

**Development Account Project on
“Building Urban Economic Resilience during and after
COVID -19”**

**Performance Diagnosis of Urban Economic Recovery
and Resilience:
The case of Kuwait**

July 2021

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Draft

1. Summary

This report is prepared as part of the deliverables of the second phase of the project on “Building Urban Economic Resilience during and after COVID-19” led by UN ESCWA in collaboration with by seven partners who are: The United Nations Economic Commission for Africa (ECA), United Nations Economic Commission for Europe (ECE), United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), United Nations Economic Commission for Latin America and the Caribbean (ECLAC), United Nations Human Settlement Programme (UN-Habitat), and the United Nations Capital Development Fund (UNCDF).. This project has been designed in a context of developing better understanding of the key factors and drivers of urban resilience in the face of COVID-19, with a purpose of finding practical solutions as part of a hands-on framework for creating prerequisites for enhancing the resilience of cities. The project is being implemented in 16 cities globally spanning Africa, Arab Region, Europe, Latin America and the Asia-Pacific. The project aims to support local governments to design, implement and monitor sustainable, resilient and inclusive COVID-19 recovery plans. Kuwait City is one of the cities in which this project is being implemented in the Arab region. The diagnostic report will showcase exclusively the main features of the urban economic resilience applicable to the urban areas in Kuwait. The diagnostic methodology followed herein was developed by UNCDF in collaboration with all project partners including ESCWA. It was informed by the “Guiding Principles and Practices for Urban Recovery and Resilience” document and by the “Global Compendium of Practices on Local Economic and Financial Recovery” document that were developed specifically for this project. According to the UNCDF’s diagnostics and planning tool (DPT)¹, which was developed for this project, the definition of resilience is based on the concept of balanced growth. This type of growth requires that increases in output per capita to be accompanied by constant or declining capital-output ratio, interest rate, and the capital-labour ratio of income. Although, these requirements are macroeconomic by definition, the DPT takes a microeconomic approach to examine economic and structural features that provide the basis for such a balanced growth. Thus, the definition of resilience focuses on social cohesion and community resilience with participatory approaches for the city’s development and implementation of its urban plans, supporting measures benefiting vulnerable groups of the population, including women and youth. Resilience also includes protecting jobs and economic recoveries that ensure job-richness as well as green sustainable jobs. Finally, resilience includes creating larger fiscal spaces for macroeconomic responses to maintain the financial sustainability of the city. Its main purpose is to contribute to the global dialogue on how cities across the world can better address the impacts of the COVID-19 crisis through urban economic resilience and recovery programs. The immediate significance of the project will be the documentation of Kuwait’s experience and practice in this regard, which should lead to added accrual of best practices in pilot cities with respect to relevant activities to develop and implement adequate responses and recovery plans to the COVID-19 pandemic. The outcome of this report will be integrated within a more comprehensive report by ESCWA about building global resilience capacity.

The methodological approach is founded on a Diagnostic and Planning Tool (DPT) developed for this purpose. The DPT allows for assessing qualitative and quantitative indicators in five resilience areas (local business environment, local labor market, local financial system, economic governance, and basic service infrastructure and connectivity). It should be noted that **this report does not perform separate assessments for different genders or age groups**. This is due to the lack of adequate disaggregated data (by gender, age). However, as part of the validation dimension, the report pays attention, to the extent possible, to impact differences between nationals and expats (as the relatively more vulnerable segment of the population). The snapshot figure shown above is

¹ <https://urbanresiliencehub.org/wp-content/uploads/2021/03/Resilience-Diagnostic-Planning-Tool-Feb2021.pdf>

effectively the resultant distribution of performance scores based on the methodology used in preparing this report. While there are fluctuations across different indicator performances, it appears that the Kuwait City's overall performance can be classified as weak to moderate. This indicates that Kuwait City's capacity to mitigate the crisis during the pandemic suffices to achieve low to moderate levels of impact. At this level of capacity, it is not surprising that Kuwait City has experienced significant impact, most likely necessitating a relatively long time to overcome. While all five areas of resilience are in need for significant improvement, some areas are weaker than others. The weakest area is the resilience of the local labor market. The dimensions of resilience of both the local financial system and the economic governance can also be viewed as not performing so well. The areas of local business environment and basic service infrastructure and connectivity have relatively better performances.

