INTEGRATED SDG INSIGHTS
KUWAIT

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.

HOW TO READ THIS REPORT

Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).

It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).

Combined, these insights are mapped against SDG interlinkages to define policy choices the accelerate SDG progress, tailored to national context (**SDG Interlinkages**).

These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).
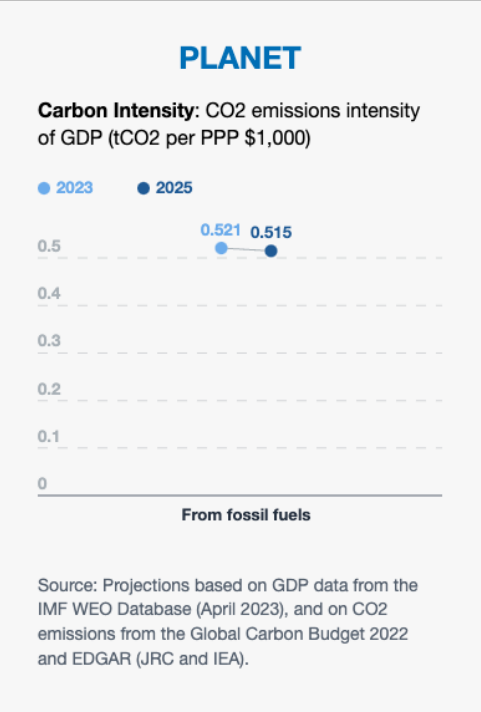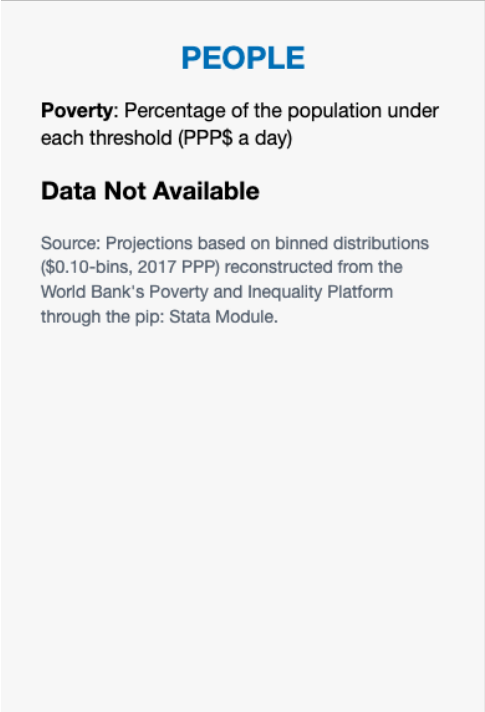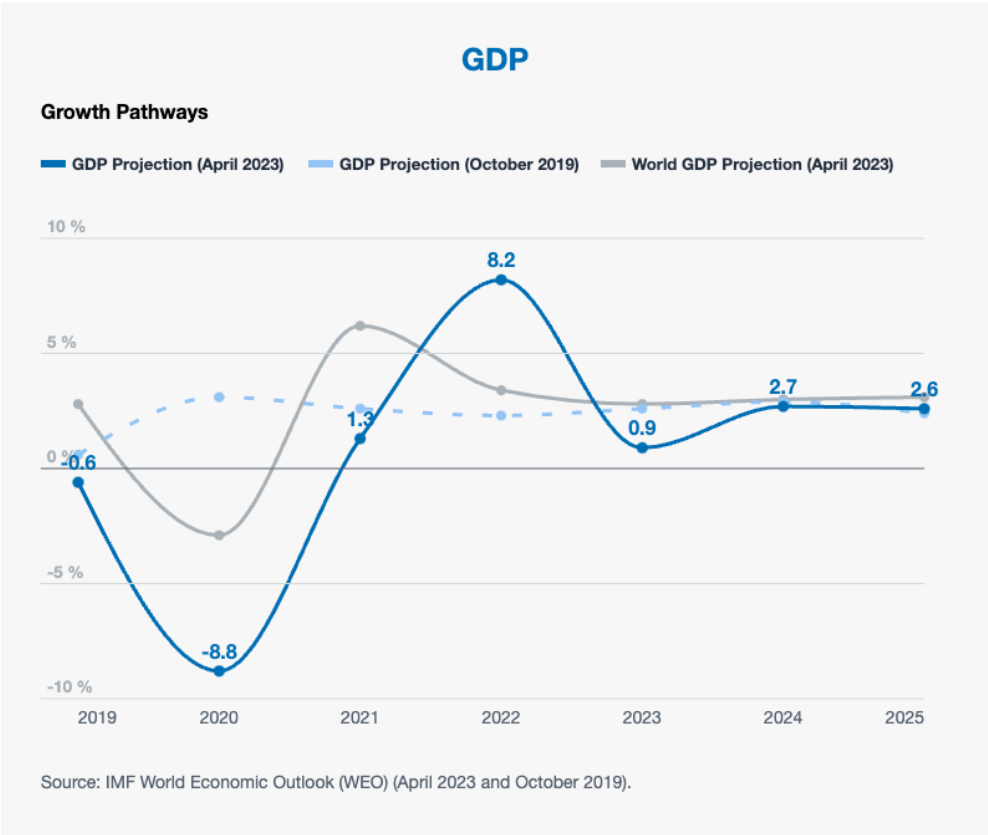
SDG MOMENT:
KUWAIT

While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

Kuwait's economy is in mitigation mode in 2023 and it is projected to improve, reaching a moderate growth phase in 2024-2025.[1] This pace of growth is characterized by being around 30% lower, on average, compared to the pre-pandemic forecasts for both global and national economic growth. Accordingly, there is a commitment to enhance people's well-being through an increasing focus on SDG-related policies to open new possibilities for progress and development.

Kuwait's economic growth is advancing, but it is still facing the challenge of balancing economic activity with environmental concerns. The country's carbon emissions intensity of GDP from fossil fuel usage is projected to decrease at an annual growth rate of 0.6%, aiming for positive changes in the future. However, the current levels remain among the 20 highest in the world, standing above 0.51 tons per $1,000 (2017 PPP).[2]

[1] The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.
[2] CO2 emissions intensity of GDP is computed as tonnes of CO2 per $1,000 (2017 PPP).

