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**REGIONAL REVIEW OF INSTITUTIONS FOR SUSTAINABLE
DEVELOPMENT IN THE ARAB REGION**

EXECUTIVE SUMMARY

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Introduction: In marking the 20th anniversary of the United Nations Conference on Environment and Development, the United Nations Conference on Sustainable Development (Rio+20) will be held in Rio de Janeiro during 4-6 June 2012. Rio+20 will focus on two main thematic areas: (1) a green economy in the context of sustainable development and poverty eradication; and (2) the institutional framework for sustainable development.

The aim of this study is to review the development in sustainable development at the national and regional levels to support the countries of the region in their preparation for Rio+20. The Rio+20 conference presents a timely opportunity for the region to redefine itself and to move quickly towards sustainable development that takes social and environmental issues and aspects in the planning process and in decision-making.

The Review starts by describing the evolution and changes in the **conceptual framework for sustainable development** from Rio to Rio+20. It lists the international conferences and conventions on issues related to sustainable development between 1992 and 2002, international conferences and meetings on progress in moving towards sustainable development between 2002 and 2010 and related regional declarations. Analysis of the regional declarations showed that actions to implement them have been relatively limited and primarily restricted to environmental matters rather than envisaging to integrate the economic, social and environmental goals.

Many changes have taken place in the Arab Region and globally since the Rio Earth Summit of 1992 and the follow-up conference in Johannesburg in 2002. Significant progress has been made towards many of the goals defined at Rio, but others remain elusive. Some of the environmental, social and economic conditions of greatest concern have improved, but others have not, while some have continued to deteriorate. Considerable uncertainty has been introduced by the global economic crisis of 2008, followed by the region's political upheavals in 2011. The United Nations Conference on Sustainable Development due to take place in Rio de Janeiro in 2012 (Rio+20) therefore presents a timely opportunity to review progress towards sustainable development in the Arab Region, the institutional framework through which it is being pursued, and the options available for effective implementation.

A review conducted in 2003 as part of the follow-up of outcomes from the 2002 Johannesburg World Summit on Sustainable Development (WSSD) examined the evolution of the institutional framework for sustainable development in the Arab Region at that time, and presented a series of recommendations for its further development.¹ The present review updates the previous study, evaluates the progress that has been made in implementing its recommendations, and presents an updated set of recommendations that are directly related to the current regional and global context.

The study has been prepared through an organic process led by the UN Economic and Social Commission for Western Asia (ESCWA). Arab experts, officials and resource persons were consulted to solicit their views and gather information on development of the institutional framework for sustainable development in the region, accompanied by a questionnaire posted on the ESCWA website for input from all interested parties. Following expert review of an early draft, a final draft of the study is to be presented for review and discussion at the Arab Preparatory Meeting on Rio+20 which is being jointly organized by ESCWA, the League of Arab States (LAS) and the United Nations Environment Programme/Regional Office for West Asia (UNEP/ROWA) in October 2011.

As noted in the 2003 review, a significant increase in the environmental commitment of most of the Arab countries was stimulated by the 1992 Rio conference, including the establishment or restructuring of environmental institutions, the formulation of national environmental strategies and action plans, the

¹ ESCWA (2003) Governance for Sustainable Development in the Arab Region: Institutions and Instruments for Moving Beyond an Environmental Management Culture, Economic and Social Commission for Western Asia, United Nations, New York, 2003

ratification of multilateral and regional environmental agreements and the enactment of many laws and regulations in support of environmental policies.

However, a significant gap still remains in developing a fully integrated approach to environmental, social and economic policy-formulation and decision-making. Although the Arab Region is not unique in this respect it presents a major hurdle for its long term development. Decisions that are taken on purely economic grounds may deliver successful outcomes in the short term, but cannot do so in the long term without taking full account of their impact on, and dependence on, the region's social development and environmental integrity. For this reason, the long term prosperity of the Arab Region is critically dependent on an integrated strategic approach to economic, social and environmental policy-making.

The study reviews existing governance systems for sustainable development in individual Arab countries and regionally, highlights progress made and current trends, identifies promising developments and illustrative examples that could help achieve sustainable development in the region, and recommends a series of actions and policy recommendations for consideration in the preparations for the 2012 Rio conference.

The Conceptual Framework for Sustainable Development in the Arab Region: The Arab countries share many similar concerns in relation to sustainable development, including peace and security, water resources and water quality, desertification, land degradation, urbanization and unemployment and have worked extensively together to examine and address sustainable development issues from a regional perspective under the auspices of the League of Arab States (LAS).

