# Capacity Development for Changing Mindsets in the Arab Region

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## Contents

## Acknowledgment

## Introduction

The conclusion of the 2019 Arab Forum for Sustainable Development that aimed to review the status of the implementation of the 2030 Agenda across the Arab world underlined that the achievement of the Goals by 2030 is improbable, particularly given the chronic and deeply rooted development challenges, institutional deficiencies, lack of policy coherence and widespread conflicts that the region is facing. Empowering people and working towards more inclusiveness and equality were ascertained as pathways to peace, development and the achievement of the SDGs.

Realizing the SDGs will depend largely on the readiness and capacity of Governments to keep pace with the changes ahead and reap the benefits of opportunities arising from the changing nature of work and firms, from the potential for economic and trade integration, from climate action and most importantly for fragile and conflict-affected settings, from the renegotiation of social contracts during peace agreements or following unrests.

The present paper draws on the challenges specific to the Arab region, and, in line with the recommendations outlined at the 18th session of the Committee of Experts on Public Administration, reflects on the region's way forward concerning the competencies and skills required to achieve Agenda 2030.

## I-  Setting the scene: What Works in Some Regions may not Work in MENA

### A.  The Peace Gap: How can the World's Least Peaceful Region Achieve Sustainable Development?

The Middle East and North Africa (MENA) region remains the most exposed and prone to conflicts. It has been experiencing, since World War II, more frequent and intense conflicts than any other part of the world. Between 1946 and 2015, 12 out of 59 conflicts in MENA have lasted more than eight years, and in about half of these episodes, the ensuing peace lasted less than 10 years[1]. The intensity and recurrence of the region's conflicts have rendered them very challenging to overcome, the matter which has led to massive economic and social losses, ranging from deep recessions to rising inflation, fiscal deficits, strong economic inequalities and weak financial, public and regulatory institutions. Conflicts in MENA cost much more than the average of all types of conflicts worldwide, thereby leading to crippled State capacities and to a vicious cycle of instability and unrest. This is rendering the advancement on the 2030 Agenda much more complex.

Today, MENA remains the least peaceful region in the world (figure 1) on the Global Peace Index, despite some marginal improvements since 2018, notably related to reductions in population displacement, political terror, terrorism, deaths resulting from internal and external armed conflicts, military spending, and armed services personnel[2].

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[1] The Economic Impact of Conflicts and the Refugee Crisis in the Middle East and North Africa, IMF, 2016
https://www.imf.org/external/pubs/ft/sdn/2016/sdn1608.pdf

[2] Global Peace Index 2019, Measuring Peace in a complex world, Institute for Economics and Peace, 2019; http://visionofhumanity.org/app/uploads/2019/07/GPI-2019web.pdf

**OVERALL SCORE**

Europe
North America
Asia-Pacific
South America
Central America & the Caribbean
Sub-Saharan Africa
Russia & Eurasia
South Asia
Middle East & North Africa

GPI SCORE    Less Peaceful →
1        1.5        2        2.5

**CHANGE IN SCORE**

← More Peaceful        Less Peaceful →
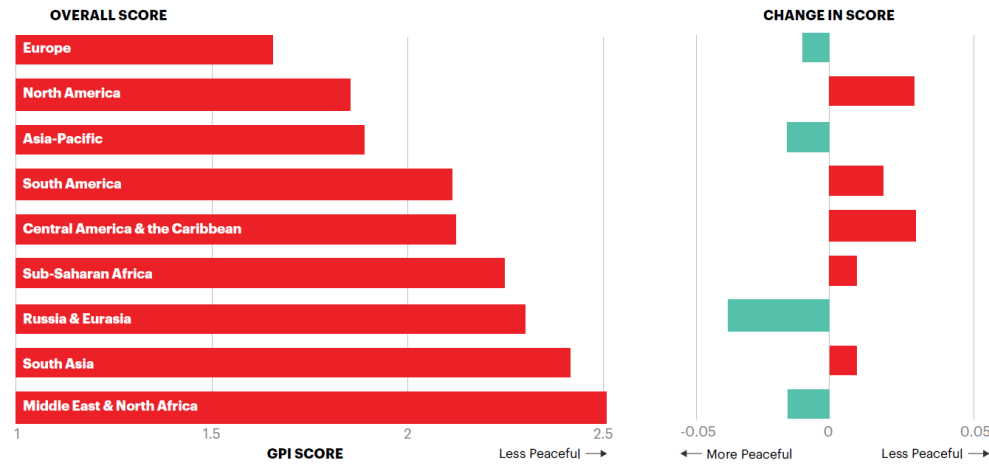-0.05        0        0.05

*Figure 1 - Regional GPI results, 2019 (Institute for Economics and peace)*

Large-scale destruction was recently accompanied by a massive and unprecedented flow of refugees and displaced people – the biggest since World War II. The refugee crisis has shaken the region's stability as well as that of Europe, thereby increasing tensions among and within the conflict-affected countries and their respective neighbors. The presence of refugees added to the already-existing structural constraints, such as lagging infrastructure, shortage of teachers, poor safety and security, household poverty, child labor, and non-affordable housing.