GDP

Growth Pathways

— GDP Projection (April 2023) — GDP Projection (October 2019) — World GDP Projection (April 2023)

Source: IMF World Economic Outlook (WEO) (April 2023 and October 2019).

PEOPLE

Poverty: Percentage of the population under each threshold (PPP$ a day)

Data Not Available

Source: Projections based on binned distributions ($0.10-bins, 2017 PPP) reconstructed from the World Bank's Poverty and Inequality Platform through the pip: Stata Module.

PLANET

Carbon Intensity: CO2 emissions intensity of GDP (tCO2 per PPP $1,000)

● 2023 ● 2025

0.521 0.515

From fossil fuels

Source: Projections based on GDP data from the IMF WEO Database (April 2023), and on CO2 emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).

SDG TRENDS

Understanding how Kuwait performs against the SDG targets provides a baseline landscape against which to to build integrated SDG pathways. SDG progress tracking follows [UN Stats](#) standards and [methodology](#), and is aligned with country profiles.

Trends in detail:

https://data.undp.org/sdg-push-diagnostic/KWT/sdg-trends
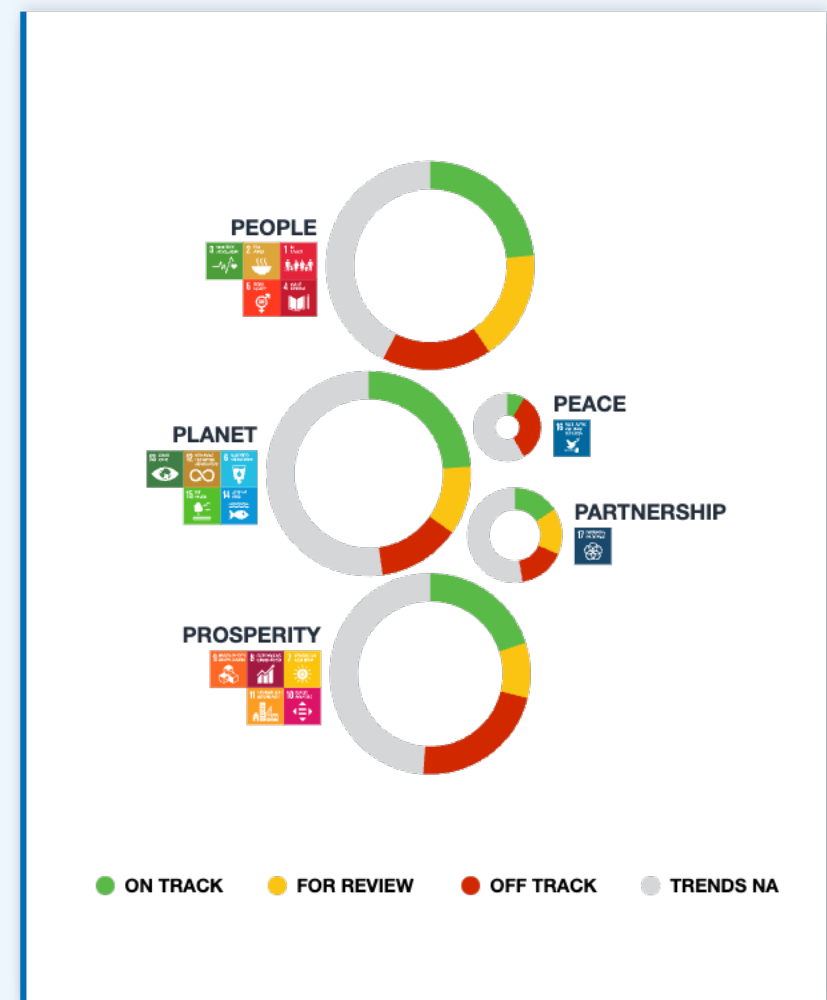
SDG PRIORITIES

Kuwait's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.

Key documents for analysis:
1. The Third Development Plan 2020-2025
2. Annual Gov Development Plan 2020-2021
3. Annual Gov Development Plan 2021-2022
4. Annual Gov Development Plan 2022-2023
5. Annual Gov Development Plan 2023-2024
6. Development Collaboration Between the State of Kuwait and UNDP 2015-2022.
7. Kuwait Second Voluntary National Review Report 2019.
8. Kuwait Second Voluntary National Review Report 2023.
9. Government Action Programme 2023-2027.
10. Kuwait's Plan for the Future

Priorities in detail:

https://data.undp.org/sdg-push-diagnostic/KWT/current-priorities
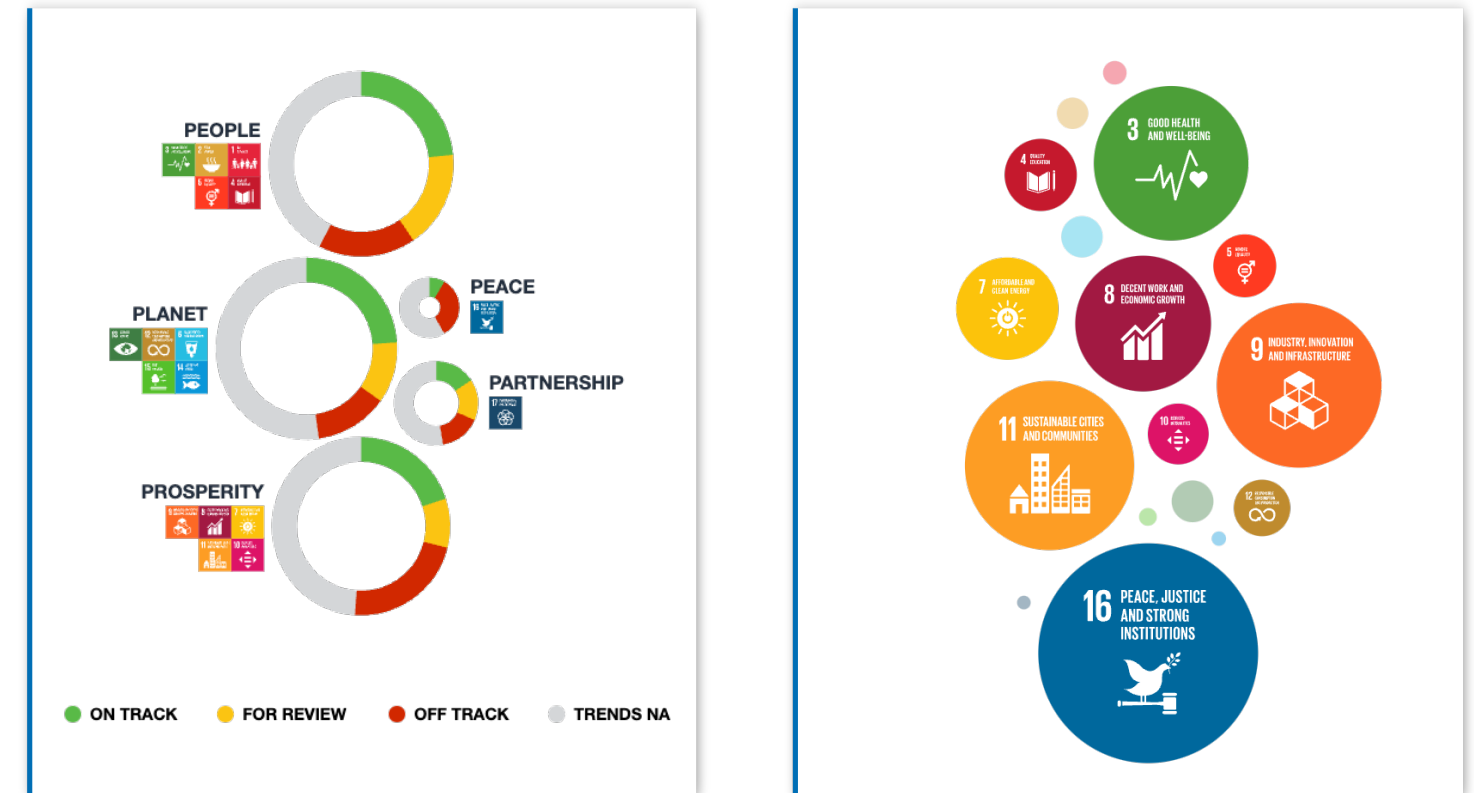
SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Kuwait to achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Based on a global framework for interlinkages, Kuwait's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for Kuwait:

- Target 4.4: Increase the number of people with relevant skills for financial success
- Target 8.2: Diversify, innovate and upgrade for economic productivity
- Target 9.5: Enhance research and upgrade industrial technologies
- Target 16.6: Develop effective, accountable and transparent institutions
- Target 17.6: Knowledge sharing and cooperation for access to science, technology and innovation

ACCELERATION PATHWAYS

SYNERGIES

TRADE-OFFS

SDG INTERLINKAGES

4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

Building a knowledge-based economy requires the emergence of highly productive, skill-intensive sectors and a skilled workforce prepared to excel in these areas.[1]. While some challenges persist, addressing these disparities in education outcomes is an essential aspect of ongoing efforts to promote equal opportunities for all students, including the challenges that children face in reading and comprehending age-appropriate texts by the age of 10[2]. These needed foundational skills create opportunities for further learning during their school years and beyond. Additionally, exploring ways to encourage continued education within the higher education system can further empower individuals in their pursuit of knowledge and career advancement[3]

Kuwait has a remarkable opportunity to foster the creation of human capital.[4] There is an opportunity for the Government of Kuwait to accelerate comprehensive education reforms, including the TVET sector, and to invest in lifelong learning programmes, empowering the existing workforce to transition seamlessly into the digital economy. Kuwait can unlock potential through innovative reskilling and upskilling, especially in STEM fields*, cultivating a dynamic, highly skilled workforce ready for tomorrow.[5] It is important to create suitable incentives for Kuwaitis and to invest in their continuous education and future-oriented reskilling, especially to foster engagement in the private sector.[6] It is also crucial for Kuwait to strengthen monitoring and evaluating systems to continuously improve the education landscape.

1 Kuwait Common Country Analysis (CCA): One UN Kuwait Approach to CCA for SDGs Joint Programming; UN Kuwait, 2021, p. 28.
2 Human Capital Index 2021, World Bank, https://databank.worldbank.org/data/download/hci/HCI_1pager_KWT.pdf?cid=GGH_e_hcpexternal_en_ext
3 Kuwait Common Country Analysis (CCA): One UN Kuwait Approach to CCA for SDGs Joint Programming; UN Kuwait, 2021, p. 28.
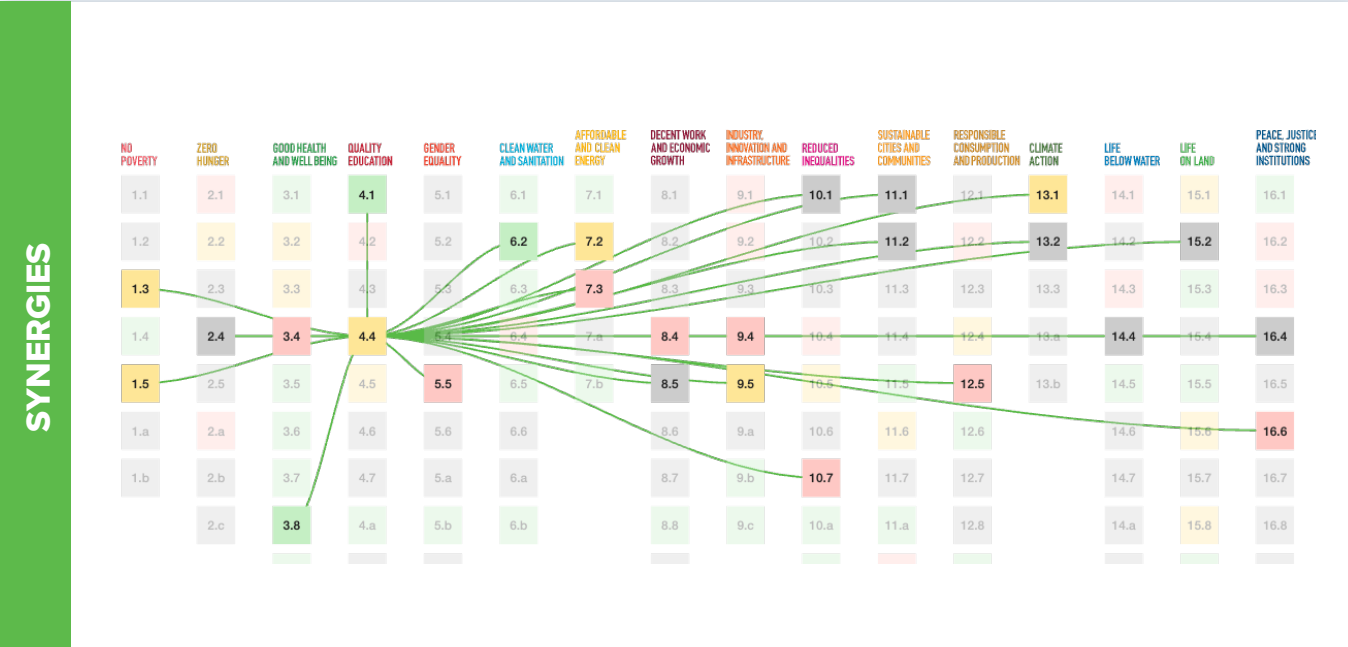4 New Kuwait 2035 Kuwait National Development Plan
5 Kuwait Common Country Analysis (CCA): One UN Kuwait Approach to CCA for SDGs Joint Programming; UN Kuwait, 2021. Pg 28
6 Kuwait Common Country Analysis (CCA): One UN Kuwait Approach to CCA for SDGs Joint Programming; UN Kuwait, 2021, p. 28.
** TVET Technical and Vocational Education and Training
*STEM fields: Science, Technology, Engineering and Mathematics

Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/KWT/synergies-and-tradeoffs
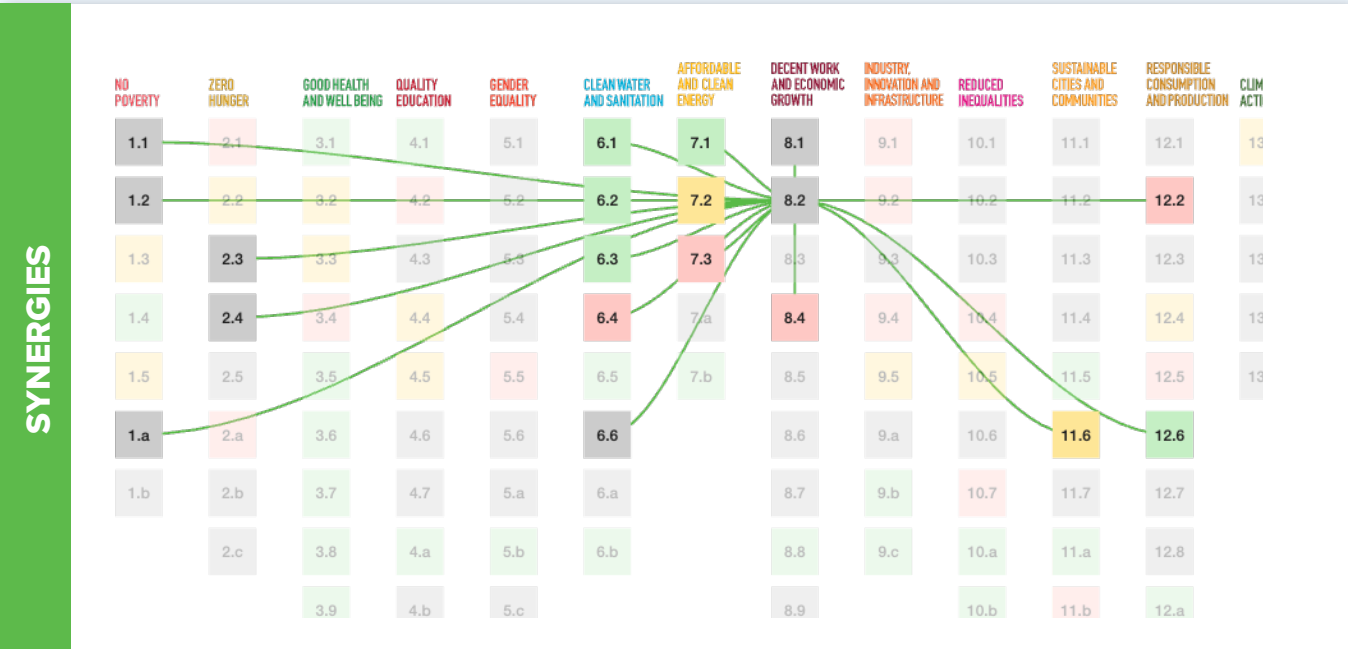
SDG INTERLINKAGES

8.2: Achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors

A significant portion (90%) of government revenues is derived from oil, while hydrocarbons and related products constitute about 84% of total exports.[1] Kuwait's exports continue to be primarily raw materials, with little value added beyond extraction. The entrepreneurial culture and the role of the private sector are still evolving, given that the public sector employs around 80% of Kuwaiti nationals with attractive incentives. Consequently, private sector employment is less appealing to nationals, and it largely relies on expatriate workers.[2] Currently, Kuwait ranks 83 in the Ease of Doing Business Index.[3]

In conjunction with educational reforms, Kuwait has the opportunity to improve the migration policy and enhance its business environment by adapting regulations to improve the ease of doing business. This is in addition to strengthening the innovation system, fostering a culture of entrepreneurship and creativity through research and development and by promoting industry and offering a range of incentives, such as, but not limited to, financing and the provision of subsidies for the industrial development of land. These measures would foster a thriving industrial sector in the country.[4]

1 Kuwait Common Country Analysis (CCA): One UN Kuwait Approach to CCA for SDGs Joint Programming; UN Kuwait, 2021. Pg 22
2 Kuwait Common Country Analysis (CCA): One UN Kuwait Approach to CCA for SDGs Joint Programming; UN Kuwait, 2021. Pg 22
3 Ease of Doing Business Index, Doing Business Report 2020, World Bank.
https://archive.doingbusiness.org/en/data/exploreeconomies/kuwait
4 Kuwait Common Country Analysis (CCA): One UN Kuwait Approach to CCA for SDGs Joint Programming; UN Kuwait, 2021. Pg 63

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SYNERGIES

TRADE-OFFS

Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/KWT/synergies-and-tradeoffs

SDG INTERLINKAGES

9.5: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per one million people and public and private research and development spending

Kuwait encounters diverse challenges, such as addressing the impacts of climate change, ensuring water availability, reducing food import dependency and diversifying the economy. Data availability is also a key challenge for Kuwait. Additionally, there is a need to enhance the education system to better align it with the nation's requirements.

