

*UNDP and the State of Kuwait
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Thematic Position Paper

*For National Consultation on Democratic Governance and
Institutional excellence*

Manaf A. Alhajeri

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Introduction

The United Nations Development Programme (UNDP) Kuwait Country Office is conducting a broad-based national consultation process to develop the framework for engagement with the State of Kuwait during the next four year planning cycle. The Country Programme Document (CPD) is the basic agreement between UNDP and Kuwait and sets out the priority national outcomes that UNDP will support through its work. In identifying the development outcomes to be included in the CPD, UNDP Kuwait is guided by the UNDP Strategic Plan (2014 - 2017), the national development plan of the State of Kuwait, international efforts in the acceleration of progress towards achieving the Millennium Development Goals and the debate on the sustainable development goals that will contribute to the General Assembly's consideration of the post-2015 global development agenda. Under the direction of the United Nations Resident Coordinator, UNDP is working in partnership with the United Nations Country Team (UNCT) and Non-Resident Agencies to enhance its support to the national development agenda and support the people of Kuwait to provide their input to the global post-MDGs debate.

In line with the fundamental principles of national ownership and inclusiveness, this position paper was prepared on the basis of a wide-ranging consultation with national stakeholders from all sectors of Kuwaiti society, including those with technical expertise in the issues under discussion, beneficiaries of, and participants in, relevant State programmes, policy-makers and relevant civil society and private sector actors. A list of interlocutors is attached as an annex to this paper. In line with the core principles of UNDP in supporting UN member-States to achieve their national development goals, the paper reflects an integrated approach to the cross-cutting issues that are critical to sustainable development i.e. Gender and social inclusion, human rights and environmental sustainability.

Key Topics in Governance, Knowledge and Innovation

Any Governance framework is country specific. Existing governance systems vary worldwide; even systems lumped together as developed or democratic countries are significantly different from each other in form and process. Constitutional monarchies in the Netherlands and Spain or the United Kingdom for example are not entirely like each other, nor are they like the presidential systems of the United States or Germany. A parliamentary system such as the French is also not identical to a presidential system as that of the United States. Variations of governance systems are even greater among non-western systems such as Brazil, China, Japan Mexico India, Egypt, Iran, and Indonesia.

In the 1992 report entitled “Governance and Development”, the World Bank set out its definition of good governance. This term is defined as “the manner in which power is exercised in the management of a country’s economic and social resources for development”.

In the 1994 report entitled “Governance: The World Bank’s Experience”, set the elements of governance as: (a) Public-sector management, (b) Accountability, (c) Legal framework for development, (d) Transparency and information.

Some UNDP’s thematic global discussions on the post 2015 development agenda stress the subject of governance, while far reaching and highly institutional in nature, it intersects with key UNDP thematic cross cutting issues, including but not limited to;

Human Rights; in that states under their human rights treaty commitments are obliged to aim for universal access to social rights, dismantle discrimination, and ensure availability of quality services, and to undertake positive measures to ensure access to justice, participation in public affairs, and free expression.

ICT; one of the most significant trends in the new millennium is the advances in ICTs. The evolution of the internet has enabled a massive transformation in a number of countries and contributed to an alteration of the balance of power between the citizen and the state. Society has indeed fostered a nascent open government movement that promotes transparency, accountability, and participation.

Human Resources; are in the heart of any debate to strengthen institutions at all levels, concentrated on parliaments, electoral bodies, and related processes.

Civil Society; citizen participation and civil society organizations’ engagement through all mediums, including e-participation, are key for better decision making.

The quest for good governance worldwide is continuous; and any consultation process towards the identification of a critical framework of Governance should therefore have at its heart the political, economic, and societal model of the country under analysis. During the consultations that informed this position paper, UNDP Kuwait focused on governance systems and their accountability mechanisms, underpinned by human rights standards and principles. Focus areas that this consultation seeks to address are:

- Strengthening institutions Capacities and human resource capacities at all levels (including in parliaments, electoral bodies and related institutions, national human rights institutions, the security and justice sectors, and public services for cross-sectoral, integrated and inclusive decision-, policy- and law-making, as well as planning and budgeting;
- Ensuring that public institutions are effective, responsive, accountable and representative through e-government, strategic planning and other means, including by fostering public

sector capacities and public-private partnerships, strengthening regulatory framework for businesses, preventing corruption and promoting the transparent and sustainable management of public goods and financial and natural resources;

- Ensuring Inclusive civil participation and engagement, including through e-participation, to ensure accountability and transparency and better inform decision-making;
- Fostering the right to take part in government, transparency and the right to access information about public affairs, the freedom of expression and opinion, access to justice and encouraging the state to adopt and implement legislation ensuring broad access to information by the public, including through the use of mobile, social media and other appropriate technologies.

In summary, the consultation seeks to explore the following core issues as they relate to achieving the public sector institutional excellence:

- The lessons learned, gaps and interventions needed for the **public sector reform** to grant more efficiency and better deliverance of services.
- The lessons learned, gaps and interventions needed to employ **knowledge, technology and innovation** for human capital development and knowledge based decision making,
- The lessons learned, gaps and interventions need to enforce **the rule of law** to grant a higher levels of integrity, accountability and transparency of the public sector performance; as well as social resilience.

The Global Debate on Governance

At the World Summit in 2005 and the MDG Summit in 2010, Member States of the United Nations reaffirmed the Millennium Declaration of 2000 and recommitted themselves to protecting and promoting human rights, gender equality, the rule of law and democracy, recognizing that they are interlinked and mutually reinforcing and that they belong to the universal and indivisible core values and principles of the United Nations.

The commitment was reaffirmed by Member States at the Rio Summit + 20 United Nations Conference on Sustainable Development, where states acknowledged that democracy, good governance and the rule of law, at the national and international levels, as well as an enabling environment, are essential for sustainable development, including sustained and inclusive economic growth, social development, gender mainstreaming, environmental protection and the eradication of poverty and hunger. They further reaffirmed that “to achieve our sustainable development goals we need institutions at all levels that are effective, transparent, accountable and democratic”. In addition, member states highlighted the importance of human rights, including specific human rights standards such as the right to food or the right to water and sanitation, and agreed a number of criteria for global goals, including consistency with international law. This builds on an understanding that the structural, economic and social causes of poverty, and not just its symptoms, must be tackled, based on human rights and addressing inequality as essential to realize the vision of sustained, inclusive and accountable development.

Experience to date has shown that, in many cases, sustained progress towards the MDGs has been underpinned by strong democratic governance and women's empowerment, and hampered by their absence¹. Across the world, democratic deficits lie at the core of critical development challenges related to state fragility, transitions, social and political violence, inequality, increased demands on the natural environment and a global crisis of confidence in the integrity, capacity and legitimacy of the state to deliver human development.

Since the Millennium Summit, a number of changes have taken place with a direct bearing on State capacity to formulate and execute national development strategies and build public trust in public institutions. Foremost among these are advances in the use of ICTs. The evolution of the Internet, including mobile and social networking technologies, has enabled the transformation of public administration in some countries and contributed to an alteration of the balance of power between citizens and the State in others. The Information Society has fostered, inter alia, a nascent open government movement that promotes transparency, accountability and participation, and amplified a wave of national freedom of information laws adopted over the past ten years.¹³ It has also renewed debate about the application of the right to seek, receive and impart information through any media and regardless of frontiers to the Internet and other new information technologies as they apply to traditional forms of media.¹

Corruption is an issue that has garnered particular attention since 2000, resulting in the entry into force in 2005 of the UN Convention against Corruption. Parties to the convention commit to the establishment of anticorruption bodies, enhanced transparency in the financing of election campaigns and political parties, efficiency of public servants, recruitment based on merit, transparency and accountability in matters of public finance and generally high standards of conduct in all areas of public affairs – in addition to tighter regulation of business and private financial transactions.²

The South-South, or inter-Arab investment in our context, is without doubt another interesting dimension to examine. The debates around what has become to be known as the Arab spring are numerous, but some of the key issues that emerged from the Arab Spring are the widening gap in GDP/capita between the GCC countries and the surrounding non-oil Arab countries. The unrest in a number of Arab countries since 2010 was conducive to social appeasement policies by the majority of the Arab countries including the GCC States which engaged in unsustainable subsidy frenzies.

The Regional Perspective

Governance issues have become increasingly salient in the Arab region, as public discourse on reform began to advance in amount and intensity over the course of the first decade of the new Millennium in many countries, and as the wave of protest and change which began in Tunisia in December 2010 has ushered in a new era in which key governance concepts and questions are

¹ UN System Task Team on the Post -2015 Development Agenda; "Governance and Development" think piece; May 2012; pp. 5.

² Ibid; pp. 6.

prominent in the overall regional debate, highlighted with a regional picture showing a mix of failed states, fragile states and states which have been able to forestall fragility but which may still face challenges in the medium-term. Women, men, and youth around the region have voiced demands for political and economic inclusion, increased opportunities and social mobility, and a relationship between state and society forged on human rights, social justice, equality, voice and participation, and accountability. Some countries are undertaking the beginnings of transition; others are experimenting with new kinds of reform.

The overarching message coming from the regional consultations on the Post 2015 development agenda, held by the “Arab Development Forum” in Amman – Jordan in 2013, was “that democratic, good and accountable governance, based on participation of women and men and young people in the decisions that shape their lives, is the best way to assure their rights and secure the broader freedom associated with inclusive, sustainable human development.” The participants were clear in stating that “they only expect sustainable human development to be achieved if the region improves its performance on governance.”³

Specific suggestions for reflecting governance in the future agenda include:

- Governance indicators have already been developed, and the task ahead may then be to adapt these to the region and to integrate in an acceptable manner into a goals framework.
- International agreements and covenants – not least the Universal Covenant on Civil and Political Rights – already provide solid frameworks on which to base a robust reflection of governance issues in the future development framework.
- It is vitally important for governance indicators to be fully relevant to regional and national contexts, and to capture quality and reality on the ground in order to avoid quantitative indicators.... There may thus be a case for the development of national governance indicators informed by regional expertise within a global system that measures governance.
- Institution and context-sensitive governance indicators were strongly recommended. Specific targets and indicators are needed for governments, legislative bodies, political parties, and civil society organizations. Similarly, specific targets and indicators are needed for countries undertaking transition.
- Women are greatly under-represented in political institutions at all levels as a result of deep rooted discrimination common to societies across the region. The establishment of quotas for women has increased their presence in some national parliaments, but nonetheless women’s influence, and their opportunity to hold leaders to account or to assume leadership positions themselves remains very low in most cases.

On the sub-regional level, The Gulf basin is the pivot of the regional political economy, as it harbors the richest and the most capable and capital rich private sectors. The emerging role of the Gulf makes it arguably a key anchor of regional stability.