## B.   The Financing Gap

Asides the direct and indirect impact of conflicts, development financing is another major challenge weighting upon the achievement of Agenda 2030 in the Arab world (figure 2).

For every USD 1 gained in development financing, USD 2.9 are lost in direct financing that could have been directed towards financing the region's development priorities[3]. Consequently, while the economic and social toll of persistent and recurrent instability and conflict continues to rise, the financing gap for the achievement of Agenda 2030 in the region keeps widening.

Billions of dollars are lost every year to occupation and conflicts, illicit financial flows, corruption, money laundering and tax evasion. These resources have, and continue to be invested in funding wars, crimes and lavish lifestyles rather than socioeconomic well-being.

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[3] The Arab Financing for Development Scorecard, UN ESCWA, 2017
(https://www.unescwa.org/sites/www.unescwa.org/files/events/files/the_arab_financing_for_development_scorecard_overall_results.pdf)
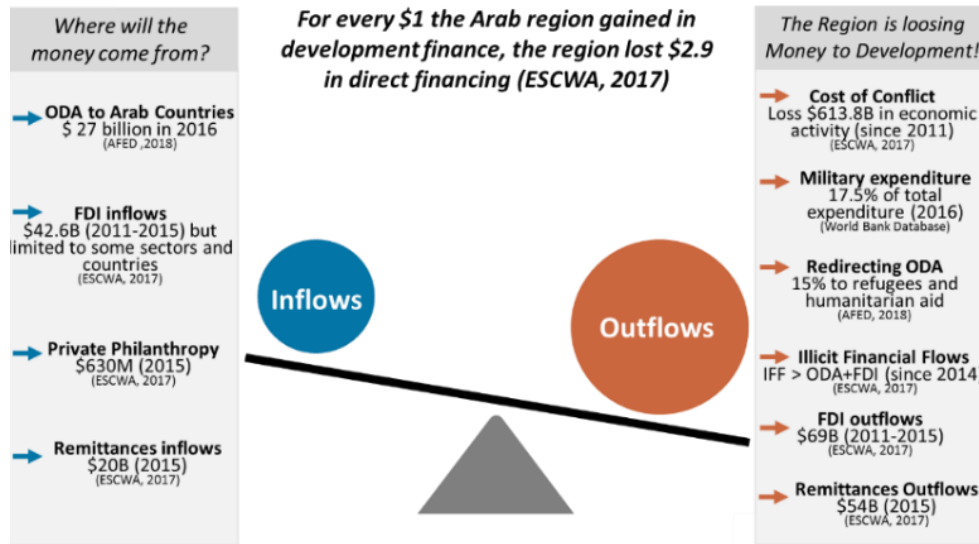
**Where will the money come from?**

**For every $1 the Arab region gained in development finance, the region lost $2.9 in direct financing (ESCWA, 2017)**

**The Region is loosing Money to Development!**

- **ODA to Arab Countries** $ 27 billion in 2016 (AFED ,2018)
- **FDI inflows** $42.6B (2011-2015) but limited to some sectors and countries (ESCWA, 2017)
- **Private Philanthropy** $630M (2015) (ESCWA, 2017)
- **Remittances inflows** $20B (2015) (ESCWA, 2017)

**Inflows**

**Outflows**

- **Cost of Conflict** Loss $613.8B in economic activity (since 2011) (ESCWA, 2017)
- **Military expenditure** 17.5% of total expenditure (2016) (World Bank Database)
- **Redirecting ODA** 15% to refugees and humanitarian aid (AFED, 2018)
- **Illicit Financial Flows** IFF > ODA+FDI (since 2014) (ESCWA, 2017)
- **FDI outflows** $69B (2011-2015) (ESCWA, 2017)
- **Remittances Outflows** $54B (2015) (ESCWA, 2017)

*Figure 2 – Financing development in the Arab world, 2018*
*(Institut des Finances Basil Fuleihan)*

## C. The Public Finance Gap

As UNSG Guterres has reiterated, efforts should "*continue to support developing countries in creating conditions for mobilizing domestic resources, including tax reform and other good governance measures*".[4] Nevertheless, the Arab countries' capacity to mobilize domestic resources towards such levers continues to be crippled.