A key step in addressing these issues – Kuwait has the opportunity to diversify its economy by focusing on high-value sectors and promoting the private sector's role. The country fosters entrepreneurs and SMEs through developing intermediaries to drive growth of the knowledge economy.[1]

This will involve providing incentives for public-private-academia partnerships within the 2030 Agenda and Kuwait Vision 2035 framework, such as sponsorship of research facilities at universities and tax credits for R&D. These partnerships drive research and innovation in high-value sectors, sustainable environmental resource management, food security, energy efficiency and improved water-use efficiency, with a focus on sustainable finance [2].

1. New Kuwait 2035 Kuwait National Development Plan.
2. Kuwait Common Country Analysis (CCA): One UN Kuwait Approach to CCA for SDGs Joint Programming; UN Kuwait, 2021, p. 63.

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SYNERGIES

TRADE-OFFS

Explore the interlinkages at:

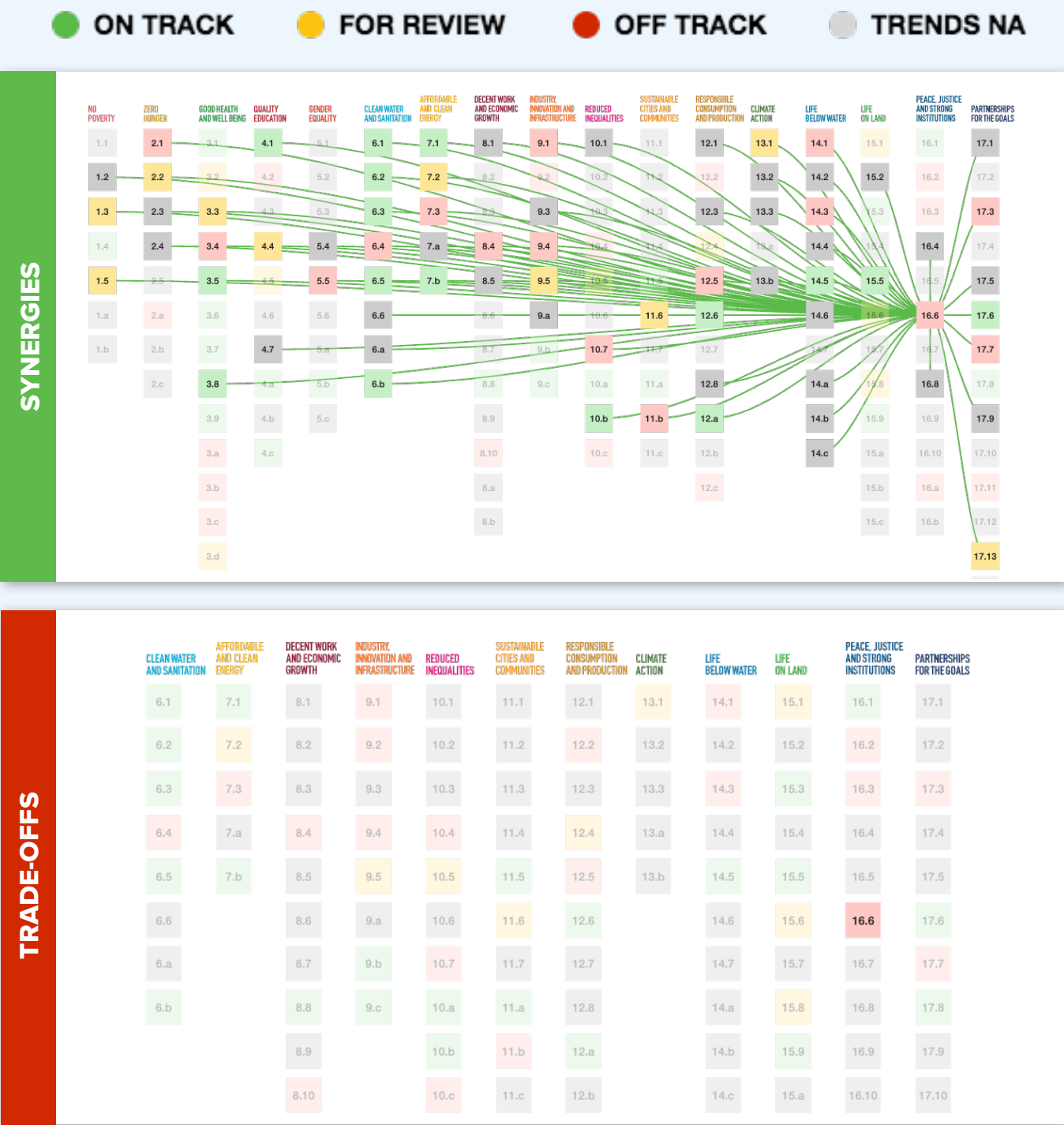*https://data.undp.org/sdg-push-diagnostic/KWT/synergies-and-tradeoffs*

SDG INTERLINKAGES

16.6: Develop effective, accountable and transparent institutions at all levels

Kuwait faces challenges related to its government structure, machinery, public service quality, bureaucracy and policy coordination. The country's high ratio of public employees to population at 10% compared to the international average of around 3 % contributes to issues related to efficiency. The duplication of roles and overstaffing of government entities have been identified as key factors affecting business operations, ranking 57th in the Global Competitiveness Report 2019-2020. Additionally, there are concerns about transparency, administrative processes and integrity in the public sector, which can result in discretionary decision-making and potential risks related to corruption and impartial competition. [1]

Kuwait has an opportunity to achieve its 2030 Agenda goals and to build robust institutions by advancing and implementing essential reforms, such as in civil service public administration, fiscal transparency, public participation and public employment, including in pay and compensation adjustments. Taking action on these reforms will pave the way for meaningful progress. [2]