³ THE ARAB DEVELOPMENT FORUM report “VOICES AND CHOICES FOR THE POST-2015 AGENDA IN THE ARAB COUNTRIES”; 10-11 APRIL 2013 • AMMAN, JORDAN

The region, including GCC, offer a demographic structure dominated by youth and high growth rates. With a rather high spending on university education for instance (estimated at 5% of GDP in Mena), modernizing the education system continues to be a key challenge.

The regional UNDP Arab forums concurred that a number of non-Arab countries are in poverty, yet they live in a wealthy region. There is no doubt disparities in income are key to unrest in the region. Unemployment, deteriorating health services, inadequate education, and corruption are some of the facets of the challenge.

It is remarkable that since the 1990's, the GCC States the Gulf States have sharply altered the governance of their markets by adoption institutions widely used in other countries, notably the United States and Western Europe. They have ended legal monopolies, established rules for competition and delegated powers to Independent Regulatory Agencies IRA's. Way ahead of reforms in the public sector, the two sectors that have enjoyed such reforms are notably the securities trading and telecommunications.

The Arab uprising phenomena is undoubtedly a key perspective in governance too, given that Arab economies were growing above the world average over the past few years. Annual growth rates in Egypt, Jordan, Lebanon, Oman, and Sudan averaged more than 6% between 2005 and 2010; and Syria, Tunisia, and Libya grew at about 5% average during the same period. Slow progress in economic diversification and job creation, social inequalities, and persistent food insecurity are identified as major development challenges in Arab countries. The contribution of such factors to the Arab uprising witnessed since 2011 may be taken seriously (economics of the Arab Awakening; IFPRI). The sharp disparities in the standard of living between the prosperous oil producing gulf countries and the neighboring Arab countries can therefore be a serious source of risk to the regions sustainability.

The inter-Arab investment can definitely be an entry point to tackle such issue, in view of mitigating fluctuations in non-oil countries, but also improving the long term prospects of sustainability for the broader region.

While UNDP's response actions involved many interesting modalities for technical assistance, and capacity building, the model of inter-Arab development by the countries ought to be considered; and a renewed momentum among the GCC countries to focus holistically on certain sectors and agree on specific MDG's such as employment and quality of education, and should have far reaching impacts on the quality of educated migrations. Economic interdependence has become a fact of life. Such approach should focus on partnership between the countries. UNDP does bring interesting guidelines for such renewed model based on notions such as embracing the youth as a key force, emphasizing transparency, and emphasizing human rights, and transparency as key to any action, and the introduction of inclusive processes to truly rupture from past failures.

Planning for National Development Cooperation

The states' of Kuwait strategic vision "Kuwait 2035" is "Transforming Kuwait into a financial and trade center, attractive to investors, where the private sector leads the economy, creating competition and promoting production efficiency, under the umbrella of enabling government institutions, which accentuates values, safeguards social identity, and achieves human resource development as well as balanced development, providing adequate infrastructure, advanced legislation and inspiring business environment".

The fifth objective of Kuwait's med range development plan 2009/2010 - 2012/2013 reflects that by stating the plan's pursuit to perpetuate and strengthen the mechanisms for the effective administration of development and the related confirmation and the implementation of the concepts of transparency, accountability and integrity in society and the economy and take action to do so. The plan acknowledged and attempted to address the challenges facing its efficient implementation as follows:

(1) Government Administration

1. Impaired quality of the performance of public services and the methods to provide such, employment and regulatory inflation,
2. Continuous overlap of functions and powers among the bodies,
3. The slow efforts to complete the e-government projects.

(2) Planning Activity

1. The absence of continuation and regularity of the planning function in different terms in the State over more than two decades, which has impacted negatively on the vulnerability of the culture of planning in the society in general.
2. The obsolescence of the planning legislative framework and weaknesses of the planning activities in government agencies,
3. Challenges associated with the development of national statistics in support of the planning process and decision-making in the State.

(3) Information Society

1. The need to modernize the legislative framework, whether by the introduction of new legislation such as e-commerce or the development of existing legislations, such as intellectual property,
2. The modernization of technological and institutional infrastructure,
3. The development of employment information services,
4. The development of the investment and business environment,
5. The dissemination of culture and information applications in the community.⁴

According to a press analysis over 21 months, ending Sep 2013 (Alqabas survey, Oct 6, 2013) following can be highlighted on Kuwait's development Plan KDP approved by the parliament in 2010:

⁴ Kuwait's mid range development plan 2009/2010 - 2012/2013

- a) Deliver projects of KDP amount to 6%.
- b) 11% of the projects incurred marginal delays.
- c) 14% lack definition and proper metrics.
- d) 69% of the projects lack serious definition.

To the end user of the Development Plan, i.e. the citizen, good governance is transparency in the decision making by the institutions, elimination of capacity bottlenecks, raising business standards, and achieving social justice. Aspects of good governance cannot be fulfilled without defining a baseline, developing key performance indicators for the state and national machinery for monitoring and evaluation. Also, although the plan set a number of policies to address Human development, yet developing new polices related to promoting a more inclusive and participatory civic engagement, will further strengthen the sustainability of its implementation.

During the current CPD, UNDP – Kuwait developed a number of projects to address some of those challenges, namely: Support to the General Secretariat of the Supreme Council of Planning and Development GSSCPD Capacity Development, Support to the Central Statistical Department and Support to the GS of the National Assembly, and the Support to the state audit bureau. While the evaluation of the above programs is beyond the scope of this report, a full revision of the above interventions will be is needed to advance their scope and impact in light of the new UNDP strategic plan 2014/2017.

The table below is a summary of the challenges the development plan faces from private sector.

Risk	Sub-risk	Suggested Actions
1 Sovereign	Consensus Building	1. Arm’s length consulting and oversight 2. Set clear measurable performance indicators
	Transparency	1. Central Information Body 2. Clearly defined Project timeline
2 Financing	Financial Sector	1. Formulating clear policy to fund key sectors 2. Enabling the various sectors to obtain needful resources
		Create a bond Market to launch infrastructure projects
3 Operational/	Bureaucracy	1. Streamline procedures 2. Enhance human capital with training to augment

Implementation	public-private partnership
	3. Create and adhere to process guidelines and code of governance
Inadequate Legislation	1. Revisit/amend current laws (PPP, Foreign Investor,) 2. Pass new laws (Bankruptcy, Corporate Governance)

Governance in the State of Kuwait

The Modern State, Administration, and Governance in Kuwait; a Brief History

The history of administration in the state of Kuwait can be divided to 5 phases; (1) the laying out the foundation of modern though embryonic institutions in education, municipality and health (1950-1960), (2) the growth and expansion, this is also the phase that saw the independence of Kuwait and the promulgation of its constitution's (1960-1970), (3) the Consolidation, re-organization, and emergence of administrative flaws (1970-1980), (4) the articulation of high level state objectives on human development and some needed fundamental changes to achieve this objective (1980-1990), (5) the current phase is characterized by constant reality checks and a quest to achieve a realistic growth within the current administrative constraints (1990 to date).

The government of Kuwait is a parliamentary constitutional monarchy. The constitution, approved and promulgated on November 11, 1962, calls for direct elections to a unicameral parliament (the general assembly). Kuwait is often described as one of the most democratic and liberal countries in the middle east, Kuwait's judicial system is independent from government influence and is often viewed as one of the most independent judiciary systems in the Arab world.

The constitution gives the Emir the authority to appoint the Prime Minister. A new government does require a positive vote of confidence from the National Assembly. At least one member of the government must be a deputy who won election to the National Assembly. The 1992 cabinet included six elected members of the National Assembly, the most of any cabinet in Kuwaiti history. The current cabinet has two elected members of the Assembly.

All members of the cabinet, elected or not, also hold seats in the National Assembly. The size of the cabinet is limited to one-third the number of elected deputies of the National Assembly - that is, sixteen.

The National Assembly (or Majlis al-Umma) can have up to 65 deputies. Fifty deputies are elected by popular vote to serve four-year terms. Members of the cabinet also sit in the parliament as deputies. The constitution limits the size of the cabinet to 16, and at least one member of the cabinet must be an elected deputy.

The National Assembly plays a pivotal role in decision making, with powers to initiate legislation, question government ministers, remove an Emir from his post and express lack of confidence in individual ministers. For example, in May 1999, the Emir issued several landmark decrees dealing with women's suffrage, economic liberalization, and nationality. The National Assembly later rejected all of these decrees as a matter of principle and then reintroduced most of them as parliamentary legislation.

Kuwait's constitution recognizes the principle of equality among its citizens regardless of 'race, origin, language, or religion,' but it contains no specific protections against gender-based discrimination, and national laws continue to discriminate against women. Examples include the Social Security Law (No. 22 of 1987) and the Housing Assistance Law (No. 47 of 1993), Kuwait's laws and policies still treat women as dependents of men rather than individuals with equal rights and responsibilities, and the prohibition of women to assume senior judicial positions such as judges of law, and public prosecutors.

Women were granted the right to vote and stand in elections in 2005 and in the same year, the government appointed the first women to be the Minister of Planning and the Minister of State for Administrative Development. In 2009, history was created when 4 seats were won by women in the parliamentary elections. As of 2012, 6.3% of total seats in the national parliament were occupied by Kuwaiti women. Other areas where good governance codes can be included are introduction of quota in senior official and managerial cadre for Woman, wage equality for similar work, existence of law prohibiting gender discrimination (already present) and existence of law punishing acts of violence against women.

The United Nation's Gender Inequality Index 2012 findings states that 53.7% of Kuwaiti women (ages 25 or older) have completed at least secondary education compared to 31.8% average for the Arab states. According to the World Bank, the fertility rate of Kuwaiti women stands at 2.65 births per woman which is close to the MENA average of 2.76 births per woman. The labor force participation rate among Kuwaiti women was at 43.4% in 2011 compared to a ratio of 22.8% average for the Arab states. However, Kuwait's nationality law denies Kuwaiti women the right to transfer their nationality to their children and spouses if they marry a non-Kuwaiti. The only silver lining is that in 2011, a law was passed to allow Kuwaiti women the right to sponsor their foreign husbands and children. More sex disaggregated data exists for Population, Workforce, Educational Attainment, Ministers/Politically Empowered persons, Average Income & Wages and teachers in Educational Institutions are in Appendix 3.

The Cabinet ministers, together with the PM, are excluded from voting only on one occasion: when MPs - after questioning an individual minister - vote on a motion of confidence. MPs frequently exercise their Constitutional right to question Cabinet members. Parliament's sessions and interrogation of Cabinet ministers are aired on Kuwaiti TV uncensored. MPs also have the right (so far never exercised) to question the Premier, and then table a motion of non-cooperation with the government, in which case the Emir must either dissolve Parliament or replace the Cabinet.

The Judiciary in Kuwait is an independent body. In each administrative district of Kuwait there is a Summary Court (also called Courts of First Instance which are composed of one or more divisions, like a Traffic Court or an Administrative Court); then there is Court of Appeals; Cassation Court and lastly - a Constitutional Court which interprets the constitution and deals with disputes related to the constitutionality of laws. Kuwait has a civil law system.