Fiscal and financial frameworks continue to be, in many cases, regressive and unable to generate a wide pool of revenues that would be sufficient to finance the resumption of public services or local development. Moreover, national financial resources continue to be drained by military spending and regressive fuel subsidies.

The principle of allocation of maximum available resources to development is challenged by high military spending: 25% of central government expenditure (2015) is allocated to security and military spending when compared to a global average of almost 8%.

Along the same lines, about half of total energy subsidies belong to the MENA region. Pre-tax energy subsidies are equivalent to 8.6% of regional GDP or 22 % of government revenues (IMF, 2011) (figure 3), and most of these subsidies tend to be regressive or captured by an economically-entrenched elite[5]. According to the IMF[6], for each 1% point of GDP in spending on energy subsidies that is redirected to infrastructure spending, the region has the potential to increase its GDP by 2% points and create ½ million new jobs.

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[4] Antonio Guterres, 2018. Secretary-General's Remarks to the High-Level Meeting on Financing the 2030 Agenda for Sustainable Development.

[5] The Political Economy of Distribution in the Middle East: Is There Scope for a New Social Contract?, Steffen Hertog, International Development Policy 2017, https://journals.openedition.org/poldev/2270#tocto2n2

[6] Opportunity for all – Promoting growth and inclusiveness in the Middle East and North Africa, IMF, 2018 https://www.imf.org/en/Publications/Departmental-Papers-Policy-Papers/Issues/2018/07/10/Opportunity-for-All-Promoting-Growth-and-Inclusiveness-in-the-Middle-East-and-North-Africa-45981
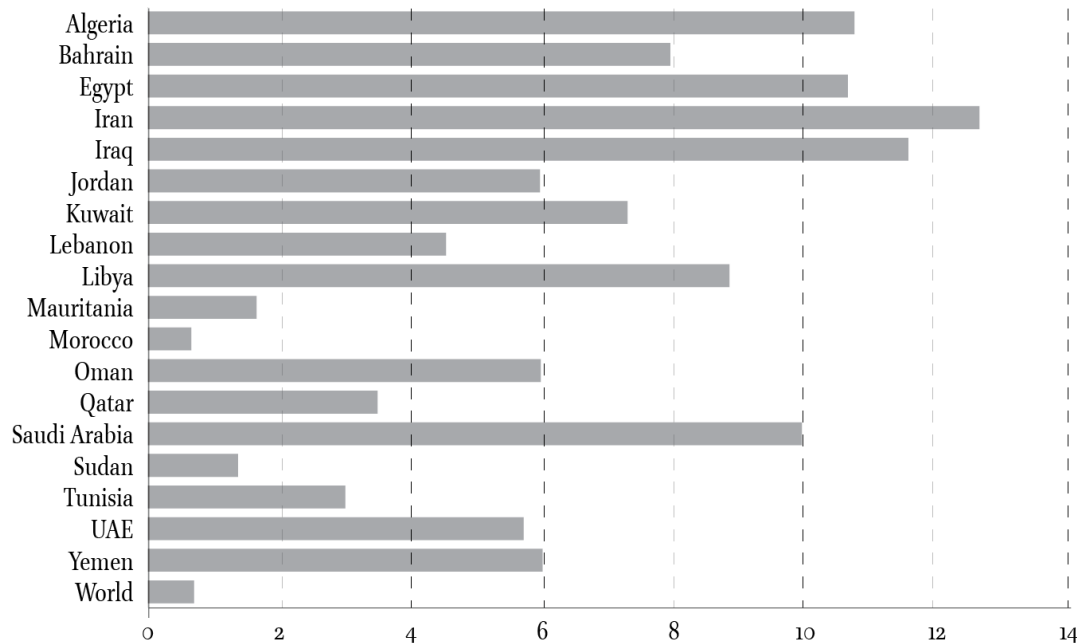
*Figure 3 – Pre-tax energy subsidies as % of GDP in 2011 (IMF, 2013)*

Moreover, public procurement practices require modernization and reform, particularly in light of three overarching objectives: (1) value-for-money optimization, (2) the promotion of equitable socioeconomic development and innovation through MSMEs, and(3) the inclusion of sustainable and environmental criteria in line with the UNEP One Planet framework.

