CONCLUSIONS AND RECOMMENDATIONS

Dr. IBRAHIM ABDEL GELIL
Senior Advisor and Report Co-Author, AFED
OBSERVATIONS

• Major shift in policy design and implementation, vast investments, innovative financing mechanisms.
• Financing sources not at the level of the trillions needed for SDGs.
• Mobilize national & regional resources, re-allocate funds.
• Foreign financing: ODA, FDI, international funds, banks, treaties.
AT A GLANCE

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 5-7 trillion</td>
<td>Needed each year until 2030 to meet the SDGs worldwide</td>
</tr>
<tr>
<td>USD 230 billion</td>
<td>Needed annually for achievement of SDGs in Arab countries</td>
</tr>
<tr>
<td>USD 100 billion</td>
<td>Annual financing gap in the Arab countries</td>
</tr>
<tr>
<td>USD 900 billion</td>
<td>Losses in economic activity due to wars and conflicts in the region since 2011</td>
</tr>
<tr>
<td>USD 204 billion</td>
<td>Development assistance by Arab development institutions 1970-2016- 54 percent to Arab countries.</td>
</tr>
<tr>
<td>USD 216 billion</td>
<td>Total Arab bilateral assistance between 1970-2016</td>
</tr>
<tr>
<td>USD 100 Billion</td>
<td>Estimated annual losses from corruption in Arab countries</td>
</tr>
</tbody>
</table>
HETEROGENEOUS REGION

- Oil-rich countries
- Oil-poor middle-income countries
- Low-income countries
- Conflict-torn countries
OFFICIAL DEVELOPMENT ASSISTANCE

- USD 22.3 billion - 2016.
- 15% to refugees and humanitarian assistance.
- Share of ODA to education declined. Sanitation, health and water supply inadequate at 2-4%.
PRIVATE FINANCE

- Volatile FDI inflows, fluctuate with oil prices and political instability.
- FDI inflows limited to certain countries and sectors.
- FDI inflows decreased to USD 32.4 billion in 2016, from USD 88.5 billion in 2008.
- Net exporter of capital
- Poor performance PPP
INNOVATIVE FINANCE

• Results-based, debt-for-development swap, climate finance.
• Green bonds market marginal.
• Big potential for Islamic financing through *sukuk*.
• Special instruments for expatriates.
• Clarity and stability, integrated public policies.
• Regulatory and market-based measures.
• Illicit finance flows major challenge. Proceeds from fighting corruption USD 100 billion annually.
RECOMMENDATIONS

- Financing strategies geared to SDGs.
- Economic diversification.
- Reform taxation system.
- International commitments to agreed development assistance levels.
- Regional cooperation, especially infrastructure projects.
- Regional-international co-financing.
- Sound business environment, good governance, rule of law, political stability.
RECOMMENDATIONS

• Redirect existing funds to sustainable development.
• Good governance, efficient fiscal policies, eradication of corruption.
• Risk-sharing.
• Incentives to promote SDGs. Cut market distorting subsidies.
• Private finance tapped. Savings mobilized. FDI attracted.
• Reverse the direction of FDI towards the region.
Thank you

www.afedonline.org