In recent history, the period (2007-2013) has witnessed an interesting a plethora of new laws that have a pronounced governance principles in line with global trends. They can be summarized with the law of Capital Markets Authority 7/2010, the new Company Law 25/2012, the Small and Medium Projects Law 98/2013, the Anti-Corruption Law 24/2012, the Direct Investment Law 116/2013, and the Anti-Trust Law 13/2005. As this report is being prepared, three draft laws (with World Bank) are being finalized to strengthen the insolvency and creditor/debtor regimes, generally referred to as Bankruptcy Laws, as well as the revised Public Private Partnership PPP law.

Kuwait has been successfully investing its oil revenues through its sovereign wealth fund for over 50 years now. The fund is one the best governed and most transparent institutional investors in the region. For instance, the reserves are invested with well-governed, successful companies across the globe. From a sustainability and transparency point of view, the fund has increased its cap on transferring Kuwait's annual oil revenue into Reserve for Future Generation from 10% to 25%.

Reforms and new regulations in the aftermath of the sub-prime crisis 2008

The financial and economic crisis of 2008 prompted Kuwaiti authorities to act and regulate its businesses more sensibly and in line with best-practices. In an effort to achieve this objective, a number of reforms on various sectors were initiated. However, seemingly these efforts have largely been focused on Kuwait's Investment Sector. To regulate the Investment Sector and Capital Market, the government established Capital Market Authority (CMA) which in turn issued a number of directives to regulate the players.

The Investment Sector certainly needed some guidance and better governance. However, the regulators seem to go overboard in their approach and have not used the same yardstick to implement reforms needed in other business sectors. For example, for a while the Insurance Sector has been lagging behind the regional markets despite clear signs of growth potential. The

Insurance sector has been waiting for a new law for better regulations and organizing the Takaful market – but to no avail. Similarly, presently Kuwait is the only country in the region without an independent Telecommunication Regulatory Authority (TRA) which is desperately needed for better structuring and operations of the Telecom Industry in the country. The Healthcare sector privatization has also been dragged and painstakingly slow progress of Aviation sector privatization is obvious.

Appendix 2 is a brief list of reforms undertaken by the Kuwait government in recent past. The list indicates conspicuously absence of reforms in other sectors.

The absence of clear pro-business state reform policies and the thinly trading stock market have seriously hurt the Kuwaiti economy with a parallel effect on the size of the larger Kuwaiti companies, formerly the largest in the region. Local companies were constrained for growth due to lack of investment opportunities, beyond real estate, construction contracts with the state, and retail. The stock market capitalization has effectively remained the same since 2008 (Dec 2008 USD 107bn, November 2013 \$ 106b). The size of leading Kuwaiti companies has plateaued and has been overtaken by others. The National Bank of Kuwait which was the GCC's largest bank in 2007 (total assets USD 42bn) has slipped in its ranking to fourth position in 2012 (\$58b total assets) while Qatar National Bank emerged as the largest bank with total assets of nearly USD 100 b. The story in other sectors will not be too different. Private sector growth has been seriously crippled over the years and this was further confounded by the global financial crisis. While the hydrocarbon GDP growth during the period 2009-2012 averaged 3%, the non-hydrocarbon GDP in fact contracted by 0.95% during the same period reflecting the position.

The Broad Shortcomings of Governance in Kuwait

Kuwait does not lack regional leadership, and it offers an interesting model of path breaking form of political life with respect to other GCC countries.

Although committed to democracy, full democratic participation in Kuwait faces number of challenges; stemming from economic, political and legislative unrest, where -to many observers- most of the debates revolve around wealth and more subsidies despite the generous welfare schemes of Kuwait towards its citizens.

The societal transformations that accompanied the present high oil prices regime include the confirmation of the rent mentality, populism, and the consequent generous subsidy system. Through the prism of key UN values (such as sustainability, equality, and good governance) there is a definite need to assess the undermining threats facing modern state imperatives and the notion of citizenship. The impediments of maturity towards full citizen status, and consequently true citizen of the world status, under the continuation of an economically unsustainable welfare system policies, is worthy of examination.

One of the key sources of weakness of the public sector is over employment stemming from a perception that jobs are the state's means of distribution of wealth to citizens. This entitlement unwritten policy has led to disruptive ad hoc adjustments, in which salaries are often raised suddenly and significantly as a reaction to demands by specific groups, with not regard to performance.

The first emerging theme is that current state of public sector governance in Kuwait is not sustainable in the long run, both in fiscal terms and in terms of its impact on development and quality of life more broadly: If current public employment trends continue, the government's salary bill could expand by another 50% in the coming half decade which, depending on oil price developments, could quickly create significant deficits in the government budget. The current quality of regulation and public service slows down the economic diversification necessary to prepare for the post-oil age and prevents Kuwaiti nationals from receiving the quality of life that citizens of other comparably rich countries enjoy.

Numerous attempts have been witnessed to redress the shortcomings of Kuwait's administrative systems, revolving primarily around the lack of efficiency, both economic and operations. Among such attempts are several economic committees created by a decree by his highness the Emir, a study commissioned to Mackenzie consultants (Kuwait 2020; Developing Kuwait into Financial and Trade Center- 2007), and Finally a comprehensive report by Tony Blair's consultancy in 2010 to draft Vision Kuwait 2030. Notwithstanding the economic recommendations of Tony Blair (addressed in the Economic transformation report), this report (as well as various other policy studies) addressed the institutionalization and Capacity building of the Prime Ministers of Office PMO, to address the current vacuum that needs to be filled by a high level policy making body that can ensure the compatibility of the various policies and laws and pre-empt any potential mismatch.

Public participation in policy making is restricted, which heightens the control of the state. The system can be sometimes highly centralized, burdened by ill trained and arbitrarily selected public employees.

It is worth observation that despite its low competitiveness, Kuwait has largely evaded a scenario of low transparency with regional standards. It ranks 116 out of the 163 nations evaluated by transparency international, compared to 86 for Kingdom of Saudi Arabia (and 151 for the United Kingdom). The World Bank rule of law indicator has been in the 63rd in 2012 percentile, and the control of corruption at around 52nd percentile for the same year as appendix indicates

Holding public sector employees responsible and accountable is a key angle of analysis in any governance debate. Such debate leads also to the debate on the Knowledge based approach to development of the human resources in general, and women and the youth in particular. Almost 76% of Kuwait workforce is employed in Government sector, woman account for 46.6% of total Kuwaiti workforce (406,161), while youth (15-24 age group) account for 12.5% of Kuwaiti

workforce⁵. It is also interesting to examine – as will be shown- why progress in the private sector governance outpaced by far reforms in the public sector.

Despite formal centralization of staffing policy in the Civil Service Council CSC, Kuwaiti civil service structures have grown excessively convoluted over time. The salary and allowance system has expanded in an manner that is difficult to understand even for experts.

Up until recently, there were 3,500 different job descriptions, of which more than 15% appeared to be obsolete and 1,000 were assigned to single individuals. In the late 2000s, there were more than 900 allowances, accounting for more than half of the total pay, making the more unified basic pay an unreliable indicator of actual earnings. In leading OECD countries by contrast, the basic wage component averages nearly 90% of the total wage packages of civil servants.

An intervention worth consideration, is the one presented in Kuwait Economic Society's report "4 policies to reform the state sector, 2013" offers an interesting framework to develop policy making tools to reform government bodies in four strategic policy areas:

- 1- Civil service reform at large through the introduction of a corporate governance code,
- 2- The building of non-political "senior executive service",
- 3- The creation and protection of small, autonomous elite agencies in strategic policy areas,
- 4- The strengthening of high-level coordination and planning mechanisms.

Building institutional capacity is noted to be difficult and developing qualified and committed leaders at various political and administrative levels is even more challenging. As societal development and modernization are not self-propelled processes, leaders with vision, competence, and ethics are indispensable

The failure of Kuwait's public system to produce institutional capacity can be a serious threat towards the integration of the public sector in a globalizing world. Such deficiency in the state apparatus can lead to a spill over effect on the slow progress to build a civil society, apply the rule of law, and attain gender equality.

Traditional institutional structures of governance are this incapable of making the transition to meet increasing domestic demands and mounting economic and technological challenges.

Infrastructures of decision making that are built on assumptions are not valid, and do not lend themselves to hard decisions and difficult choices.

The Focus Areas and their More Specific Challenges

The Governance theme can be broadly divided to three sub-themes namely, (i) Justice and the Rule of law, (ii) Knowledge, Science, and Innovation, and (iii) the Public Sector.

The Key Challenges in Justice and the Rule of Law

The political liberalization in Kuwait is fundamentally shaped by the fact that it is a renter state. The disproportionate majority of civil service electorate, the parliament's permanent check and balances to any attempt to liberalize the economy, are examples of the so called "extreme renter state" (Power, the difficult development of parliamentary policies in the Gulf-2013).

The right bearer side of the matter, tribal identities, have led to flawed conceptions of true citizenship and allegiance to modern state, creating a situation whereby populist demands and entitlement key features of public life.

Together, rule of law, access to justice and legal empowerment contribute to an enabling environment for achieving the Millennium Development Goals (MDGs). In addition, effective, responsive, accessible and fair justice systems are pillars of democratic governance. UNDP, working with national partners (such as the Supreme Judicial Council, The Kuwait Institute for Judicial and legal Studies, the Ministry Of Justice, The Kuwait Bar Association, The public Authority for Anti-Corruption, and the ministry of Interiors) could promote developing national strategic plans and programmes for justice reform and service delivery. UNDP could also support justice needs and capacity assessments to analyse demand and supply for services, creating a baseline for monitoring and evaluation; and respond to immediate justice needs including the protection of women's rights and access to legal services.

The Kuwaiti Court system appears well organized and suitable to its economy, it is constitutionally independent, has sufficient supervisory powers by the law. However, efficiency shortcomings do arise; Kuwait fares poorly in the region in the efficiency of court processes. According to the World Bank, Kuwait enforcement requires more than 50 procedures over 566 days, costing 18.8% of the claim amount (KSA 43 procedures, Bahrain 14.7%).

Another economy related shortcomings of the judicial system is the serious gap regarding the lack of an electronic registry of where collateral claims may be publicly recorded weak and outdated registries for intellectual properties to support a comprehensive and robust financial sector. A potentially imminent entry point is the creation of a specialized commercial court and the delivery of training programs for specialist commercial judges.

Societal assumptions seem to be prevalent on corruption in the absence of transparent and widely publicized measure of accountability.

There seems to be a vague structure in the “legal advice and legislation department”; in its two roles; providing non binding advice to the state, and performing the role of administrative magistrate.

The absence of code of ethics in the parliament. Intercessions by MP’s to unduly benefit their electorate (patronage, nepotism, cronyism and other forms of favouritism) should be incriminated.