In addition, foreign financing such as Official Development Assistance (ODA) is dramatically shifting towards humanitarian interventions, security-related expenditures and refugee costs in host countries, often at the expense of development. Arab development co-operation activities are concentrated in the economic infrastructure sectors, such as transport and storage, energy, industry, mining and construction, which accounted for 43% of their ODA between 2011 and 2015; whereas the OECD's DAC members place greater emphasis on social infrastructure and services (57% of their ODA)[7].

When it comes to private financing, the region has become a "net exporter of capital": For every dollar received, USD 1.8 are reinvested abroad[8]. Even oil-rich countries which are usually the recipients of high levels of Foreign Direct Investment (FDI), are suffering from a decrease in the levels of FDI attracted, averaging around 1.2% of GDP, in comparison with 2.3% worldwide[9].

And when available, the vast majority of investment is short-term oriented. Most FDIs are directed towards low technology sectors that generate few new jobs.

Finally, complex financing mechanisms such as Green Financing still represent only a small fraction of overall financial activity in private markets, yet to be mainstreamed into the business models of the financial industry.

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[7] Trends in Arab concessional financing for development, OECD Development Co-operation Directorate, 2017, https://www.oecd.org/dac/dac-global-relations/Trends-in-Arab-concessional-financing-for-development.pdf
[8] Ibid,2

[9] World Bank Database (2017)

## D. Key Levers for Change

Consequently, several levers for change can be identified: (1) political, namely related to peace-building, (b) financial, and relating to the drain in development financing taking place across the region and that is particularly due to illicit financial flows and tax evasion, and finally, (3) domestic resources mobilization. To give an example of the latter, reforming fuel subsidies could provide governments with the possibility to fund a 40% increase in social protection spending and bring the regional average spending on social protection to 7% of GDP[10].

As such, establishing internal political consensus is essential to building and sustaining peace, and inclusive practices may be promising. Redirecting some of the funds that are flowing, legally or illegally, outside of the region, is crucial for the achievement of the Agenda of Hope (figure 4). And carrying out reforms that would mobilize domestic resources would establish the required State capacities that are needed for a transition towards Smart Sustainable Governance.

This is becoming increasingly urgent particularly since, should the current trends continue, the financing gap of 80 to 85 billion recorded for 2015-2016 could result in the region falling short of achieving the SDG's by more than 1.2 trillion US$ in 2030.
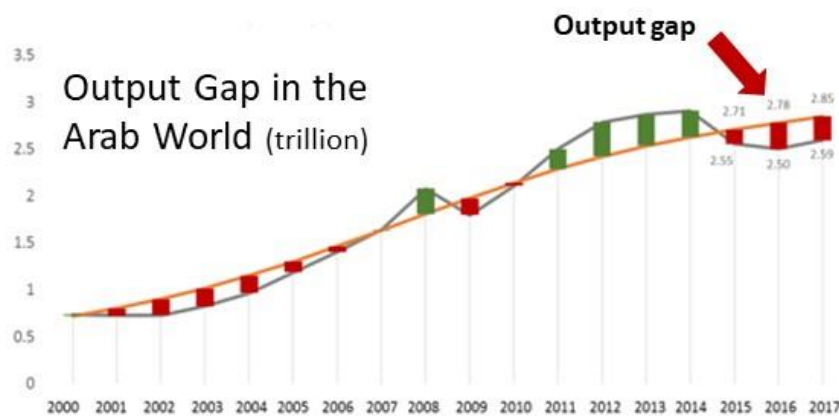


*Figure 4 – Output gap in the Arab World, 2018 (Institut des Finances Basil Fuleihan)*

## E. A land of opportunities despite all

Despite this grim outlook, the MENA region still holds considerable potential for a successful transition towards sustainable governance.

It enjoys a privileged geographic location with access to large markets, a young and increasingly educated population (half are under 30 years) and comparative advantages in several sectors: manufacturing, renewable energies and tourism.

Financing opportunities are also abundant. The region is the largest provider of ODA outside of the Development Assistance Committee. Arab ODA represented 47% of what non-DAC providers reported disbursing between 2011 and 2015. ODA provided by Saudi Arabia, the United Arab Emirates and Qatar surpassed in 2015 the United Nations target of 0.7% for the ratio of ODA to gross national income[11].

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[10] Ibid, 6

[11] Ibid 3

When it comes to official commitments to the SDGs, the MENA region is also on board of Agenda 2030 since more than half of the Arab countries (16 countries) have fully engaged in the realization of the Agenda and presented their Voluntary National Reviews. This collaborative exercise has helped to bring about change in practices of planning and institutional coordination and in the identification of data gaps. It is also a promising tool to start integrating SDGs implementation in national budgets.

