regard to corporate financing, most funds in the region are allocated to the service sector where employment opportunities are relatively volatile. Indirect benefits are not reaching the other economic sectors due to the concentration of economic activities in the service sector where employment is most

vulnerable in times of crisis. Employees who have been laid off are left with no other option but to join the informal sector in the absence of social protection mechanisms.

23. Financial depth is a development issue related to financing individuals and institutions that need a wide range of financial services (savings, payments, insurance and credit plans) to meet their needs and achieve growth and prosperity. In the ESCWA region, financial depth is impeded by several obstacles, including the absence of competition in financial service delivery, weak information systems for credit, creditor rights and contract enforcement, and the lack of loan guarantees.

24. In this context, banks are reluctant to finance small and medium enterprises (SMEs) notwithstanding the potential benefits of establishing relations with this segment of the business sector. Banks assess higher risk to SMEs than to large companies, although they can impose lower fees on SMEs pursuant to the international guidelines on capital efficiency.

25. Financial services alone cannot lift people out of poverty. Nevertheless, inclusive financial plans can contribute to achieving social and development goals.² Compared to other emerging economies, the ESCWA region is lagging behind in developing financial infrastructure, which is a prerequisite to the financial system and a much-needed driving force to facilitate access to finance, strengthen transparency and good governance, and achieve global financial stability.

D. DEVELOPING AN INCLUSIVE AND HUMAN-CENTRED INFORMATION SOCIETY

26. The information society involves the integration of technology into educational and cultural activities in order to build a prosperous socioeconomic life for individuals and families. This concept was clarified at the World Summit on the Information Society in 2003 and 2005.

27. The definition and implementation of the information society evolves constantly in view of the ongoing development of information and communication technologies (ICTs) and applications. An inclusive and human-centred information society is one in which ICT tools, applications and services are used to engage all groups in building the society and responding to individual needs.

28. The information society has evolved in remarkable ways in the Arab region over the past years, yet it has developed unevenly at the regional level and between urban and rural areas at the national level. Individual interaction within the information society is also uneven in the Arab region, depending on social class, cultural background and economic situation. It is critical to develop an inclusive information society where all individuals, irrespective of their cultural, social and economic level, can benefit from local, national, regional and international information systems and networks. It is also imperative that the Arab region contributes to the mapping of the global information society and production of information in cyberspace, especially information related to the Arab region. Governments, therefore, should play a crucial role in building the necessary information systems allowing for the storage, exchange and investment of administrative and socioeconomic information for all groups everywhere, and for increased interaction between individuals, institutions, governments and non-governmental organizations in the Arab region.

29. Developing an inclusive and human-centred information society in the Arab region requires multiple actions. First, developing the basic infrastructure for information technologies with high speed, effective connection between Arab countries to reduce costs by benefiting from scale economies and to create regional hubs for information storage and exchange; second, improving universal access to information and knowledge, and developing digital content in Arabic, governmental and non-governmental applications and electronic services in many vital areas including education, health, agriculture and activities for sustainable socioeconomic development; third, using ICT to promote the interaction of individuals and non-

² United Nations Secretary-General's Special Advocate for Inclusive Finance for Development, *Annual Report to the Secretary-General*, 2010.

governmental organizations, and to strengthen the Arab identity in cyberspace by supporting Arab domain names and digital content; and finally, increasing confidence in the use of cyberspace by promulgating appropriate legislation, to protect the ethical use of cyberspace including financial transactions.

E. INTERNATIONAL TRADE IN THE ESCWA REGION

30. Foreign trade is a key pillar of economic recovery and growth. To that end, effective economic and commercial policies should be developed, notably industrial policies aimed to increase exports and reduce imports, in order to create work opportunities, increase gross domestic product, and reduce expenses, particularly income expenditure. Studies have revealed the role of export-oriented policies in strengthening economic growth by using export revenues to purchase capital goods, providing modern technologies, and contributing to the information technology infrastructure. It should be noted that foreign trade has developed remarkably in ESCWA countries over the decade 2001-2010, compared with the decade 1991-2001. In the ESCWA region, the income rate was around 18.5 per cent and the export rate was 17.6 per cent during the decade 2001-2010, compared with an income rate of around 4.7 per cent and an export rate of 7.3 per cent during the decade 1991-2001.

31. The import movements of the entire Arab region over the period 2000-2009 showed a considerable increase up to 2008 when Arab imports and exports were 4.3 per cent while global imports were 6.7 per cent. The ratio of exports of ESCWA member countries to global exports decreased to 5.9 per cent due to the global financial crisis. The European Union was the major recipient of Arab exports, both in 2000 and 2009. Intraregional exports increased slightly and reached 10 per cent in 2009, compared with 7 per cent in 2000. In the decade 2001-2010, imports from the European Union decreased with the emergence of a new trade partner, namely China, and intraregional imports did not increase.

32. In this context, ESCWA began developing a mathematical model to study the current macroeconomic situation of the Arab region, including the total production of goods and services, work opportunities, investment flows and market reality to provide a fact-based analytical tool to develop suitable policies and strategies promoting fair economic growth in the Arab region.

33. ESCWA launched the Gravity Model in the trade sector to evaluate food abundance, export volatility in the light of fluctuating oil prices and the macroeconomic impact of intraregional trade to support trade policies, diversify exports, encourage the import of capital goods in support of the industrial sector, and maximise regional benefits by selecting trade partners under the umbrella of the World Trade Organization.

34. ESCWA will publish this model in the region and build the needed capacities to develop national and regional models that meet technical conditions and find the needed funds for their implementation.

IV. PROPOSED AGENDA OF THE TWENTY-SEVENTH SESSION OF ESCWA

1. Opening of the twenty-seventh session.
2. Election of officers.
3. Adoption of the agenda and other organizational matters.
4. Consideration of requests by States Members of the United Nations and/or its specialized agencies that are not members of ESCWA to participate as observers in the twenty-seventh session of the Commission.
5. Policy issues in the ESCWA region.
6. Report of the Executive Secretary on the activities of the Commission:

- (a) Programme performance report for the biennium 2010-2011;
 - (b) Follow-up to implementation of the resolutions adopted by the Commission at its twenty-sixth session;
 - (c) Technical cooperation programme and regional advisory services;
 - (d) Financial status of the Commission;
 - (e) Reports of the subsidiary bodies on their sessions.
7. Management issues:
- (a) Evaluation of the work of the Commission;
 - (b) Proposed amendments to the work programme for the biennium 2012-2013.
8. Draft strategic framework for the biennium 2014-2015.
9. Date and venue of the twenty-eighth session of the Commission.
10. Other matters.
11. Adoption of the report of the Commission on its twenty-seventh session.