Regulatory bodies seem to lack enforceable governance principles. Lack of segregation of power between execution and policy making is an example of breach. Another example of ambiguous powers of ministers on certain newly created regulatory bodies. Short of proper codes of governance in their conduct of business, some key governance insufficiencies arise when dealing with regulators. They include;

- Principles to confirm the regulator’s duty to towards refutations by entities under its jurisdiction, such situation make the regulator and opponent and arbitrator at the same time leaving little room to contenders to do any action except for resorting to court, which is a long process.
- The confinement of the perceived role of certain regulators to scrutinizing and levying penalties rather than incentivizing well governed entities. The absence of strategies in the CMA to show case Kuwaiti listed companies is a case in point.

Key Challenges in Science, Technology, and Innovation

A major challenge is to find in today’s regime of high oil prices and the consequent populist pressure towards the short term distribution of the oil rent dividend- is to restore to knowledge a pre-eminence in order to reform in the state’s major policies. Quality education as key to human development should focus on quality learning, freedom of expression, art and literature, science and research, knowledge, and indoctrination-free education as key to human development (UNDP’s 2003 report on Arab Human Development). Dr Meshaal Alsabah (2013) argues that for a transformation to take place, there is a need for a buy-in by the leadership. Among the key agents of innovation are the state’s adopting wider development objectives, and enhancing industrial transformation as defined by International Human Dimensions Program on Global Environmental Change IHDP.

Globally, education plays a central role in the UN system-wide action plan for youth, and UNDP can play a key role in providing the necessary expertise in reviewing the status quo, and suggest national reforms. The reforms should take inconsideration improving the capacity of the education systems to prepare young generation to pursue sustainable development, through enhanced teacher training, the development of sustainability curricula, the development of

training programmes that prepare students for careers in fields related to sustainability. Moreover, UNDP could assist in developing programmes towards enhancing cooperation among schools, communities and authorities in efforts to promote access to quality education at all levels. Furthermore, UNDP can develop a platform for engaging with parliaments and citizens in shaping education policies and deepening engagement with civil society organizations.

Tertiary enrolment rate stands at 31% for women against 14% for men. Despite the higher educational attainment by Kuwaiti woman opportunity to participate in economic activities is limited/lesser. Female to male labor participation ratio stands at 0.55. (Female to male tertiary education ratio 2.2).

Education, alone, can go so far in realizing the performance oriented cultural transformation, without the support of a responsible media and a healthy and open cultural atmosphere. The major player in those fields are the Ministry Of Information and The national Council of Culture, Literature and The Arts; both of which although not poor in human and technical capacities, yet both lack a clear vision and strategy of their role in supporting the developmental ambitions of the state. The UNDP can support both institutes in enhancing their capacity through extensive custom made training programmes, as well as in developing their strategies and their institutional capacities to implement it.

The absence of clear strategic vision and policy on e-governance primordial prior to investment in e-government. In the UN's 2012 e-government ranking, Kuwait also trails all GCC countries bar Oman. This is despite the establishment of the "Kuwait Government Online" portal in 2008 that in principle serves as a one-stop shop for all e-government transactions but remains insufficiently linked to individual government agencies. E-government is of particular strategic importance for GCC countries, whose populations are increasingly IT-savvy, which have the necessary infrastructure and financial resources for digitizing governance, and which can benefit disproportionately from automation of administrative processes in the face of often sluggish and unaccountable low- and mid-level bureaucracy.

The UNDP is currently supporting The Ministry Of commerce in simplifying and automizing its laicising procedures, and could help strengthen the further development of the current systems, by assisting the national institutions in developing programs towards more effective use of information and communications technologies, and enhance the exchange of information communication transactions through the integration of various systems and communication with the citizens, business, and government-to-government. The UNDP could also prove instrumental in building the capacity for delivering government services and help enhancing relevant peer training programmes.

A crucial sub current to the issue of innovation is funding. Despite the excellent finances of Kuwait, funding to innovation is not easy. Alsabah (2013) argues that capital formation remained

low and constant in 2002-2008 compared to international standards, and that final consumption is the dominant of Kuwait's GDP which is a serious structural challenge that can only perhaps be overcome with a clear State policy on the place of innovation on its economic agenda. Such agenda should address innovation's set up, the relationship between entrepreneurs and financiers, society's perception of new development, openness to science and technology, partnerships between academia, business, and innovators, the operations of financial institutions, a certain paradigm introduction of individual's rights of expression, and a clear position of the state to promote innovation.

The UNDP can support the capacity of national institutes, such as KAFS and KISR, to realize their strategies to build the knowledge economy.

Quality learning, art and literatures, freedom of expression, science and research, knowledge, and indoctrination-free education, funding artist and innovation seem to be a critical absence. Arcane curricula, deteriorating measures in international student tests and the ill equipped entrants to the job market are the norm.

Lean and modern public sector procedures towards good private education seem to be absent. Regulation and incentives to good universities are ill considered. Current policies promote commercially – not quality- oriented education institutions. Systems need to be modernized. A cultures of excellence seems to vary across the board.

Kuwait's strong finances is paradoxically closed to key areas such as best practicing NGO's, creating a research community debate-enriching think tanks, and talent in all domains.

The absence of strong performance indicators KFAS for example and its monopoly and its quasi monopoly in the provision of funding for research, and its weak accountability have hindered spurring true competition.

SME has long been clichés than doable action. The lack of funding has been tackled by the creation of a new state fund, identifying the sectors remains a challenge.

Electronic government is perceived to be limited portals now in traffic, and legal. The heart of e-governance, efficiency, better service delivery, fairness have not happened. Good governance in the procurement of e-governance seems to lack; delegation of power, ownership of responsibility, and empowerment for e-government related contracts should be observed. Conflict of interest in procurement, and corruption are prevalent in procurement of contracts. Ownership of data and collision thereon between public entities are among the challenges. Propagating e-governance culture among the "baby boomer "generation is also key to success. The general assembly is due to expedite the approval of the digital transaction law which was about to be approved just prior to the last dissolution. E-government can be an excellent tool to de-humanize government services and transactions and thus eliminate corruption.

Key Challenges in the Public Administration

The administrative policy drift has led to an absence of meritocratic Human Resources policies in the state sector. There are currently no clear criteria for what it takes to become, for example, an undersecretary, and there is no independent performance assessment. By most accounts, the quality of personnel varies significantly from one position to the next, with important consequences for the quality of governance.

There are potential ways of “packaging” reforms that could broaden public support. One option could be a grand bargain that would involve wholesale reform to government employment through the introduction of a better practice code of governance in the public sector based on building human capacity, meritocracy in recruitment, appraisal, and promotions, transparency in the decision making, and accountability in terms of key performance indicators KPIs, that can eventually lead to speeding Kuwait’s progress towards achieving the MDGs that can eventually lead to a better assessment of Kuwait’s conformity with UNDP’s MDGs.

Lack of organized managerial environment, absence of coherent policies, weak administration, low coordination within the ministry, disconnect in adherence to the criteria of Civil Service Counsel, slow execution, inexistent incentives to attract talent, form over content in communication, and lack of neutral facts, Inconsistent job descriptions and compensation and pronounced interventions by politicians have been cited as symptoms of weak public sector capacity.

Key positions in the state sector are filled ad hoc, and without any systematic and transparent procedures, seriously undermining any prospect of career planning of civil servants in general and the youth in particular. The consequences on morale and productivity are equally grave. The lack of continuing education for leaders in public administration studies (policy formulation, regulation, performance budgeting etc.) is a serious impediment to create world class technocrats.

Civil Service Counsel and Audit Bureau policies and role are a key impediment to an effective and modern public sector. Audit Bureau practices are obsolete, and the Bureau’s law dates back to 1964. New management trends in Performance Audit should be reflected in Bureau’s modus operandi. The current audits are more on financial audits and are not governance/performance minded. Similarly, subjecting institutions to civil service laws in attracting talent and in adopting best practices, thus restricting their ability to say – pay- market salaries for talent.

World Bank indices on the competitiveness and productivity of the public sector are alarming, procedures need to be simplified. The health sector, both public and private, is an example where the lack of friendly HR policies towards talent and researchers to attract quality professionals and encourage them to serve for longer tenures- is an example. Career development policies introduce good governance principles against conflict of interest (e.g. against free training by

pharmaceutical companies or against a public doctor's private interest) are areas where the rules are silent.

There is a clear evidence of lack of self-regulation and internal controls of the administration, the various external audits are not sufficient and public scrutiny and NGO voicing errors will never replace a good self-imposed regulation, an existing success example is judge audit.

Corruption seems to be prevalent in many a venue in public life. The traditional culture and ethics are prevalent in all venues of public life, thus hampering the emergence of a true modern state. Quota across tribes and other interest groups is prevalent in the appointment of public leaders. Meritocratic processes should be promoted. Selection of leaders with the right skills and credentials is key. Meritocracy in posts can improve citizenship. Tighter alliances with organizations that deal with promoting the human capital. A new class of leaders capable of introducing change and who are efficiency minded is a necessity.

Other Cross cutting issues

- 1- "Interface " public institutions, i.e. public institutions interacting with private sector, struggle in their openness to the principle that the private sector is a key partner in promoting sustainable economic development and creating jobs.
- 2- Reforms in the private sector to improve its decision making and governance practices have considerably outpaced reforms in the state sector (if any). The global and regional attention on the financial sector following the subprime crisis 2008, the financial workout efforts on many banks and investment companies following their financial distress that started in that year, the heightened scrutiny by the Central Bank and the other regulators on the corporate governance practices of corporate boards, , and the creation of the Capital Markets Authority CMA IN 2010, are all measures of reform hardly paralleled in the public sector, still deeply underperforming its regional and international peers by any standard or index of competitiveness

Short of a pro-business state sector, an investor friendly economic environment, and hardly any meaningful large scale infrastructure project to redirect funds of the private sector from the stock market and real estate to economically productive long term projects, the current state of affairs of the business environment can be detrimental to the private capital. Increasingly heavy regulation and sometimes ill-suited directives to the fragile local companies are conducive to driving out both companies and talent from the private business arena, hence undermining sustainability.

- 3- Investors' access to industrial land use is the victim of the general mistrust around awarding the private sector any state asset or incentive. Such phenomenon is a characteristic of the Kuwaiti economic life and explains to a large extent the stalemate the private sector has experienced over the years.
- 4- Youth Engagement is the subject of the zeal of the public discourse towards the need to support small businesses SME's masks not only the need of the youth in entrepreneurial skills as the broad discourse puts it, but also several cultural, administrative, and economic challenges. A holistic approach towards the empowerment of the youth is therefore a must.
- 5- Women; The strong statistics on females in higher education are the abnormally low retirement age (up to 15 years of service), state assistance for the divorcees and widows are among many examples. However, there is low participation from women as compared to men in the public sector (39.5% of the total employees in June 2012 were women). Restrictions on NGO's and political parties results in lack of lobbying groups, who could otherwise lend their support and voice for empowerment of women.