However, and as highlighted during the 2019 Arab Forum for Sustainable Development, progress made in the Arab region four years after the adoption of the 2030 Agenda across a broad range of development issues is still far, both qualitatively and quantitatively, from reaching the desired objectives and targets.
In such a context, incremental change could be more effective than large-scale reforms: all three key levers for change may be harnessed by capitalizing on the region's human capacities.

## II-    Readying Institutions through People: A Tipping Point for the SDGs

### A.  What is the roadmap ahead?

In Arab countries, even if all conflicts and wars were to end immediately, the region will struggle with achieving the SDGs by 2030 using traditional methods. Indeed, "*a change in the mindset and culture of designing development strategies, policies, and plans, and their monitoring and assessment is essential if Arab countries are to achieve SDGs and address climate change concerns*" (Saab and Sadik; Arab Forum for Environment and Development).

The promotion of *inclusiveness* will be central in closing the political governance gap and establishing sustainable peace. It will also imply changing the perception that governance reform is a tool to reduce expenditures rather than a means to solve complex policy challenges[12]. To do so, new social contracts and the curtailing of political exclusiveness can be achieved through public sector recruitment reform.

In contexts where public sector leaders struggle among competing priorities and are challenged by security threats, and at a time when policy decisions are more than ever driven by performance and value for money, transforming the civil service into a catalyst for the achievement of a balanced, equitable and sustainable society founded on the principles of social justice has become a must. Questioning the status-quo in place would require addressing a series of questions about the future around which competencies are most relevant to contexts so different and so challenging, the needed skill sets that would allow the countries to navigate uncertainty and the public administration's ability to attract and retain needed talents and competencies.

This prospective exercise around skills needed in Government shall also cater for the fact that by 2030, 65% of graduates will have jobs that don't currently exist (WEF, 2016).

### B.  What are the skills needed for the future?

At its 2019 session, the United Nations Committee of Experts on Public Administration underlined that new sets of capacities and skills are required to effectively implement the SDGs, albeit the fact that traditional competencies remain relevant. The Committee pointed in particular to the enabling role that critical, complexity, futures and design thinking in addition to deliberative skills and emotional intelligence and appropriate use of frontier technologies can play in delivering innovative public services and achieving the

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[12] Draft Policy Framework on Sound Public Governance, OECD, 2018

SDGs[13]. It acknowledged that core human values remain the backbone for competencies to deliver an Agenda that leaves no one behind. These skills were derived from the 11 principles of Effective Governance for Sustainable Development developed by the UN CEPA (figure 4) as a novel framework to help institutions think critically about the strategies that can help them best achieve the SDGs, taking into account different governance structures, national realities, capacities and levels of development.

The demand for advanced cognitive skills and socio-behavioral skills is therefore increasing but also the demand for compassion, respect of diversity, respect of human dignity and the right to choose, and mostly the demand for agility, which is defined as the ability to respond to unexpected circumstances and to unlearn and relearn quickly.

| EFFECTIVENESS | | | ACCOUNTABILITY | | |
|---|---|---|---|---|---|
| **COMPETENCE** | **SOUND POLICY-MAKING** | **COLLABORATION** | **ACCOUNTABILITY** | **TRANSPARENCY** | **INDEPENDENT OVERSIGHT** |
| --Promotion of a professional public sector workforce | --Strategic planning and foresight | --Centre of government coordination under Head of State / Government | --Promotion of anti-corruption policies, practices and bodies | --Proactive disclosure of information | --Promotion of the independence of regulatory agencies |
| --Strategic human resources management | --Regulatory impact analysis | --Collaboration, coordination, Integration, dialogue across levels of government, functional areas | --Codes of conduct for public officials | --Budget transparency | --Arrangements for review of administrative decisions by courts or other bodies |
| --Leadership development, training of civil servants | --Promotion of coherent policymaking | --Raising awareness on SDGs | --Competitive public procurement | --Open government data | --Independent audit |
| --Performance management | --Strengthening national statistical systems | --Network-based governance | --Elimination of bribery, influence trading | --Registries of beneficial ownership | --Respect for legality |
| --Results-based management | --Monitoring & evaluation systems | --Multi-stakeholder partnerships | --Conflict of interest policies | --Lobby registries | |
| --Financial management and control | --Science-policy interface | | --Whistle-blower protection | | |
| --Efficient and fair revenue administration | --Risk management frameworks | | --Provision of adequate remuneration and equitable pay scales for public servants | | |
| --Investment in e-government | --Data sharing | | | | |
| INCLUSIVENESS | | | | | |
| **LEAVING NO ONE BEHIND** | **NON-DISCRIMINATION** | **PARTICIPATION** | **SUBSIDIARITY** | **INTERGENERATIONAL EQUITY** | |
| --Promotion of equitable fiscal and monetary policy | --Promotion of public sector workforce diversity | --Free and fair elections | --Fiscal federalism | --Multilevel governance | |
| --Promotion of social equity | --Prohibition of discrimination in public service delivery | --Regulatory process of public consultation | --Strengthening urban governance | --Sustainable development impact assessment | |
| --Data disaggregation | --Multilingual service delivery | --Multi-stakeholder forums | --Strengthening municipal finance and local finance systems | --Long-term public debt management | |
| --Systematic follow-up and review | --Accessibility standards | --Participatory budgeting | --Enhancement of local capacity for prevention, adaptation and mitigation of external shocks | --Long-term territorial planning and spatial development | |
| | --Cultural audit of institutions | --Community-driven development | | --Ecosystem management | |
| | --Universal birth registration | | | | |
| | --Gender-responsive budgeting | | | | |