The **Arab Initiative for Sustainable Development**, launched by LAS in 2002, represents an important beginning of the recognition of the sustainable development concept in the Arab countries. The ambitious goal articulated in the Arab Initiative is to develop a regional programme for sustainable development, based on priorities which it set out. Additionally, shared regional commitments with African countries were voiced in the 2002 Joint Ministerial Declaration issued by the African Ministerial Council on the Environment (AMCEN) and the Council of Arab Ministers Responsible for the Environment (CAMRE).

Among the major **challenges and constraints** for establishing **effective institutional structures for sustainable development** identified are:

(a) **Policy integration:** the difficulty of integrating economic, social and environmental issues in development decision-making. Often issues are listed without hierarchy or practical means of implementation. Furthermore, national goals and priorities are often premised on national security, economic growth and cultural preservation rather than on the sustainability of development. Another obstacle is the nature of government in the region where delegation of authority is for each government department to be responsible for its own area of decision-making. This entails resistance to what may be regarded as interference from other departments.

(b) **Emerging concepts and issues** influencing the development of institutions for sustainable development in the Arab region. These include: (i) climate change to which this part of the world is particularly exposed to has crucial implications on rainfall, adversely affecting the already poor water resources and resulting in increased desertification and the impact of such developments on agriculture and food security. It also expected to have severe impact on coastal areas and populations. (ii) The adverse effects of the 2008 global financial crisis on Arab investors, the construction sector and on tourism. (iii) The political upheavals in Tunisia, Egypt, Yemen, Libya, Syria and other Arab countries have major implications for the region's future development path. The most immediate impact of the upheavals for the implementation of sustainable development has been to bring its social dimension to the fore. All governments in the region now have a greatly enhanced awareness of the need to respond to the social issues at the heart of the sustainable development concept. In particular, the Arab countries will need to redouble their efforts to tackle youth unemployment. For this to succeed they will have to give serious attention to the issue of economic diversification. (iv) **Green economy:** Transition to a green economy creates opportunities for increased diversification of the economy and creating more jobs while moving into a sustainable development path.

Examples include the generation of solar energy and wind power energy which are abundant in the region. Similarly, the limited water resources make it advantageous for the region to invest in technologies associated with water-efficient agriculture and water-desalination.

(c) Weak link between science, education and policy: the region lagged behind other regions in East and South Asia and Latin America. This necessitates a re-orientation of policy, by learning from the success stories of the other regions.

Review of the Institutional Framework for Sustainable Development at the national and local levels showed that although several Arab countries created some form of National Council for Sustainable Development to fulfill reporting requirements for WSSD, these remained ad hoc in nature. The stakeholder survey conducted as part of the Review indicated that most of them had either ceased to exist or had little influence. Most of those that are still functional are ill-equipped to serve as permanent institutional organs able to support inter-sectoral policy coordination. In most cases, institutional structures for civil society involvement in decision-making were considered to be weak.

Achievements of environmental institutions: While the scope of issues included in the sustainable development has widened, the mandate of environmental institutions in the Arab region has remained in general constant. Environmental institutions have been progressively strengthened in many Arab countries, resulting in significant improvement in environmental management. Their achievements include enacting environmental decrees, regulations and standards, strengthening capacity to formulate environmental strategies and action plans, enhancing technical capacity for data collection and monitoring, improving environmental awareness and education programmes, and providing greater understanding of global environmental issues. Yet, progress remained within the domain of environmental management with limited ability to fully address all the three dimensions of sustainable development. The main **limitations** identified by the stakeholder survey included lack of comprehensive national planning, limited engagement of stakeholders, lack of technical capacity, poor coordination, lack of follow-up and limited transparency.

At the local level, sub-national government institutions in the Arab countries typically address all three dimensions of sustainable development in so far as they relate to traditional aspects of local government such as water supply, sanitation, waste disposal and urban planning. Most of the institutions are highly centralized and deal with sustainable development issues through a top-down approach.

In the wake of the 1992 Rio conference many Local Agenda 21 initiatives were launched, mainly with funding from international organizations and have had positive impacts in areas such as gender equality and greater self-reliance of local people, and have had an empowering effect on local NGOs.² However, those that have been dependent on international funding have tended to have little influence beyond the duration of the project. Few of them have been able to achieve institutional sustainability, or influence the overall institutional structure of environmental planning and management at the local level.