1 Kuwait Common Country Analysis (CCA): One UN Kuwait Approach to CCA for SDGs Joint Programming; UN Kuwait, 2021. Pg 71
2 Kuwait Common Country Analysis (CCA): One UN Kuwait Approach to CCA for SDGs Joint Programming; UN Kuwait, 2021. Pg 71
**It's crucial for the government of Kuwait to reflect on the proposed opportunities to foster its efforts by aligning the existing initiatives with the suggested opportunities and obtaining new ones.
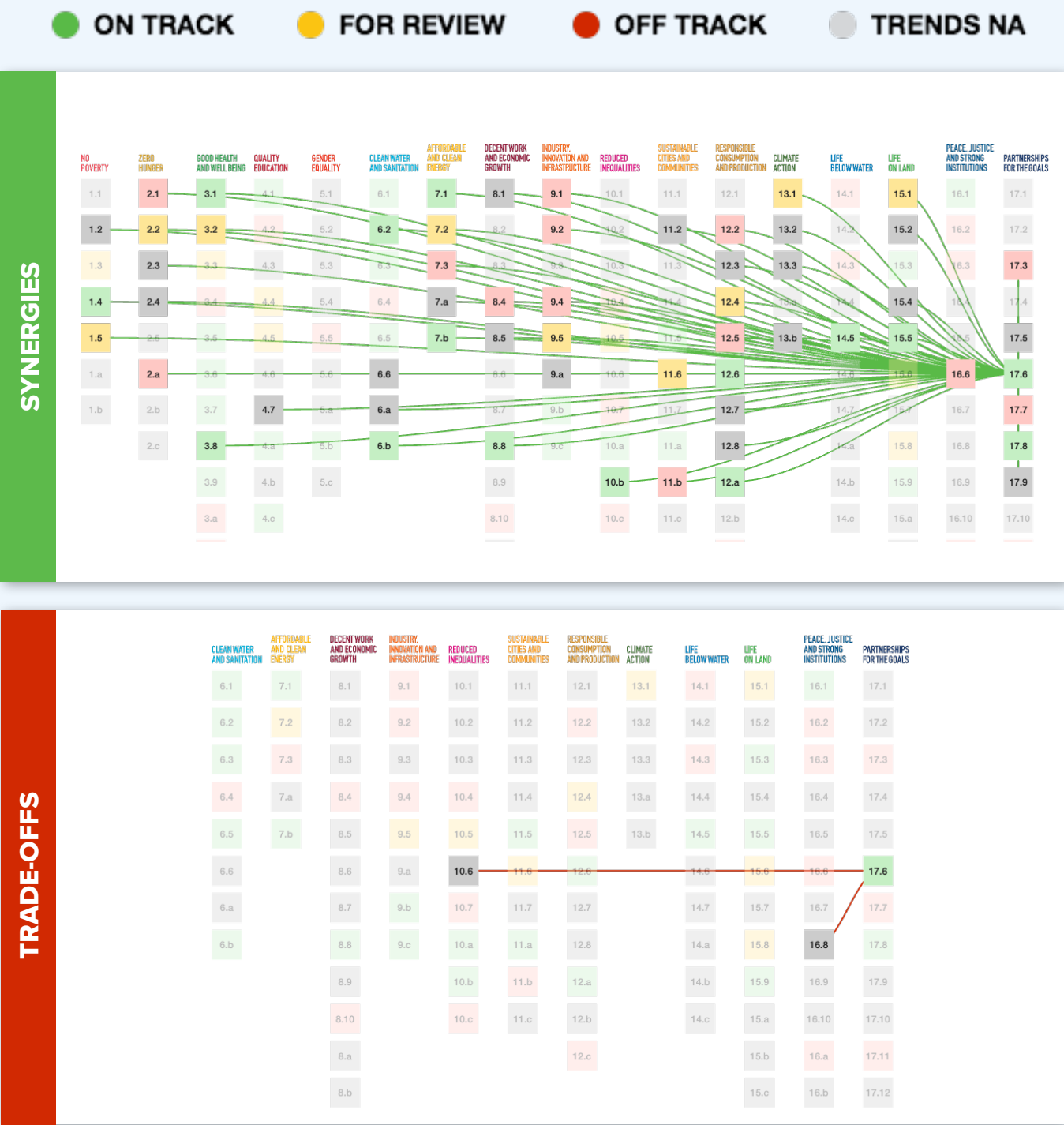

Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/KWT/synergies-and-tradeoffs

SDG INTERLINKAGES

17.6: Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation, and enhance knowledge-sharing on mutually agreed terms, including through improved coordination among existing mechanisms, particularly at UN level, and through a global technology facilitation mechanism, when agreed

Kuwait allocates 2.1% of its GDP to overseas development assistance through the Kuwait Fund for Arab Economic Development, benefiting over 106 countries. Kuwait faces challenges in accessing data and strengthening its statistical capacity, which can affect the full alignment of cooperation with the SDGs' achievement and monitoring its impact. Similarly, other Arab states also encounter obstacles in building robust statistical capacities. Nevertheless, technological advances present opportunities to enhance national statistical systems and improve policy-making processes.

Kuwait has a promising opportunity to enhance its efforts in becoming a knowledge economy by strategically investing in statistical infrastructure, training, and coordination with Arab states and international partners. This initiative can foster a culture of data-driven decision-making and sustainable development in the region. By taking the lead in providing capacity development and strategic advice to National Statistical Offices and data-related institutions, Kuwait can support the development of comprehensive national statistical strategies, offer statistical training and education and promote methodological standardization, with a focus on the SDGs in the region. This approach will contribute significantly to the advancement of the sustainable development goals in Kuwait and the Arab states.


Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/KWT/synergies-and-tradeoffs

FUTURES SCENARIOS

Achieving the SDGs is possible.

The 'SDG Push' is a model-based scenario projection based on 48 integrated accelerators in the areas of Governance, Social Protection, the Green Economy and Digital Disruption. It uses national data to explore the impact on human development from its current status in 2020 through to 2050 across key SDG indicators.

Incorporating 'SDG Push' accelerators into development interventions in Kuwait can reduce the number of malnourished people over time.