*Figure 5 – Principles and Strategies of Effective Governance for Sustainable Development (United Nations Department of Economic and Social Affairs, E/2018/44-E/C.16/2018/8)*

In light of contexts of dwindling peace and governance and institutional deficits, civil service recruitment reform on the basis of representation and inclusiveness, including and not limited to political, gender, and socioeconomic background, will become central. The foundational skill set that would undoubtedly need to be promoted is the socio-behavioral set as it would contribute to transforming public administrations into hubs of consensus building. Such skills would indirectly contribute to conflict prevention particularly since, where preventive action is successful, the average net savings are close to US$5 billion per year. In the most optimistic scenario, the net savings are almost US$70 billion per year (Mueller 2017).

The second skill set, deriving from design thinking, is related to the capacity of civil servants to promote transparency through policy-design and particularly through the analysis of high-quality disaggregated quantitative and qualitative data that can then be used for evidence-based policy-making. This gains further importance as statistical bodies in conflict-affected States require particular attention and urgent capacity

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development given the destruction of documentation and the means of gathering information; and when we know that promoting data transparency is expected to reduce sovereign risk premia in MENA by about 15% (IMF, 2018).

As for the mobilization of domestic resources, and at a more technical level, Public Financial Management (PFM) skills are also seen as catalysts for the resumption of public administration governance and service delivery, especially in fragile and post conflict environments. There are one fundamental component for the achievement of the SDGs, particularly Goals 16 and 17. Indeed, PFM training, particularly on issues such as tax auditing, revenue management, combatting tax evasion, public procurement, etc. will enhance central skills needed to increase revenues, optimize expenditures, and fund and resume social services that are often discontinued or missing in conflict-ridden environments.

Rounding these skills is training in prevention work, which is expected to interact with security, diplomacy, mediation, and others. It needs to foster collective approaches to risk assessment and management and build local capacities and commitment to collectively understand and closely monitor the conditions that could contribute to fragility. It is expected to mainstream citizen engagement and empower women and youth to enhance their participation in policymaking[14].

## C. As the nature of work is changing and the competencies are evolving, what can governments do?

Human Resources frameworks pertaining to the staffing, training and career plans of civil servants in line with the competencies outlined for the achievement of the *Principles of Effective Governance* are central for the streamlining of the SDGs as policy objectives at all levels of government. In conflict and fragile contexts, a particular set of framework reforms and competencies can act as "entry points" for all the others: (1) recruitment reform, (2) training for transparency-oriented design thinking and (3) PFM-related competencies. Several overarching recommendations have come to reinforce these assertions.

The 2019 World Development Report points out to important skills readjustments happening increasingly outside of compulsory education and formal jobs. Skills development is therefore becoming a matter of lifelong learning. The report acknowledges that "*adult learning is an important channel for readjusting skills to fit in the future of work, but it would benefit from a serious design rethink*"[15].

In order to streamline capacity building and lifelong learning in line with these recommendations, it is essential to rework education curricula around these newly emerging skillsets (critical, design, complexity and futures thinking and emotional intelligence) for the public sector workforce and to make the SDGs part of the curricula of national schools of public administration.