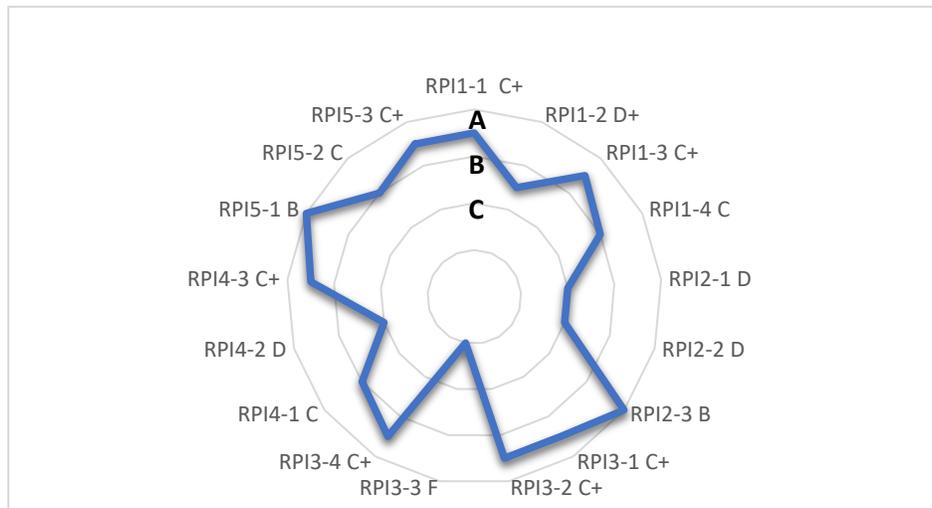


Figure 1: Kuwait resilience performance

The results are summarized below and detailed in the findings section:

- Resilience of local business environment: Kuwait City has predominantly moderate performances in different business environment indicators. It has a moderate local economy diversity, a weak openness and external market integration, a moderate entrepreneurship and innovation, and a moderate productivity, economic, and financial capacity.
- Resilience of local labor market: Kuwait City performs in a relatively weak way in this area, mainly due to weaknesses in labor market flexibility, and in labor mobility. Nevertheless, by its nature as a welfare state, the social protection of labor in Kuwait is assessed as strong, at least with respect to the national segment of labor (but certainly not with respect to expat labor).
- Resilience of local financial system side: Kuwait City has what can be considered as moderate to weak performances in this area. The assessment reveals that the size and depth of the financial system is moderate, the financial performance and soundness is also moderate, the city fiscal space is very weak, and the city financial health and stability is moderate.
- Resilience of economic governance: Kuwait City has what can be considered as moderate to weak performances in this area. The strength of its structure and leadership of economic governance is assessed as moderate. Its scope and quality of city planning is assessed as weak. Its investment readiness is appraised as moderate.

- Resilience of basic service infrastructure and connectivity: Kuwait City has strong to moderate performances on the different dimensions of this indicator. The coverage and functionality of its basic public services and infrastructure is assessed as a strong performance. The performances of in the other two dimensions, i.e., the health service coverage and the connectivity and mobility, are both moderate.

Given these findings, the report provides recommendations about how to increase Kuwait's capacity to:

- Adjust economic activities and business models in response to the changing supply and demand,
- Reallocate labor resources and adjust employment patterns and behaviors in response to internal and external shocks,
- Expeditiously redistribute funds between different economic sectors and expand credit to companies and individuals in times of crises,
- Be well prepared with functioning mechanisms and systems to exercise uninterrupted governance of economic affairs under adverse conditions in an effective and inclusive manner,
- Be able to grow the basic service infrastructure, and the health service coverage, and the adequacy of connectivity and mobility.

2. Introduction

2.1 Programme context

This report is designed to be part of the deliverables of the second phase of the project on “Building Urban Economic Resilience during and after COVID-19” led by UN ESCWA in collaboration with UN-Habitat in the Arab region. The project is undertaken globally by seven partners who are: The United Nations Economic Commission for Africa (ECA), United Nations Economic Commission for Europe (ECE), United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), United Nations Economic Commission for Latin America and the Caribbean (ECLAC), United Nations Economic and Social Commission for Western Asia (ESCWA), United Nations Human Settlement Programme (UN-Habitat), and the United Nations Capital Development Fund (UNCDF). It presents a detailed diagnostic analysis of Kuwait City's performance on urban economic resilience in the context of the COVID-19 pandemic. The intention is to develop better understanding of the key factors and drivers of urban resilience in the face of this crisis, and to purpose of proposing practical solutions as part of a hands-on framework for creating prerequisites for boosting the resilience of cities. This will allow local governments to gain access to best practices about how to confront shocks such as COVID-19, and other broad-based socio-economic complexities likely to occur in the future.

As a methodological approach to implementing this project, it has been decided to explore ways of strengthening the capacities of local governments in 16 cities globally. In this regard, it has been determined that the geographical distribution should be inclusive of three cities in Africa, three in Western Asia, three in Europe, three in Latin America and the Caribbean, and four in the Asia-Pacific region. The capital city of the State of Kuwait has been included among the group of 16 cities under scrutiny. This report is finalized to portray the key characteristics of the urban economic resilience pertinent to the urban areas in the State of Kuwait. Its main drive is to interject insights into the global dialogue on how cities across the world can better address the impacts of the

COVID-19 crisis by way of building solid urban economic resilience and recovery programs. The main merit of this report is that it allows for detailing Kuwait City's encounter with the crisis, and how it has proceeded facing it. This serves the purpose of documenting cities best practices, with respect designing and implementing suitable responses and recovery plans. The key findings of the report will be joined with findings of other cities to create a more wide-ranging report by ESCWA about building global resilience capacity.