At the national level, the results of the stakeholder survey indicate that in most Arab countries responsibilities for sustainable development are spread across a wide range of ministries, including environment, planning, health, water resources, energy, agriculture, fishery, forests and tourism. The lead role most commonly rests with ministries of environment or planning. Institutional arrangements for integration between government authorities were considered to be weak in most countries and non-existent in some. In some Arab countries there is a high level of civil society activity on sustainable development issues, including NGOs, academic institutions and the private sector. In most cases, however, institutional structures for civil society involvement in decision-making were considered to be weak.

At the regional level, The stakeholder survey indicated that many regional environmental institutions have played an important role in supporting sustainable development initiatives in Arab countries. Several of

² Salem OS (2002) Arab States Local Agenda 21: Attempts and Challenges, in Allen A. and You N., Sustainable Urbanisation: Bridging the Green and Brown Agendas, Development Planning Unit, University College London

these institutions were created in the 1970s and 1980s, including CAMRE by the League of Arab States in 1987, which provided the first political forum for addressing environmental issues in the region. Two bodies focusing on the environment and development were established in the 1990s, the Centre for Environment and Development in the Arab Region and Europe (CEDARE), a non-governmental think tank, and the Joint Committee for Environment and Development in the Arab Region (JCEDAR). JCEDAR is a technical preparatory body composed of the heads of the national environmental affairs agencies, Arab specialized agencies, NGOs, private sector bodies and regional organizations which was established under the auspices of the Arab League as an inter-ministerial advisory committee to CAMRE. ESCWA and UNEP/ROWA, serves as part of the joint secretariat of CAMRE.

The **main challenge and constraints** are linked to: Centralized governance, top-down political culture, ad hoc natures of National Commissions for Sustainable Development, and the limited success of the regional framework for addressing sustainable development (JCEDAR).

The Review then goes into the **operationalization of sustainable development**. Most Arab countries have begun or completed the task of developing some form of national environmental strategy, and some have also developed a poverty reduction strategy or equivalent. Strategies or action plans for adaptation to climate change have recently been developed in several countries. However, progress in formulating an umbrella, national sustainable development strategy (NSDS) remains limited.

In 2009, only 7 out of 17 countries in the region reported to the UN Commission on Sustainable Development that they were implementing a national sustainable development strategy, compared with 55% for the world as a whole. Except in few cases, such strategies have been unable to foster effective policy dialogue and coordination across institutional lines, and, in some cases, were incompatible with sectoral strategies.

Other **key obstacles** include: inadequate or non-existent policy assessments of cost-benefit analyses in strategy formulation; insufficient prioritization between goals or formulation of criteria for prioritization; inadequate assignment of institutional responsibilities for implementation; and lack of synchronization of measures to be implemented by different institutions. In many cases the development of strategies and action plans is dependent on financial support from international development agencies, indicating lack of interest on the part of national governments.

With regard to **implementing instruments**, environmental legislation was strengthened considerably. Although enforcement may be constrained by limited technical capacity and financial resources, most environmental authorities made significant progress in improving environmental protection and conservation. A lot remains to be done to improve environmental quality further and strengthen environmental conservation, but good progress has been achieved on many fronts. Despite the expansion in the use of economic instruments for environmental management in the Arab countries it remains limited. In general, there is still preference for the command and control instruments over the more subtle approaches for influencing the behavior of polluters and generating funds for environmental protection and conservation. Environmentally perverse subsidies are still common and are often poorly targeted at the social groups they are intended to assist.

Challenges to the effective implementation of policy instruments include: inadequate use of policy analysis to determine the most effective instrument to adopt; lack of selection criteria for identifying the best policy, ; poor synchronization of policy measures; limited technical, human and financial capacity; legal exemption of some activities from environmental oversight; inadequate monitoring; inability to enforce reporting and compliance requirements; and lack of evaluation to assess the effectiveness of policy measures.

Where national budgets are inadequate for supporting sustainable development, **regional and global donor institutions** play an important role. Bilateral donations from several GCC countries, notably Kuwait, Saudi Arabia and the United Arab Emirates have supported many sustainable development initiatives in the region. International donors, such as the European Union, the World Bank and the Global Environmental facility and

several UN bodies also played an important role. However, experience has shown that the value of external funding depends to a high degree on the synergy between national objectives and those of the funding agency.

While there are many sustainable development initiatives that can and should involve the private sector, particularly, those related to the green economy, caution should be exercised in relation to the privatization of public goods such as water supply and sanitation, on the assumption that the private sector provision is more efficient. This assumption has not always proved to be the case. Successful privatization necessitates the presence of sound regulatory framework and strong oversight.