Civil service schools (also known as Schools of Government) are partners for change in this critical endeavor. But they need to be empowered, particularly in conflict-affected areas where resources are increasingly retrained, and especially in line with the above framework pertaining to the exit from conflict and fragility.

The Arab region has witnessed the establishment of a key initiative for the development of capacities across the region, particularly in Public Governance and Financial Management. The Governance Institutes Forum for Training in the Middle East and North Africa (GIFT-MENA) network has worked in this direction with the various countries of the region.

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[14] Pathways for Peace : Inclusive Approaches to Preventing Violent Conflict, United Nations and World Bank, 2018; https://openknowledge.worldbank.org/handle/10986/28337 License: CC BY 3.0 IGO

[15] World Development Report: The changing nature of work, World Bank, 2019; http://documents.worldbank.org/curated/en/816281518818814423/pdf/2019-WDR-Report.pdf

The survey conducted in 2018 by the network among its members aimed to gauge their understanding of and implication in the 2030 Agenda for Sustainable Development.

The results were appealing:

In 87% of the cases surveyed, institutions had already integrated the Agenda 2030 and the SDGs into their existing training programs - e.g. with a focus on SDGs topics such as Poverty, Gender, Environment, Accountability, etc.

Still, in around 70% of the cases, training on the SDGs is delivered by international organizations, because these schools still lack:

- Training on concepts and standards
- Exposure to experiences and best practices
- Technical knowledge on how to integrate SDGs
- Financial resources to adapt their curricula to the new paradigm or to develop new material
- Expertise, i.e. the availability of Arab-speaking expert trainers.

When asked about ways in which they were planning or would like to integrate the SDGs into training provided to civil servants:

- 56% answered they would integrate the SDGs into only some of the existing training programs on related topics and for specific target audiences while 38% expressed their preference for integrating the SDGs into all existing training programs for civil servants.
- 50% said they would privilege train the trainers programs
- 44% pointed to the development of new training programs for only specific target audiences (in specific parts or units of public administration)
- 44% opted for the development of a standalone program for all entry-level, mid-career and/or senior officials.

Finally, when asked on the priority themes to include in any SDG related training, schools of government prioritized:

- Human resources management
- Public policy and the SDGs
- Governance and conflicts
- Gender equality
- Ethics in public policy
- Public budgeting and financial management

In the survey, schools also expressed a high preference and demand for curricula in the Arabic language.

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**About the GIFT-MENA network:**

Created in 2006, GIFT-MENA is a voluntary network that convenes more than 60 civil service training schools and institutes in the MENA region from 20 countries.

It worked to empower schools of government by:

1. Bringing them to the front lines of State transformation
2. Enhancing their strategic, institutional and operational capacities to become active contributors to the agenda of reforms,
3. Promoting the co-production of knowledge to shape policies especially policies affecting public money management and HR policies influencing meritocratic and inclusive recruitment.

4. And finally by creating opportunities to network among peers and to build partnerships at the local, intra-Arab and international levels.

**The Marrakech Call:**
In 2018, on the occasion of the UN Public Sector Forum in Marrakech, members of the GIFT-MENA network launched a call to:
- Design a roadmap to support willing institutions in the region with methodologies, and advice, to help them embrace the SDGs and redesign their practices
- Consolidate a network of practitioners and resources persons on implementation of the various components of the 2030 Agenda.

Based on the survey results, member schools proposed national initiatives to integrate the SDGs into training programs and learning activities, such as:
1. Build the capacities of a pool of trainers and experts and enhance their abilities to handle issues related to Agenda 2030;
2. Foster coordination and collaboration between training schools to exchange practices and experiences in the field of sustainable development;
3. Reinforce the capacities of networks such as the GIFT-MENA to serve as platforms of dialogue;
4. Provide technical assistance to training schools on existing modalities for integrating the SDGs in training curricula;
5. Develop social media strategies that aim to improve access to information on the 2030 Agenda.

Today, the challenge resides in the capacities of the State to make and sustain the case of Schools of Government at the policy level so that schools and institutes are in the driving seats of this transformation and granted needed resources to perform, bringing people together from central and local authorities. Answers will need to be provided to the main questions that will shape the road ahead:
a. Are schools of government willing to embrace co-construction and co-design? Are new models of partnerships needed?
b. Will substantive budgets be allocated by governments to capacity development?
c. Will impact be measured and linked to the progress of SDGs?  From where will the guidance come from?
d. With outdated recruitment legislation prevailing, cronyism and bloating, where will positive triggers for workforce development come from?
e. How can schools of governance serve as hubs for the development of new recruitment frameworks that are designed to cater for particular contexts, notably in conflict-ridden and fragile settings?
f. How can civil service schools integrate training programs that seek the development of the competencies needed to achieve the SDGs?