Number of Malnourished People	By 2030	By 2050
Without the SDG Push	92,000	86,000
With the SDG Push	57,000	30,000

MALNOURISHED POPULATION (NUMBER OF PEOPLE)

● Without SDG Push
● With SDG Push
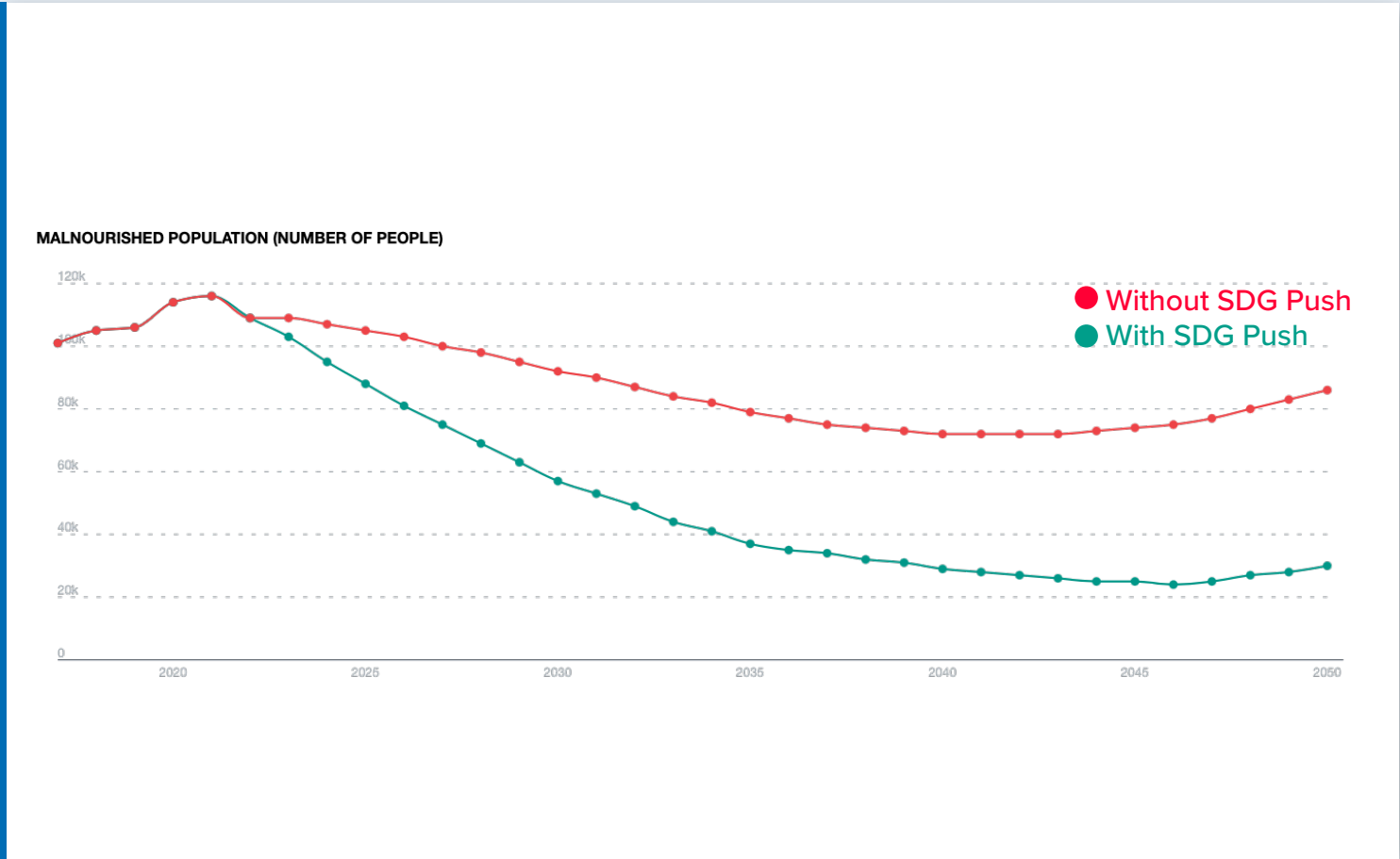
Explore SDG Futures Scenarios at:
https://data.undp.org/sdg-push-diagnostic/KWT/future-scenarios

FINANCE & STIMULUS

Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.
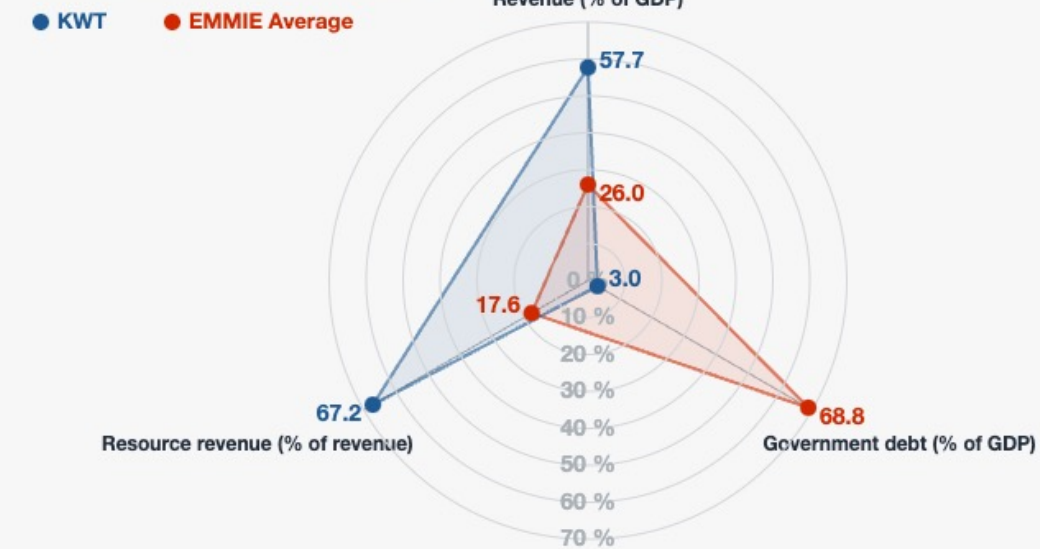
The radar diagram shows low frequency data points linked to government revenue and debt as a proportion of GDP as well as the natural resource share of total revenue. The financial indicator graph shows the country's sovereign credit rating.

Kuwait's gross government debt, projected at 3% of GDP in 2023, is nearly 23 times less than the emerging market and middle-income economies' (EMMIE) average of 68.8%. The country is expected to collect 57.7% of GDP in revenue this year – more than double the average EMMIE country at 26% – with natural resources accounting for more than two thirds of said revenue.
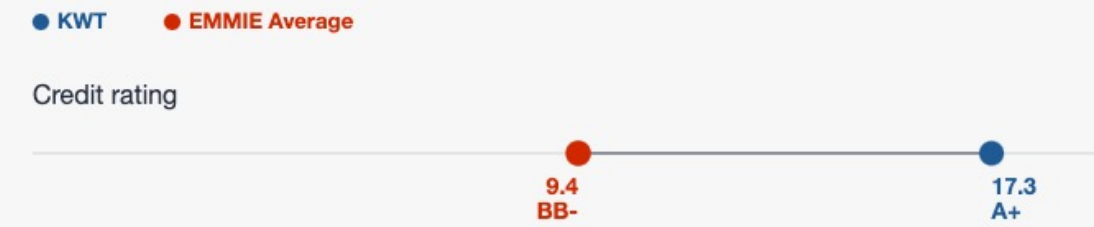
Kuwait's credit rating is in the 'investment grade' category and hence significantly above the EMMIE average of 'non-investment grade speculative'.