Operationalising sustainable development depends on the development and implementation of national sustainable development strategies (NSDS) to integrate the economic, social and environmental issues. The effectiveness of national sustainable development strategies depend on **monitoring, reporting and assessment**. The study presented the Tunisian NSDS as a good example that illustrates practical means through which environmental and social issues can be more fully integrated into economic development policies.

Public participation: The Rio Declaration states that environmental considerations are best handled with the participation of all concerned citizens and requires states to “enable the effective participation of indigenous people and local communities in the achievement of sustainable development”. Environmental awareness has continued to increase across the region. The Arab media took an important step by establishing the Arab Media Forum for Environment and Development whose main objective is to educate and train Arab journalists on sustainable development issues. Arab media could also establish strong relationships with NGOs and academic and scientific institutions to better deliver its message in this domain.

Under the heading of Strengthening Governance for Sustainable Development, the Review report relevant **success stories in streamlining sustainable development in planning processes**. These cover the experience of Tunisia in strategic planning for sustainable development and provide the key elements of the Tunisian Approach, and the second is that of Jordan.

As an example of **regional non-governmental institutional capacity**, the Review cites the Arab Forum for Environment and Development (AFED), a non-profit regional non-governmental organization established in 2006 that have an observer status with the League of Arab States and promote prudent environmental policies and programmes across the Arab region. AFED was able to get the support from the business community, through which it has been able to secure funds for its programmes and made major contributions such as three reports on the Arab environment covering, Future Challenges (2008), Climate Change (2009), and Water (2010). The forthcoming report will focus on the Green economy (2011).

Promoting green economy: The importance of green economy issues for the Arab region has been recognized by many civil society bodies as AFED and the Egyptian National Competitiveness Council that have launched major initiatives. In parallel, ESCWA has proposed fundamental principles and a general framework for an Arab green economy ministerial initiative. The principles proposed by ESCWA alert Arab countries to the danger that green economy measures could be used by developed countries to impose conditionalities on Official Development Assistance, to circumvent the Rio principles of common but differentiated responsibilities, to promote green protectionism, or to divert funding from other priorities.

New Approaches The study proposes a new approach to strengthening governance for sustainable development in the region, which places environmental and social issues more firmly in the context of the economic dimension of sustainable development.

As mentioned earlier, the sustainability of development is critical for development itself. Purely economic decisions may be successful in the short term, but in the longer term they may fail to meet their own economic objectives if they fail to take full account of key social and environmental issues. Further, emerging proposals for a green economy necessitate a major transformation of the entire national economy. On this basis the Review proposes that responsibilities for sustainable development in the Arab region should

be broadened both in sectoral ministries and in environmental and social ministries, in specific ways. The prime responsibility for concrete action to achieve sustainable development would be placed on the sectoral and other ministries that are responsible for economic development. In parallel, greater responsibility would be placed on environmental and social ministries, for assisting other ministries in the development of sectoral policies.

Potential mechanisms for doing so are outlined hereunder:

(a) Avenues for institutional reform: The integration of environmental and social issues into sectoral planning and decision-making requires a high level of expertise in the relevant disciplines. It is therefore proposed that each sectoral ministry should include a sustainable development department, responsible for incorporating environmental and social issues in the formulation of the ministry's policies and plans. In doing so they would be required to take full account of issues identified by environmental and social ministries. Environmental and social ministries would take on additional responsibilities for issuing professional and technical guidance on the environmental and social aspects of sectoral planning.

The office of the Prime Minister or its equivalent would play a central role, by making it mandatory for sectoral ministries to address environmental and social issues in their policies and plans, and to ensure through an oversight and review process that they have taken proper account of the advice given by the specialist ministries.

(b) National strategy structures: The Review proposes that Arab countries adopt an approach that is broadly similar to the Tunisian example. A country's NSDS would remain distinct from its overarching development strategy, which would continue to be developed through existing strategic planning processes and supported by the NSDS process. The NSDS would become the principal vehicle through which environmental and social issues are incorporated more fully into the overarching development strategy. In particular, the NSDS would highlight those areas where the country's existing pattern of economic development is considered to be socially inappropriate or environmentally unsustainable, and identify actions that may be taken to rectify this. Where practicable, the NSDS would be informed by in-depth economic and financial studies of its own proposals. Where this is not practicable, it should identify studies that would need to be carried out in the process of evaluating those proposals.

(c) Regional processes: Within the Arab League, CAMRE and JCEDAR have continued to provide forums for discussion of the environmental dimension of sustainable development, but there is not yet an effective institutional mechanism for issuing regional policies that address the full breadth of sustainable development.