Gender inequality in nationality law exists, e.g. social activists have lobbied for law that would permit women to pass their Kuwaiti citizenship to non-citizen children. Laws against sexual harassment, marital rape & domestic violence are absent in Kuwait (as per UN Women report, 2011).

Public sector reforms would help women to receive training on social leadership and communication techniques which would enable them to take leadership positions in various public sector enterprises. New laws would be released to allow working women to take leave with pay to fulfill their family responsibilities. Creation of child care facilities in ministries would allow women to work while their children are being taken care of. It would enhance the scope of women's participation in various economic activities. Appointment of women as Judges and in military resulting in enhanced economic participatory role and widening career choices for women.

The openness of the large masses of the youth to use their time productively and engage in in the development of their soft skills, mastering their literary and artistic hobbies, or engaging in small businesses remains a key national challenge, despite some promising and growing attempts of some NGO's to address this need. In the absence of any true public institution that can foster the talent of the youth, the diwaniya remains the ubiquitous social institution where the Kuwaiti male can spend in average 3 hours daily from 15-65 years old. Long praised as the corner stone for democracy, the downside of the diwaniyas has been associated with some over the

counter transactions in elections and creating a mirror economy of many institutions, as well as marginalizing women's political participation.

The UNDP provided support recently to The State Minister of Youth Empowerment and Engagement, and can provide further support to relevant national agencies towards developing a National Strategy for Youth and their capacities to implement it. Furthermore, recognizing the importance of providing youth in Kuwait with venues to develop their overall well-being, including health, skills, and knowledge, The UNDP can provide support towards developing the policies and capacities needed to develop a state of the art youth centres of excellence

- 6- Areas of Human Rights concern: base of fundamental rights should and can be broadened in areas such as preventing migrant workers from being abused and exploited. Foreign domestic workers, who play an essential role in nearly every household, More than 660,000 foreign domestic workers the majority of whom are women work for the house holes. Kuwait's sponsorship system effectively shields employers from legal responsibility to respond to charges of nonpayment's and abuse.

The Bedouns (Stateless) are another segment of concern. The restriction on Bedouns right to education, health care, work and movement resulted in intensifying the political unrest in the country. Attempts of the Kuwaiti authorities to address this humanitarian tragedy is on-going, yet it is hindered by lack adjudicate data and data analysis necessary for the informed strategic decision making for sustainable solutions.

The UNDP have the resources, tools, and global best practise to address those issues and can provide substantial support to the decision makers especially in in policy and interventions development, regulations reform, and crises prevention and management.

UNDP's Workshop on Democratic Governance and Institutional excellence and stakeholders' contribution

In order to reach a better assessment outcomes, recommendation, priorities on Democratic Governance and Institutional excellence, a round table meeting on Democratic Governance and Institutional excellence and on Knowledge, technology and Innovation was conducted on 21st November, 2013 where a total of 55 stakeholders participated. After the introductory presentations by the UNDP staff depicting the overall framework of the CPD, the respective consultants of the Democratic Governance and Institutional excellence and on Knowledge, technology and Innovation presented on subjects. Three simultaneous discussion groups on have been conducted, namely;

- 1) Reform of public sector
- 2) Knowledge
- 3) Rule of Law

The above have been conducted to identify the short success outcomes and the UNDP's potential entry points, highlights of the workshop are as follows:

On the rule of law

The debates in the workshop stressed strengthening the delivery of Justice and the regulatory processes. The parameters included the elements of the rule of law, the allocation of rights and enforcement of duties, citizenship and allegiance to modern state, corruption, and access to legal system, accountability and efficiency of legal institutes. The participants identified the major gaps being primarily;

- Slow Judicial procedures.
- Lack of modernity of Legislations and the shortcomings in adherence to the developments in the state and the governmental apparatus.
- Ill formulation of legislations and hence their inadaptability to effective execution.
- Contradiction in the decision making.
- Technologic illiteracy of judiciary staff.
- Weak human capacity of the supporting judicial staff and its infrastructure.
- Unfulfillment of the right to adjudication.
- Difficulty of accessing justice.
- Weak commitment and compliance with international conventions.
- Lack of full financial and administrative autonomy of the judicial system.

On the public sector

Insufficiencies in the public sector were summarized in the bloated nature of public sector, its lack of accountability, its fiscal unsustainability due to the preponderance of salaries and wages, the overlap in mandates between institutions and their inefficiencies leading to the delivery of unsatisfactory services, crowding out of the private sector by the public in the creation of jobs and in the provision of services, the absence of enforcement of principles of good governance, and the weak capacity. Other gaps have been identified as;

1. No strong base for policy reform in the country.
2. Poor employment policy implemented by the government.
3. Absence of the mindset to introduce change
4. Poor work ethics.
5. The traumas of of the Gulf War on public and administrative life.

6. Lack of innovation in leaders.
7. Government sector is expanding while private sector is shrinking.
8. High turnover of expats working in Kuwait, many leave the country after their training.
9. Low institutional or political stability.
10. Low strategic vision
11. Absence of meritocracy; leading to incompetent individuals are occupying sensitive positions
12. Absence of interinstitutional networking.
13. Lack of trust between citizens, and lack of trust between citizens and the state.
14. Hasty laws.
15. Corruption
16. Weak enforcement of law.
17. Arbitrary decision making.
18. Lack of empowerment and centralization.
19. Overlapping mandates between institutions.
20. A business unfriendly environment.
21. Operational risk in any ministry, time to achieve any process is very slow and is not taken seriously in the government.

On Knowledge, technology and Innovation

UNDP's consultant for the Knowledge, Technology and Innovation – parallel to his preparation of a separate position paper- presented a highlight of situation analysis, the challenges, and the possible intervention to promote the concept of Knowledge Society in Kuwait. Further areas have been suggested by the consultant on Democratic Governance and Institutional Excellence. The two consultants combined covered together the following broad areas;

- The vision towards a knowledge based society.
- Key institutional shortcomings.
- The needed re-orientation policies.
- The need to reform education and introduce quality learning.
- The state of affairs on freedom of expression, including the promotion of culture and literature.
- Modernizing technology infrastructure.
- The place of research in the society
- The bureaucratic and human capacity hurdles.
- The integration of the above with the vision of Kuwait as a business hub.
- The integration of the above with other (job and economic) market realities.

Entry Points for Justice and the Rule of Law (Please refer to Appendix 3 for more entry points)

A- Justice

A key gateway of action for the UNDP is the development of a national legislative policy that includes the design of a best practice process in the development of new laws. Such process should ensure the mobilization of the required capacity, the involvement of professional and other concerned stakeholders, the applicability of such laws, their compatibility with the other laws, and their fulfilment of higher state values and objectives, emanating primarily from the constitution, sustainability and other good governance principle. Bringing all of the committees responsible for regulation under one national umbrella, and developing mechanisms for coordination between deferent relevant bodies responsible for preparing the national reports mandated by international convention. UNDP can draw upon UNDS's quality advice contribute in the legislative policy making and build capacity. Strengthening of legislatures to help them perform core functions is addressed in UNDP's strategic plan 2014-2017 under a key area of work (Inclusive and Effective Democratic Governance).

Another area of action is the follow up and implementation of international conventions and harmonizing them with national law, notably in areas where international action is key for sustainability as defined by Rio 20's Outcome document.

The capacity development of the concerned organizations was addressed as a key entry point. The introduction of principles of good governance in such organizations is key. Among the sub areas of entry are enhancing transparency in the administrative work through making the decisions, rules and regulations available for all, and making compulsory the development of the legal capacity qualifications for leaders, supporting staff and general public.

The UNDP can additionally enter through the improvement of access to information in the creation of a national legal archives/ database that can be accessed electronically and administratively. UNDP can draw upon UNDS's quality advice contribute to build such capacity.

UNDP can build in its existing role in the capacity building of the secretariat of the National Assembly in the active follow up of legislation and in supporting the decision making of parliamentarians and other decision makers. This too is key to UNDP's strategic plan 2014-2017 where the second area of work (Inclusive and Effective Democratic Governance) stresses upon enabling major governance processes through assistance to democratic electoral processes and incorporating the electoral cycle approach.

The UNDP can help engage the civil society through partnerships and specific agenda setting (governance). Mechanisms can include policy research and advocacy, social accountability, and overall capacity building. UNDP funding upon meeting milestones

of governance can be an option. UNDP's strategic plan 2014-2017 addresses this area under second area of work (Inclusive and Effective Democratic Governance) through the reinforcement of the civil society through the strengthening of civil society networks and coalitions that can work on development issues, constructive dialogue, and partnering with government and other actors.

UNDP can help advise to re-engineer the existing structure "legal advice and legislation department"; to (1) Administrative court that will act as the lawyer of the state, and (2) Advisor to the state legal matters.

B- Judiciary

UNDP can work with the judicial system to put in place mechanisms that ensure its financial and administrative autonomy. Part of that would be the capacity building of the related technical and administrative bodies and integrating them to the judicial system. Capacity building of judicial audit is a related other key area, where UNDP can draw upon UNDS's quality advice contribute to build capacity.

One of the areas in need of immediate action is the capacity building in sectors of the judicial system to implement court orders, and the re-engineering of units and processes to optimize such implementation, and to simplify court procedures. Such entry point sits squarely with UNDP's strategic plan 2014-2017 where access to lower cost delivery (legal) systems to the poor is addressed as 2 of the 3 key areas of work (Sustainable Development Pathways, and Inclusive and Effective Democratic Governance).

In terms of gender disparities, the UNDP can make use of the Jordanian women experience to promote the Kuwaiti women participation in the judicial system.

Developing the national statistical capacity for systematic data collection and processing on issues related to delivery of justice is an additional area of entry for the UNDP.

C- The Eradication of Corruption

The UNDP can help develop the capacity of the Public authority for anticorruption to be able to fulfill its mandate. Among the areas of entry are developing safe and dependable mechanisms for reporting cases of corruption that guarantees the secrecy of the reporter's identity.

The UNDP can help to develop the capacity of the civil society to monitor and report corruption and malpractice of appointed and elected officials.

Entry points for Science, Technology, and Innovation

a- The Knowledge Society

In line with UNDP's Strategic Plan 2014-2017 in that it focuses on Human Development HD to broaden peoples' choices and tow stress both the formation of human capabilities and putting them to use, a possible entry point for UNDP can be to help draft a national policy on knowledge in its key branches (education, technology, culture, art, innovation, and research and development) as key pillar for sustainable development. The UNDP can also help initiate a national reflection on how the state of Kuwait is to position and brand itself and in the long run and the strategic role of knowledge in this respect. Such policy should be the central piece in the articulation of the various state policies in human development, and in the setting of spending levels in line with leading nations therein to reward and promote innovation at both the individual and institutional levels. Associated will be the creation of a central supreme council for the execution of the national strategy on knowledge as a policy making and regulatory body for the implementation.