### III-    Concluding remarks

Today, the MENA region is tagged for its ability to generate growth and persistent tendency to disappoint.

Although most Arab governments commit a significant share of their budgets to education and health, public services are still of low quality across the MENA region (figure 6).
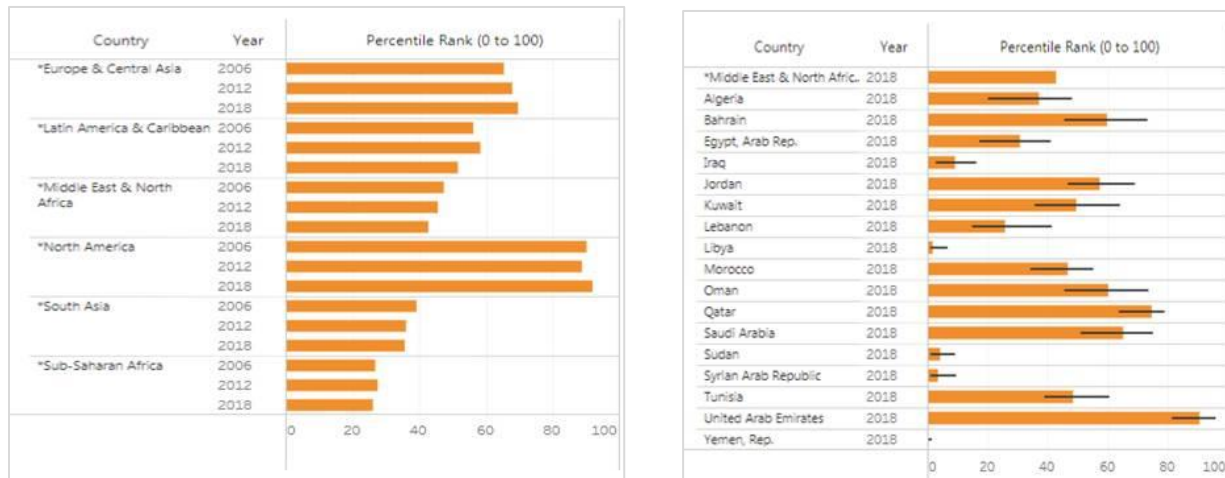


*Figure 6 – Government Effectiveness in MENA (World Bank Governance Indicators, 2019)*

When public services are failing everyone, the rich usually opt out of the system, instead of thriving to enhance it. Such situations often lead to increased flight of capital, tax evasion and the proliferation of illicit financial flows.

These shortfalls can persist for two reasons. First, because there is no major political gain from pursuing sustainable policies. Second, because the public administration may lack the capacity, incentives or competencies to convert policy plans into effective services.

In consequence, governments across the MENA region are continuing to favour spending on infrastructure and subsidies, notably in countries coming out of conflict or facing high levels of fragility. Whereas, history and experience have taught us that rebuilding public administration is one of the "*most "complex and difficult aspects of restoring governance and rebuilding war-torn societies*"[16] and that the transition process can take 15 to 30 years.

In this context, the hope, brought by Agenda 2030, may dwindle before the stark contrast between the transformative vision and aspirations set forth by this Agenda and the current state of conflict, brutal political forces, occupation and exclusion across the Arab world.

Realizing the 2030 Agenda requires Governments to foster an environment where meritocracy is rule and growth is inclusive and equal. It would mean for Governments to achieve far-reaching transformation in the way societies produce, spend and distribute their resources and in their ability to listen to the voice of the Arab youth, to prioritize their needs and to offer them opportunities to stay or to return to their home countries. Therefore, achieving substantive progress towards the SDGs has to start by addressing the political gap, the socio-economic gap and the institutional gap and by tapping into the region's financial, economic and human capital. This requires creating mechanisms to (1) end wars and conflicts; (2) accelerate inclusive models of growth aimed at reducing inequalities and thus preventing future cycles of violence; and (3) reinstate the State based on new skills set and of a renewed social contract based on trust and respect of human rights.

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[16] Restore or Reform? UN Support To Core Government Functions In The Aftermath Of Conflict, UNDP, 2014;
https://www.undp.org/content/dam/undp/library/crisis%20prevention/UNDP_CG_RestoreorReform_2014v2.pdf

Therefore creating a virtual cycle that can pave the way for seeing the promises of the 2030 Agenda materialize.

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