There is an urgent need for greater economic integration in the region, and in particular for a regional approach to green economy. This may not require any new institutions, but would depend on the revitalisation of existing ones, such as the Council for Arab Economic Unity. In the absence of comprehensive regional economic integration of this nature, agreements reached by existing regional institutions addressing specific aspects of economic development would still provide important input to each country's own development strategy, and also to its NSDS. In particular, this would apply to regional cooperative action on renewable energy or water resources.

A more fully integrated regional approach to strategic sustainable development planning may become practicable in the future, once a sufficient level of economic integration has been achieved. This would enable the creation of an Arab Development Strategy that aims to capitalize on the region's unique characteristics and strengthen its position in the global economy. It would then be appropriate to develop a regional sustainable development strategy, as the principal vehicle for incorporating regional environmental and social issues into that overarching strategy.

Recommendations: With a view to assisting Arab countries in their preparations for the Rio+20 conference and beyond, we have identified a proposed new approach to strengthening their governance institutions for sustainable development. The Study provides the following recommendations for consideration:

a) Institutional elements

1. The prime responsibility for concrete action to achieve sustainable development should be placed on the sectoral and other ministries that are responsible for economic development.
2. Specific responsibility should be placed on environmental and social ministries, for assisting other ministries in the development of sectoral policies.

b) Avenues for institutional reform

3. Each sectoral ministry should include a sustainable development department, responsible for incorporating environmental and social issues in the formulation of the ministry's policies and plans.
4. In formulating their policies and plans, each sectoral ministry should be required to take full account of issues identified by environmental and social ministries.
5. Environmental and social ministries should be given specific responsibilities for issuing professional and technical guidance on the environmental and social aspects of sectoral planning.
6. The office of the Prime Minister or its equivalent should make it mandatory for sectoral ministries to address environmental and social issues in their policies and plans.
7. The office of the Prime Minister or its equivalent should implement an oversight and review process which ensures that the policies and plans developed by sectoral ministries have taken proper account of the advice given by the specialist ministries.
8. Consideration should be given to introducing formal requirements for the evaluation of sectoral policies and plans prior to approval, for example through strategic environmental assessment and related techniques.
9. Environment ministries' responsibilities for environmental protection and conservation should remain unchanged. In particular, those activities in which an environment ministry acts as a regulator or inspector should remain strictly independent of sectoral ministries.
10. Similar independence should be retained by social ministries in policy areas where they act as regulator or inspector.
11. A High Council for Sustainable Development or its equivalent should be established, to provide a regular mechanism for consultation between governmental institutions engaged in sustainable development.
12. The High Council for Sustainable Development or its equivalent should lead the development of a National Sustainable Development Strategy (NSDS).
13. A formal mechanism should be introduced for institutionalizing public consultation within the process of developing and implementing the NSDS.

c) National strategy structures

14. National strategic planning processes should be strengthened where necessary, to develop an overarching development strategy that provides a framework for all sectoral policies and plans. This overarching strategy should be reviewed and revised regularly, typically on a five-year cycle.
15. The National Sustainable Development Strategy (NSDS) should be adopted as the principal vehicle through which environmental and social issues are incorporated into the overarching development strategy.
16. The NSDS should highlight those areas where the country's existing pattern of economic development is considered to be socially inappropriate or environmentally unsustainable, and identify actions that may be taken to rectify this.
17. Where practicable, the NSDS should be informed by in-depth economic and financial studies of its own proposals. Where this is not practicable, it should identify studies that would need to be carried out in the process of evaluating those proposals.

18. The NSDS should be reviewed and revised on a five-year cycle, timed to feed into the process of formulating and updating the overarching development strategy.

d) Regional processes

19. Urgent attention should be given to development of a regional approach to strategic economic planning.

20. In parallel, formal mechanisms should be introduced to ensure that cooperative action on regional environmental and/or social issues agreed through existing mechanisms (e.g. CAMRE and JCEDAR) is incorporated into the environmental and social components of National Sustainable Development Strategies, and hence into each country's overarching development strategy.

21. Urgent attention should be given to economic integration in the region, for example through revitalization of the Council for Arab Economic Unity.

22. Top priority should be given to a regional approach to the green economy and to regional cooperative action on renewable energy and water resources.

23. Once a sufficient level of regional economic integration has been achieved, consideration should be given to the creation of an Arab Development Strategy, which capitalizes on the region's unique characteristics and aims to strengthen its position in the global economy. It would then be appropriate to develop a regional sustainable development strategy, as the principal vehicle for incorporating environmental and social issues into the region's overall development strategy.