The UNDP can help define and implement national plan for the youth and build on UNDP's support to such framework, which resonates with the first outcome of UNDP's strategic plan 2014-2017; namely achieving inclusive growth.

Special collaboration between the UNDP and the ministry of education to reform education through the introduction of critical thinking skills, creative thinking, art and culture appreciation, ethics, and free expression key to modernize the curriculum. The associated mobilizing of the school, the parent community, and the teaching staff are key. Strategic alliances with leading institutions such private schools, both domestic and international NGO'S, and the private sector are key in this respect.

The UNDP can support establish and fund a national policy and high-level governing body, Kuwait Science, Technology, and Innovation Council (KSTIC) to provide the leadership and coordination for the development and implementation of a national research agenda.

Another entry point can be UNDP reforming and restructuring the key players (KISR, KU, DDI, KFAS) to include a more focused vision and qualified and experienced leadership and viable programs.

UNDP can consider help creating new Kuwaiti Centers of Excellence in technologies deemed critical to Kuwait's future to include:

- a. Petroleum Management and Efficiency
- b. Water
- c. Solar Energy Building Construction and Mass Transportation (Urbanization)
- d. Financial and Economic Studies
- e. Medical Research (with concentration on lifestyle and climate-related illnesses).

UNDP can help stimulate the creation of strong strategic alliances with international centers of excellence through alliances and partnerships, regionally and internationally.

UNDP can further help promote education by helping to draft of a pro-excellence national policy for the private education that is with a special support to institutions of excellence. Special status and exemptions can be considered for well governed and not for profit institution.

One of the key areas of in addressing the fragmented and narrow forums of art and culture and help create a broader interest among the masses at the national level can be to accelerate investing national forum for arts and culture. Such institutions can play a leading role for the youth at the local community level through grass root programs of science and art appreciation for the youth in the residential areas through special youth centers. Part of that would be strengthening STI system and culture throughout Kuwait, in education and hobbies through science and mathematics culture and activities as well public media programs, such as Alarabia Channel. This can be done by using UNDS' capabilities in influencing policy in such areas.

In the absence of a clear receiving end for research (e.g. industries) the UNDP should help create reflection programs of potential ways to commercialize locally created research. Options can include research parks with the various skills and functions including strong Intellectual property regulation industry. Capacity building in judicial and ministerial sectors in Intellectual property laws is a key area. Thought leadership and advice on "big picture" reforms on technology and building capacity on intellectual property and technology parks can a UNDP Strength, addressed in the Strategic Plan 2014-2017

UNDP can help encourage the various institutions and individuals (public, private, and NGOs) to help mobilize the mechanisms the transfer of knowledge from the sectors where the Kuwait has a proven leadership (Kuwait Fund, Kuwait Investment Authority, Dar Athar and internationally renowned artists) to such sectors domestically. This, too, is one of UNDP's the Strategic Plan 2014-2017 three key area (Sustainable Development Pathways).

UNDP can foster promoting alternative funding venues through incentives in well governed/ compliant sectors, namely well governed NGO's, research, corporate Social Responsibility and corporate incentives for innovation, knowledge and art. UNDP can

assist in its catalytic funding expertise and the improvements it can bring in reforming funding frameworks.

The UNDP can work with the oil sector to identify oil related industries suitable for SME's and develop procurement schemes as incentives to achieve inclusive growth, the first targeted outcome of UNDP's strategic plan 2014-2017.

UNDP can design programs with the ministry of education to modernize and build capacity in accreditation and measurement student and teacher performance levels. Addressing weaknesses of national scores in fields such as mathematics are key areas of action.

A major entry point would be the promotion of all the mechanisms necessary to networking among institutions through various modes of effective communication and collaboration. Among the key channels identified are modern media communication and state of the art social responsibility programs.

b- E-governance

In e-governance, UNDP can draw in its expertise to introduce its best practices in the governance of procurement of equipment's and systems, and in the regulation of data ownership and sharing in intergovernmental electronic networking. One of UNDP's the Strategic Plan 2014-2017 three key areas of work (Sustainable Development Pathways) clearly states that adapting and transferring technologies as a key field.

UNDP can help introduce more flexibility in rendering the public sector more attractive and to knowledge related professions form the domestic and international job markets. This can be achieved through the introduction of flexible compensation schemes more sensitive to the credentials, encouraging professionals to conduct research, and exemptions from certain administrative burdens on their employers. Such sectors can include Intellectual property inspectors, doctors. This also sits within UNDP's Strategic Plan 2014-2017 three key areas of work (Sustainable Development Pathways) under technology.

One possible area of action is the launch of special education and awareness programs on the use of e-governance and the use of technology skills to broader age and profession groups.

Entry points for the Public Sector

a- Accountability of elected leaders and the public service

UNDP can help create a higher state policy council linked to the prime minister's office to enhance the informed decision making capacity. Building human and institutionalized capacity in the cabinet of ministers is lacking and is evidenced by the creation of various economic committees and recourse to ad hoc commercial consultants. The UNDP in its strategic plan 2014-2017 does address thought leadership, advice on "big picture" reforms and building capacity in this entry point.

Related to such areas is the selection of public sector leaders through transparent and well defined neutral procedures based on professional merit. The adherence of public leaders to strict performance index is key in their accountability. Charters of governance should be carefully drafted to prevent nonprofessional factors from jeopardizing the evaluation of leaders purely on technical merit. UNDP's strategic plan 2014-2017 certainly offers developing leadership and management skills as a major field of support.

b- Capacity Building

Potentially one of the more challenging to implement, is the strengthening of policy and regulatory coordination mechanisms in Kuwaiti government. This would help to make policy more coherent, effective and predictable – a core concern especially of private investors – and improve accountability across government through better and more consolidated information flows. The 2014-2017 strategic plan of the UNDP does stress innovative approaches to partnerships and, policy reforms, and institutional capacity for this entry point.

To address the above issues, the UNDP, in collaboration with national expertise, could assist in developing a systematic approach for selecting appropriate holistic governance systems to be implemented by the entire governmental sector, to shift the current culture towards providing performance based good governance. Some of the key entry points include the following: The introduction of good governance principles and charters in the public sector (transparency, accountability, efficiency, segregation of powers, key performance indicators, and succession planning) is therefore a key entry point. Such incubation of talent – in isolation of state wide standardized but ineffective recruitment policies- will only be realistic to happen if another, somewhat related "mid-range" approach to civil service reform would be to focus on the protection and deepening of "islands of excellence" within the Kuwaiti public sector that fulfill strategic tasks. Strengthening inclusive and effective democratic governance is defined as a key area of work in UNDP's strategic plan 2014-2017 where delivery systems, for instance, for citizens is a key option.

UNDP can ensure that women are provided a platform to equally participate and get involved in decision making along with men in all functions of Public and Private sector (including judiciary) by building gender balanced institutional capacities, providing adequate training and skills and establishing long-term plans/goals. Such gender in equality reduction is one of seven outcomes of UNDP's proposed outcomes in its 2014-2017 strategic plans.

A key area of entry is the modernization of the laws governing the Audit Bureau to take it from fiscal audit to a broader mandate where performance and good governance are key. UNDP can further support reform and capacity building to Civil Service Council and help introduce more flexibility to say specific islands of excellence/ that are in critical need of administrative autonomy. The area of monitoring sits within UNDP's area of work Sustainable Development Pathways in UNDP's strategic plan 2014-2017.

c- Coordinated and integration of public sector

The UNDP can work in identifying a core web of key public institutions interfacing with the private sector to understand the culture of partnership with the private as key to successful implementation of PPP. Such preparations include preparing the leaders and adopting processes and skills acceptable to private capital. Such web of institutions can include Capital Markets Authority, the Ministry of Commerce, the Small and Medium Projects Fund, the Anti-Corruption Authority, the Direct Investment Authority, and the Anti-Trust Authority, and Public Private Partnership Authority (expected to be created). UNDP's innovative approaches to public private partnerships and increased domestic resource mobilization discussed the Area of Work (Sustainable Development Pathways) in UNDP's strategic plan 2014-2017 can certainly offer support here.

A major entry point would be the promotion of all the mechanisms necessary to networking among institutions through various modes of effective communication and collaboration. Among the key channels identified are modern media communication and state of the art social responsibility programs. UNDP can draw upon resources under the key area of work (Inclusive and Effective Democratic Governance) to foster "impartial spaces" for dialogue needed.

d- Comprehensive and inclusive engagement with civil society and the private sector

At the Pan-GCC level, the UNDP can partner with the Kuwait Fund for Arab Economic development to create Policy Formulation Institute for public leaders and the middle management as institutionalized reference point at the domestic front and Mena region fronts. The wealth of information and excellent track record of the Kuwait Fund, operating successfully in 100 countries, can be an excellent asset for applying

sustainable development it in the region. Such South-South entry fits in several ways with UNDP's strategic plan 2014-2017;

- a) The Strategic Plan's strategic setting in offering Sustainable development as the way forward.
- b) The Quadrennial Comprehensive Policy Review QCPR as a direction for the UNDS in mainstreaming South-South and triangular cooperation.
- c) Plan's vision to eradicate poverty, and reduction of inequalities and exclusion.
- d) The definition of South-South as a key Area of Work in the Plan (Sustainable Development Pathways).

The Sustainability Dimension

The above 3 key focus areas facets of governance; rule of law, knowledge, and reforming the public sector appear to be a key foundation to more sustainable positioning of Kuwait in the 21st century already beginning with key challenges at the human level, not least of which is the unrest in the Arab world. Indeed, the Arab spring presents multiple challenges to the Gulf – and hence Kuwait's- sustainability. Other than the political unrest itself, participatory inclusion of the younger generation in the absence of measures to integrate them in the administrative and economic structures through meritocratic procedures and incentive systems.

The developmental challenge of Kuwait now is to gear the various institutions to be aligned with the development objectives. Institutional efficiency and accountability is a key strength for Kuwait towards this end, albeit these two laws need to be translated into more institutionalized policies to achieve the national objectives, which we have started to see in the promulgation of several economy related aforementioned laws over the past few years.

The sustainability of Kuwait's advantage of enviable prosperity is also reliant on the awareness it can show to the threats undermining the sustainability of its position as a major exporter of fossil fuel. Despite the Gulf's prestigious exporting position, the Gulf- including Kuwait- faces its own energy crisis, which is the consequence of the rapid demand on electricity production.

The Gulf's commitment to sustainable energy policies appear increasingly serious, but much of the policies can be pursued on a project basis, building on technocratic enclaves under the patronage of state's higher authorities, not necessarily through the ministries in charge.

The GCC electricity sustainability in Electricity is one of the major development challenges to its sustainability, the GCC countries will need to reduce their reliance on fossil fuels and to aggressively explore the potential of renewable sources, primarily solar.

