

**Note to the Deputy Secretary-General**

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Update Note: Economic, Social, Environment, and Development Affairs

For your information, please find enclosed the regular Update Note on Economic, Social, Environmental, and Development Affairs. Subjects covered in this Note are:

1. Economy
2. Small Island Developing States
3. Water and Sanitation
4. Somalia
5. HABITAT III conference

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cc: Ms. Malcorra

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**Update Note**  
**Economic, Social, Environment, and Development Affairs**

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**1. Economy**

**Unemployment in OECD countries to remain high**

Unemployment rates in the OECD countries are predicted to fall only slightly over the next 18 months. With an expected reduction from 8.0% in May 2013 to 7.8% at the end of 2014, some 48 million people in OECD countries will remain out of work.

There are disparities between countries: unemployment is projected to decline in the US and **Germany**, but will remain flat or even rise in most of Europe. By end 2014, unemployment is expected to be just over 11% in France, around 12.5% in Italy, and close to 28% in Spain and Greece. Young people continue to face record unemployment levels in many countries, with rates exceeding 60% in Greece, 55% in Spain and around 40% in Italy and Portugal. (*OECD Employment Outlook 2013*)

**Youth Unemployment**

At the global level, unemployment trends for youth also continue to rise and is projected to reach 12.8% by 2018. It is estimated that 73.4 million young people – 12.6% – are expected to be out of work in 2013, close to the levels reached at the peak of the economic crisis in 2009.

The highest regional youth unemployment rate in 2012 was registered in the Middle East, where 28.3% were out of work – more than one in four economically active young people. On current projections, this is expected to rise to 30% in 2018. Young women in the Middle East (42.6%) and North Africa (37%) are the worst hit. (*ILO*)

## **Women Entrepreneurs – Underutilized resource**

Women entrepreneurs in Latin America and the Caribbean (LAC) are potentially one of the greatest underutilized resources in the region. According to a new report, Latin American women's growing incomes led to a 30% reduction in extreme poverty from 2000 to 2010. (*IDB and The Economist*)

While some 27% of the female population in Sub-Saharan Africa and 15% in the LAC region were engaged in entrepreneurship, women's entrepreneurship rates in the Middle East, North Africa, Europe, and Asia barely reach 5%. (*Global Entrepreneurship Monitor*)

## **2. Small Island Developing States**

### **SIDS Conference 2014: Regional preparatory meeting completed**

In preparation for the Third International Conference on Small Island Developing States (SIDS) in Samoa in 2014, three regional meetings were completed in July to feed into overall regional priority setting. The Caribbean, Pacific and the AMIS (Atlantic Indian Ocean, Mediterranean and South China Seas) meetings stressed many common issues such as climate change, natural disasters, crime and violence, high rates of unemployment—especially among women and youth, the increase in communicable diseases and other health concerns, and debt sustainability. Addressing issues related to organized crime and debt sustainability were seen as particularly important for the Caribbean region. Climate change and ocean related issues figured particularly prominently, where countries emphasized the concept of the “ocean economy,” which encompasses the full range of economic and social development that the ocean can drive.

## **3. Water and Sanitation**

### **EU-funded water and sanitation projects in Africa not sustainable**

According to a European Court of Auditors (ECA) report of 2012, the majority of the water and sanitation projects funded by the European Union (EU) in Angola, Benin, Burkina Faso, Ghana, Nigeria and Tanzania are not sustainable in the medium or long term unless institutional weaknesses are addressed. The 23 projects reviewed represent an investment of over 400 million euro of which the EU provided 219 million euro. It was found that only half of the projects delivered results that met the beneficiaries' needs. The total EU spending on water and sanitation in sub-Saharan Africa between 2001 and 2010 amounts to over 1 billion euro.

Reviewing the report in July 2013, the European Union Committee of the UK House of Lords has written to the European Commission on 29 July 2013, stating that the EU's support to water and sanitation projects in sub-Saharan Africa was "culpable waste". The House of Lords Committee urged the EU to, *inter alia*, engage with local communities by building better partnerships with NGOs, noting that one stumbling block was EU processes that favoured large organisations.

#### **4. Somalia**

##### **Medicins San Frontiers pulls out of Somalia**

MSF has announced that it is closing down its operations in Somalia (while maintaining its programmes in the refugee camps in Kenya and Ethiopia). The organization had been in Somalia since 1991 and was treating some 50,000 people a month. The closure is due to the acceleration of attacks on MSF staff (abductions and killings of 16 staff). MSF has said: "There is no other country in the world where security risks are so high."

##### **Transfer of remittances threatened by bank closure**

Barclays Bank, which is the leading bank serving Somalia, is to stop supporting money transfers and remittances at the end of September 2013. While no reason has been given by Barclays, it is believed that the Bank is concerned that some money services could unwittingly be facilitating money laundering and terrorist financing. It is estimated that half of 10 million population of Somalia depends on remittances, worth over US\$1 billion a year. Other money transfer services, such as Western Union, remain, but have a much smaller presence and higher costs for transfers. Donors, including the EU, have expressed their concerns about the impact of Barclays' closure on livelihoods of Somalis.

#### **5. HABITAT III conference**

The Government of Turkey, in a recent letter to the Executive Director of the UN-HABITAT and Secretary-General of the Third UN Conference on Housing and Sustainable Urban Development (HABITAT III), has indicated its withdrawal from the candidacy for hosting Habitat III Conference in 2016.