In addition, Kuwait's credit rating falls within the 'investment grade' category, significantly higher than the EMMIE average of 'non-investment grade speculative'. These indicators demonstrate the country's strong financial position and prudent fiscal management.

LOW-FREQUENCY INDICATORS

● KWT   ● EMMIE Average

Revenue (% of GDP) 57.7
26.0
3.0
17.6
67.2 Resource revenue (% of revenue)
68.8 Government debt (% of GDP)

FINANCIAL INDICATORS

● KWT   ● EMMIE Average

Credit rating

9.4 BB-   17.3 A+

Notes: The EMMIE average of resource revenue (% of revenue) includes the 60 countries that reported data for that indicator. The credit rating shows the numerical average of S&P's, Moodys', and FITCH's ratings, expressed in S&P's scale in brackets.

Sources: UNU-WIDER GRD (resource revenue, data from 2020), IMF WEO April 2023 (debt and revenue, forecasts for 2023), S&P, Moodys and FITCH (credit ratings, data from 2023).
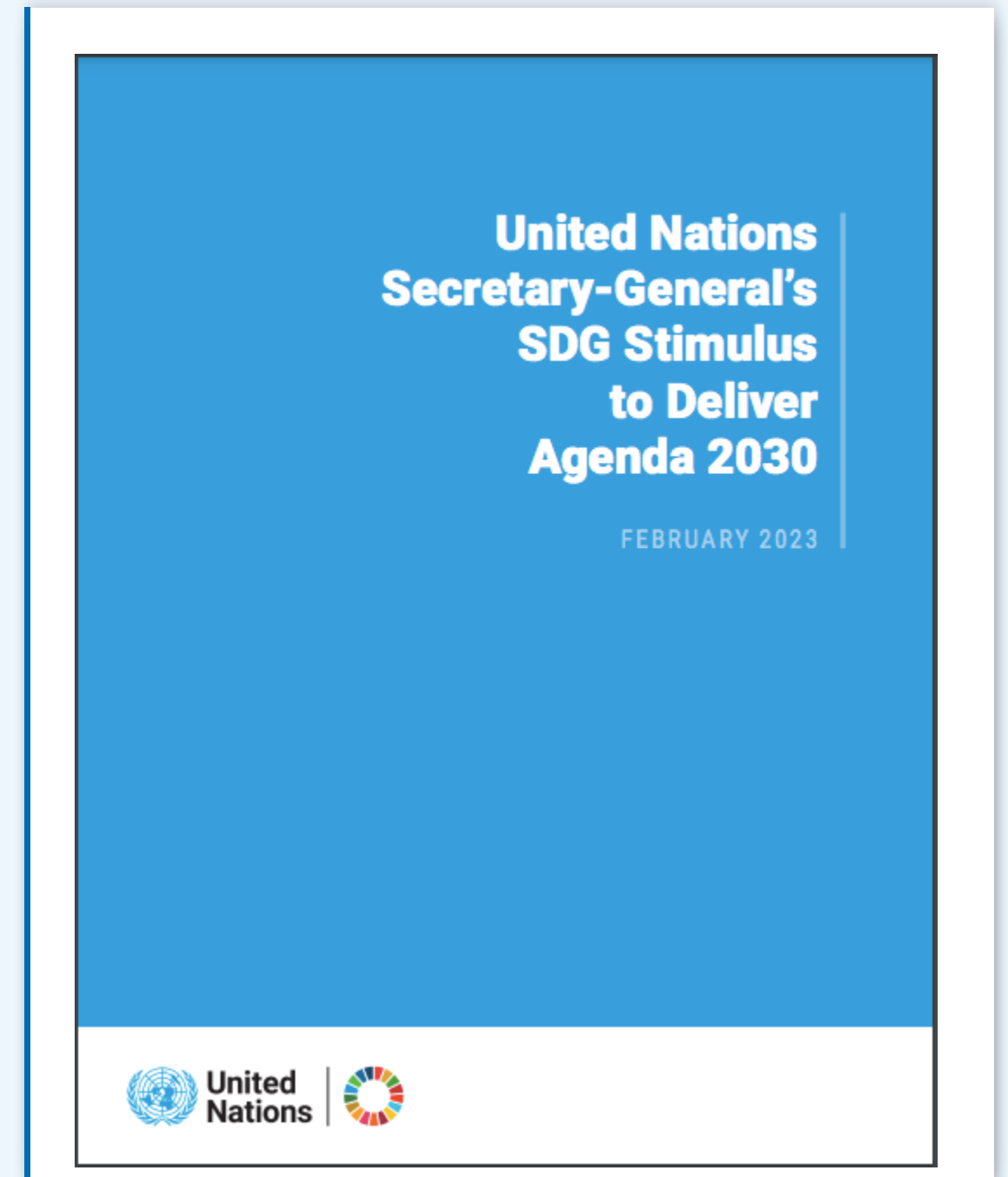
SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Considering the strong financial position and prudent fiscal management in Kuwait, potential funding options for the investments derived from the identified interlinkages are as follows:

- Tax and revenue reform
- Climate finance
- Blended and public-private finance
- SDG-aligned business environment and investment.
- Accessing financial markets and insurance.

United Nations Secretary-General's SDG Stimulus to Deliver Agenda 2030

FEBRUARY 2023

United Nations

METHODOLOGY

Click here to view the Methodological Note for the Integrated SDG Insights

SDG MOMENT

Methodology
Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources
Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO_2 emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).

TRENDS & PRIORITIES

Methodology
SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source
Trends utilizes official UN statistics to assess SDG progress, supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.

INTERLINKAGES

Methodology
Global target-level interlinkages are drawn from the KnowSDGs Platform by European Commission. SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source
The exercise globally considered a total of 454 documents published from 2015 to August 2022. (Miola et al., 2019 updated in 2021-2022)

FINANCE & STIMULUS

Methodology
Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source
Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).