By diversifying to alternatives, they may well persist in the patterns of economic diversification based on the expansion of energy intensive industrial transformation. Their relative specialization in these industries may be supported by their favorable position for engaging in

CO2 capture and sequestration. In a scenario of global consensus towards reducing GHG emissions and stabilizing CO2 in the atmosphere, the GCC may emerge as a significant providers of energy intensive products to the rest of the world.

To this end, The UNDP is currently working on several projects related Environmental sustainability; the outcome of one is a fully revised Draft bill for Environment, which is awaiting endorsement as a national law. The UNDP can further advance its support to relevant national institutes to develop a national strategy for Energy efficiency along with all required regulations, by laws, cods, indicators, intensives, monitoring PM&E machinery, and advocacy campaigns.

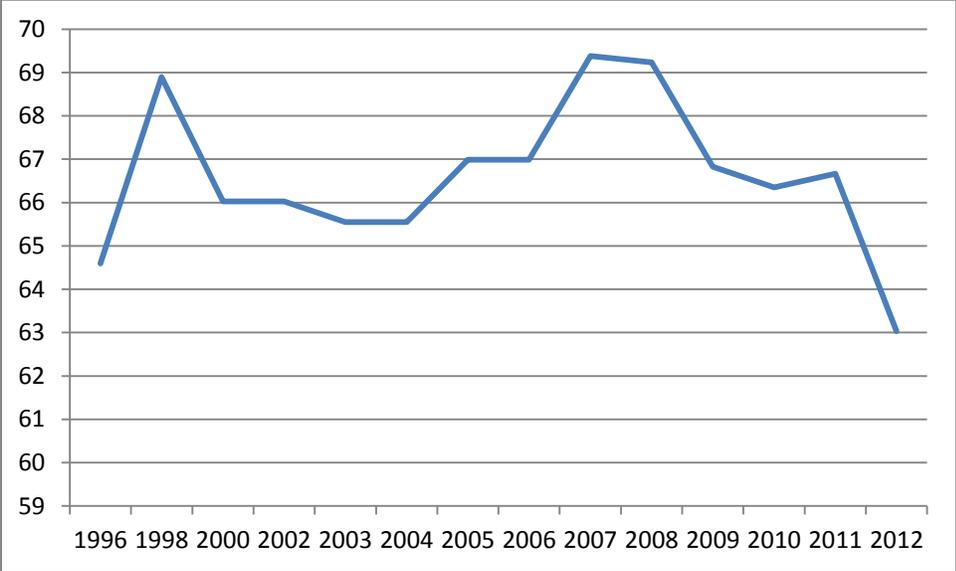
Appendix 1; World bank governance indices

Rule of Law

The World Bank defines the Rule of Law Indicator as follows:

“Capturing perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.”

Percentile Rank for Rule of Law for Kuwait



The following individual indicators are used to construct the Rule of Law Indicator:

- 1. Bertelsmann Transformation Index
- 2. Economist Intelligence Unit
- 3. World Economic Forum Global Competitiveness Survey
- 4. Gallup World Poll

5. Heritage Foundation Index of Economic Freedom
6. Cingranelli-Richards (CIRI) Human Rights Database
7. Institutional Profiles Database
8. Political Risk Services International Country Risk Guide
9. US State Department Trafficking in People report
10. Global Insight Business Conditions and Risk Indicators

Source	1996	1998	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Bertelsmann Transformation Index	-	-	-	-	-	-	0.47	0.47	0.5	0.5	0.53	0.53	0.53	0.53
Economist Intelligence Unit	0.56	0.56	0.56	0.59	0.59	0.59	0.59	0.59	0.61	0.63	0.63	0.63	0.63	0.63
World Economic Forum Global Competitiveness Survey	-	-	-	0.63	-	-	0.68	0.69	0.73	0.69	0.68	0.7	0.65	0.68
Gallup World Poll	-	-	-	-	-	-	-	0.84	0.84	0.84	0.82	0.84	0.84	0.84
Heritage Foundation Index of Economic Freedom	0.9	0.9	0.9	0.7	0.5	0.5	0.5	0.5	0.55	0.5	0.5	0.5	0.5	0.5
Cingranelli-Richards (CIRI) Human Rights Database	0.5	0.5	0.5	0.5	0.5	0.5	1	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Institutional Profiles Database	-	-	-	-	-	-	-	0.77	0.77	0.77	0.79	0.79	0.79	0.48
Political Risk Services International Country Risk Guide	1	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83
US State Department Trafficking in People report	-	-	-	0.5	0.67	0	0.33	0	0	0	0	0	0	0
Global Insight Business Conditions and Risk Indicators	0.75	0.75	0.75	0.75	0.81	0.78	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81

Estimate of Governance Ranges for the Rule of Law (ranges from approximately -2.5 (weak) to 2.5 (strong) governance performance)

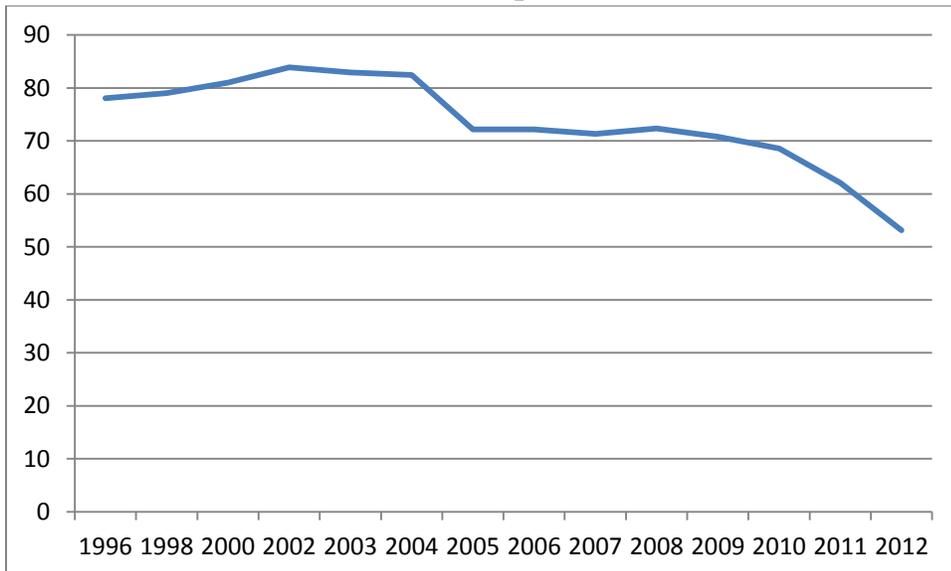


Control of Corruption

The World Bank defines the Control of Corruption Indicator as follows:

“Capturing perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.”

Percentile Rank for Control of Corruption for Kuwait



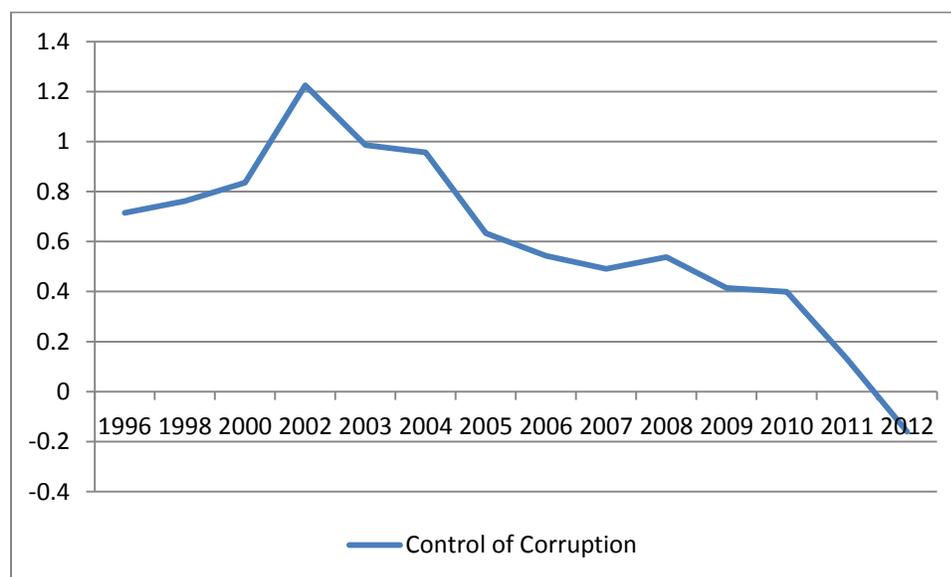
The following individual indicators are used to construct the Control of Corruption Indicator:

1. Bertelsmann Transformation Index
2. Economist Intelligence Unit

3. Transparency International Global Corruption Barometer Survey
4. World Economic Forum Global Competitiveness Survey
5. Institutional Profiles Database
6. Political Risk Services International Country Risk Guide
7. Global Insight Business Conditions and Risk Indicators

Source	1996	1998	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Bertelsmann Transformation Index	-	-	-	-	-	-	0.35	0.35	0.4	0.4	0.4	0.4	0.4	0.3
Economist Intelligence Unit	0.5	0.5	0.5	0.75	0.75	0.75	0.75	0.5	0.5	0.5	0.5	0.5	0.5	0.25
Transparency International Global Corruption Barometer Survey	-	-	-	-	-	-	-	-	-	0.74	0.81	0.81	0.81	-
World Economic Forum Global Competitiveness Survey	-	-	-	0.69	-	-	0.61	0.65	0.53	0.54	0.54	0.57	0.5	0.51
Institutional Profiles Database	-	-	-	-	-	-	-	0.67	0.67	0.67	0.44	0.44	0.44	0.17
Political Risk Services International Country Risk Guide	-	0.5	0.33	0.33	0.33	0.33	0.42	0.5	0.5	0.5	0.5	0.5	0.5	0.42
Global Insight Business Conditions and Risk Indicators	-	0.88	0.88	0.88	0.75	0.7	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75

Estimate of Governance Ranges for Control of Corruption (ranges from approximately - 2.5 (weak) to 2.5 (strong) governance performance)



Appendix 2

Sector- Wise regulations / reforms

Banking & Financials

- CBK endorsed the application (of the standardized approach) of the Basel II capital adequacy requirements to conventional domestic banks as of Dec. 31, 2005. The minimum capital adequacy ratio is set at 12%. (2005)
- The banking sector was opened to foreign investment under the Direct Foreign Capital Investment Law. (2001)
- CBK raised in May 2008 the risk-weighting on consumer and housing loans from 75% to 100%, while assigning a 150% risk-weight to real estate loans and facilities to finance share purchases (with exceptions). (2008)
- Introduced a new law that establishes a new legal procedure enabling companies in financial difficulties on the verge of insolvency to restructure. (2009)
- In June 2010, The Central Bank of Kuwait (CBK) issued a set of regulations which the Investment Sector must comply with. (2010)
- Establishment of an independent regulator (CMA), (2010)
- Overhauled the trading system and launched NASDAQ OMX platform in KSE (2012)

Telecom

- In Oct 2012, the Ministry of Communications ordered Kuwait's internet service providers (ISPs) to reduce their pricing by at least 40% to boost the number of users. (2012)

Education

- Laptops for every student, active smart boards for teachers and a new educational TV station were also planned. (2012)
- Increased focus on information technology (IT), with the New Technology Infrastructure Project aimed at further spreading IT use in schools via e-education tools like cloud computing centers and databases serving both students and teachers. (2012)

Healthcare

- Government to pay health insurance for its citizens. (2010)
- In Dec 2010, signed a five-year agreement with Johns Hopkins Medicine International (JHI) that calls for JHI to help Kuwait improve health care delivery at four of the country's five secondary care public hospitals (2010)
Establishment of independent health authority. (2010)

Insurance

- In May 2012, Anas Al Saleh, the minister of commerce and industry, announced officials were preparing draft legislation to establish an independent insurance regulator, and to reorganize and equip the sector to better operate in a modern economy. (2012)
- Establishing an independent insurance regulator by 2013-end. (2012)

Investment Sector

- Public Private Partnership law 7 of 2008 (PPP Law). (2008)
- The Financial Stability Law (FSL), was passed as an emergency bill in 2009, as an orderly and efficient mechanism for facilitating debt restructuring of solvent companies through legal protection and would facilitate access to sufficient financing in order to support recovery. (2009)
- In June 2010, The Central Bank of Kuwait (CBK) issued a set of regulations which the Investment Sector must comply with by June 2012, in an effort to increase transparency, accountability and overall health of the sector. The regulations cover; leverage, liquidity and foreign exposure. (2010)
- In terms of leverage, the CBK mandate requires a maximum debt to equity ratio of 2x for the sector. (2010)
- The CBK, in an effort to increase the health of the sector, mandated a minimum Quick Ratio of 10% for investment firms. (2010)
- The CBK mandates that foreign exposure (debt) must be limited to 50% of total equity or 25% of total liabilities (given the leverage ratio limit). The regulation defines foreign exposure by the locale of the foreign lender rather than the denomination of the debt. (2010)

Privatization & PPP

- Parliament also approved the Partnerships Technical Bureau, which facilitates public private partnerships across industries. (2008)
- Law No 7 of 2008 relates to the Build-Operate-Transfer model of operations. (2008)
- The Kuwaiti National Assembly issued in 2008 Law No. 8 concerning the private housing sector, whereby private companies were prohibited from investing in private housing projects. (2008)
- On 12 may 2010, the national assembly of Kuwait approved the law regarding the privatization program (the "privatization law"), which completes laws no 15 of 1960 and 7 of 2008. (2010)

Real Estate

- The Kuwaiti National Assembly issued in 2008 Law No. 8 concerning the private housing sector, whereby private companies were prohibited from investing in private housing projects.
- The two new laws, Law No. 8 and 9, prohibit companies to own land in residential areas as hoarding of land by companies resulted into higher prices. (2008)
- The government increased the maximum amount of home loans available to Kuwaiti women to KWD 70,000 from KWD 45,000, while the renovation amount that can be financed, has been increased to KWD 35,000 from KWD 30,000. (2013)
- The Cabinet also instructed the Credit and Savings Bank to amend its legislation, allowing maximum home loan amounts to jump to KWD 500,000 from KWD 300,000. (2013)

Foreign Investment

- The PPP Law (Law No. 7/2008) and its Executive Regulations (Decree No. 256/2008) set the governance framework for Kuwait's PPP program. Council of Ministers Resolution No. 738/9 year 2008 and 1067/8 year 2009 regarding adding economic activities and enterprises which foreign investors are allowed to undertake in the state of Kuwait. (2008 & 2009)
- Law No. 116 for the year 2013 for promoting direct investment in the State of Kuwait. (2013)

- The Council of Ministers Decision No. 946 for the year 2013 was issued on 18 July, 2013, to appoint the members of the Board of Directors for Kuwait Direct Investment Promotion Authority (KDIPA) for a duration of 4 years. (2013)

Others

- New Companies Law The new Companies Decree Law No. 25 for the year 2012 (the “New Law” or “Law”) was published in the Official Gazette on the 29th November 2012 and approved by the Parliament on 23th January 2013. (2012)
- New Labor law was introduced in February 2010. (2010)
- Corporate Governance Decision On 27th June 2013, the Kuwait Capital Markets Authority (“CMA”) came out with a set of rules for corporate governance framework. (2013)
- **I(W)PP Law** (Law No. 39/2010) Promulgating the Incorporation of Kuwaiti Joint Stock Companies to Undertake the Building and Execution of Electricity Power and Water Desalination Stations in Kuwait. (2010)
- Tax Regulations: Kuwait’s tax regulations affecting foreign companies doing business in Kuwait finally became law after it was published in the official Gazette on February 3, 2008. The most important feature of the amendment is the replacement of the old progressive tax rate structure – which saw companies charged between 5% and 55% on earnings above KD 5,250 – with a flat rate tax of 15%. (2008)

Aviation

- In 2008, law 6/2008 paves the way for the privatizing of Kuwait Airways Corporation (KAC), by turning the company into a public shareholding company after selling a large portion, if not all of the government’s shares to the private sector. (2008)

Social Schemes

- In February 2011, the government announced an Amiri grant of estimated 1.5 billion Kuwaiti dinars (approximately \$5.3 billion); including 1,000 Kuwaiti dinars (approximately \$3,500) to be paid to every citizen along with free monthly food baskets to each Kuwaiti family for 14 months. (2011)

Appendix 3

Sex disaggregated data

Educational Attainment Ratios	Female	Male	Female/Male Ratio
Literacy Rate	92%	95%	0.97
Enrolment in Primary Education	94%	91%	1.03
Enrolment in Secondary Education	93%	86%	1.08
Enrolment in Tertiary Education	31%	14%	2.21

Source – UN Gender gap report 2013

Economic Participation & Opportunity	Female	Male	Female/Male Ratio
Labour force participation (as a % of the respective gender)	45%	85%	0.53
Legislators, senior officials & managers	14%	86%	0.16
Professional & technical workers	34%	66%	0.52

Source – UN Gender gap report 2013

Political Empowerment	Female	Male	Female/Male Ratio
Women in Parliament	6%	94%	0.06
Women in ministerial positions	6%	94%	0.06
Years with female head of state (last 50)	0	50	0.00

Source – UN Gender gap report 2013

Share of women in wage employment in non-agricultural sector (% of total non-agricultural employment)	23%
Female teachers, primary education	90%
Female teachers, secondary education	55%
Female teachers, tertiary education	27%

Source – UN Gender gap report 2013

	Female	Male	Female/Male Ratio
Estimated earned income in PPP USD (40,000 cutoff)	23,385	40,000	0.58

Source – UN Gender gap report 2013

Population (in million)	2.82
Sex ratio (male/female)	1.48
Males (in million)	1.68
Females (in million)	1.14

Source – UN Gender gap report 2013

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Appendix 4

A- One to One interviews: Titled” Challenges and opportunities facing Kuwait’s Private Sector.

	Sector	Institution	Focus area			Focus area			Focus area		
			Rule of law	Femal e	Mal e	Public governance	Femal e	Mal e	Knowledge	Femal e	Mal e
1	Public	Ministry of health				Dr Noor Karmani	F				
2	Expert	-				Dr Bader Hamid Almullah		M			
3	NGO	Loyac				Ms. Farea Alsaqqaf	F				
4	Public	Cabinet				Ms. Haya Alwadaani	F				
5	Private	Health				Ms. Alia Alkhaled	F				
6	Private	Health				Dr. Elham Al Humaidan	F				
7	Expert	-				Mr. Mohammad Duwahees		M			
8	NGO	Injaz							Ms Rana Al Naibari	F	
9	Public	Ministry of Education							Dr. Ridha Khayat		M
10	NGO	-							Ms. Salma	F	

	Shafafiya h and the Audit Bureau							Alessa		
11	Expert	-						Ms. Fathia Alhaddad	F	
12	Public	Ministry of Education						Dr. Meshaal Hayat		M
13	Expert	-						Dr Ahmad Bishara		M
14	Private	Bayan Bilingual School						Ms. Yasmine Alsaleh	F	
15	Expert	-						Mr. Adel Safar		M
16	Public	Anti- corruption	Mr. Riyadh Alhajeri		M					
17	Expert	-	Dr Mohammad Alfaily		M					
18	Expert	-	Dr. Bilal Sandid		M					
19	Private	Private lawyer	Husaam Abdullah		M					
	Total				4		5	2		4

B- Attendees of the Round table discussion hosted by Kuwait Financial Centre Markaz and the World Bank on 14 March, 2012

		Focus Area									
Sector	Institution	Expert	Male	Female	Public	Male	Female	Private	Male	Female	
1	-	The World Bank									Ms. Inger Andersen
2	-	The World Bank									Dr. Bassam Ramadan
3	-	Petrochemical Sector	Mr.Hani Al Ghawas	M							
4	-	Independent Economist	Mr. Saad Al-Adwani,	M							
5	-	Kuwait Fund for Arab Economic Development	Dr. Mohammed Sadeqi	M							
6	-	Banking Sector	Mr. Abdulmajid Al-Shatti	M							
7	Private	Environment & Recycling			Mr. Fadhel Al-Oun	M					
8	Private	Industrial Sector			Mr. Fahad Y. Al-Jouan	M					
9	Private	Kuwait Industries Union			Mr. Hussein Al-Khorafi	M					
10	Private	Real Estate Sector			Mr. Omran Habib Hassan Jawhar Hayat	M					
11	Private	Financial Sector, First Equilease			Mr. Mohamad	M					

					A. Mohareb Al-Qahtany						
12	Private	FAWSEC, Education Sector			Mr. Tariq Al-Samarrai	M					
13	Private	Union of Investment Companies			Ms. Fadwa Darwish		F				
14	Private	Kuwait Economic Society			Mr. Tareq Al-Saleh	M					
15	Private	First Equilease – Oil & Gas Sector			Mr. Ahmad Al-Majed	M					
16	Private	Markaz			Mr. Ali Khalil	M					
17	Private	Markaz, Real Estate MENA			Mr. Bassam Al-Othman	M					
18	Private	Markaz, Research			Mr. Raghu Mandagolathur	M					
19	Private	Markaz, Research			Mr. Alrazi Al-Budaiwi	M					
20	Private	Markaz, Research			Mr. Murtaza Pattherwala	M					
21	Private	Markaz, Research			Mr. Humoud S. Al-Sabah	M					
22	Private	Markaz, Oil & Gas			Mr. Nawaf Marafi	M					
23	Private	Markaz, Marketing & Communication			Ms. Basma Ghareeb		F				
		Total		4		15	2				

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