2.2. General information about the city

The state of Kuwait is a geographically small country situated in Western Asia. It is situated in the northern edge of Eastern Arabia, bordering Iraq to the north and Saudi Arabia to the south.² As of 2021, Kuwait has a population of 4.3 million people, based on the "Worldometer"³ elaboration of the latest United Nations data. Expatriates account for a little more than two thirds of the population. The capital city of the state of Kuwait is Kuwait City, which is the focus of this report. Most of the country's population reside in the urban agglomeration of Kuwait City. To this extent, it can be argued that Kuwait is one of the world's most-urbanized countries. For this reason, it is very difficult to distinguish between actions taken at the country level and the city level. The distinction between "Local Government" and "Central Government" is meaningless in this particular case, given that the "government" is the State of Kuwait is generally speaking a "one tier government". In practical terms, there is no significant difference between the "Central Government" and the "Local Authorities". While there are six governorates/provinces (Muhafadah), each one of them is headed by a Governor appointed by a Ministerial decree for a period of 4 years which can be renewed upon the proposal of the Prime Minister. There is an Amiri Decree that ascertains and defines the role of the Governors and their duties in a precise matter. All of them follow strict guidelines and directives of the central government. So, in principle, although the authority of the Governor is considered as a "Local Authority" as it is defined in general, the effective authority is vested by the Cabinet headed by the Prime Minister. For this reason, and for the remainder of this report, "Local Government" and "Central Government" would practically have the same repercussion. Likewise, the assessment of "Urban Economic Resilience" in this report, is in reality very nearly an assessment of the "Country's Economic Resilience", given that most of the country's population reside in the urban agglomeration of Kuwait City. The Municipality of Kuwait City's role is limited to provisions of certain services, mainly planning permits, health certifications, drainage and irrigation, and waste management. Its governance is under the authority of the Minister of State for Municipal Affairs. Its budget is allocated by the Government and appropriated the same way appropriations for other ministries and Government departments take place.

Kuwait is a high-income country that developed into a welfare state for its nationals who enjoy a very high standard of living. Its economy is highly dependent on oil, as it holds an estimated 7% of the world's proven oil reserves. Generally speaking, petroleum usually accounts for over half of GDP, 92% of export revenues, and more than 90% of government income. Given the volatility of world energy prices and the exhaustible nature of oil resources, policymaking in Kuwait has been focused prior to the COVID-19 pandemic on structural reforms to diversify the economy. However, with the outbreak of the pandemic, severe obstacles had been put on the country efforts towards making progress with respect to the necessary reforms. In particular, the country's public finances came under severe pressure due to the COVID-19 pandemic as government spending increased

² [About Kuwait | UNDP in Kuwait](#)

³ [Population by Country \(2021\) - Worldometer \(worldometers.info\)](#)

amid actions taken to face the crisis, at the same time as global oil prices and OPEC oil output fell significantly. As expected, the overall economic growth in Kuwait has recently slowed down due to subdued oil prices and to decreased oil production. Despite the large oil reserves of Kuwait, the decline in oil prices and the global shift to cleaner energy put at risk the economic and fiscal sustainability of the country over the long term. The slower global growth caused by COVID-19 is expected to be absorbed by fiscal and financial buffers at the expense of sustainable development. This highlights the importance of fiscal and structural reforms implementation laying the foundation for a sustainable growth model, something that policy-makers seem to be determined to pursue as soon as the pandemic is over.

2.3. COVID-19 impact

The first COVID-19 case in Kuwait was reported on February 24, 2020⁴. The Government started taking swift actions immediately. On 11 March 2020, it announced lockdown measures by suspending work at all governmental entities, schools, universities, and private sectors except for critical services. On March 15, commercial flights were suspended, and borders were closed. The country was placed under a partial curfew starting March 22, and a full curfew for 20 days starting 10 May. As a result of pressure from the public and the business community, the Government announced a plan for gradual return to regular economic activities at the end of May. The reopening plan was composed of five stages/phases with each stage/phase lasting for a minimum of three weeks, depending on assessments by the Ministry of Health. Stage I lasted from May 31st to June 29th. Stage II lasted from June 30th to July 27th. Stage III lasted from July 28th to August 17th. Stage IV started on August 18th, but never been declared over. Stage V has never been declared effective. The nationwide partial curfew was lifted on August 30, 2020. However, the authorities still enforced a ban on parties, including weddings, banquets, and funerals.⁵

After a period of temporary declines in daily COVID-19 cases (December 2020), Kuwait once again has witnessed a severe increase in cases in February 2021. The government had to adopt a series of new restrictions, one of which is the return of a partial curfew from 5 pm to 5 am on March 7, 2021. All commercial activities were suspended during the curfew time. In addition, the government decided to prevent non-Kuwaitis from entering the country until further notice. As of the 16th of April 2021, there were 253,066 confirmed cases of COVID-19 in total, with 236,384 recoveries, 244 critical cases, 15,254 cases receiving treatments and 1,428 deaths. Recovery and fatality rates were 93.4% and 0.6%, respectively.⁶

2.4. Key crisis response and recovery measures

In response to the COVID-19 outbreak, the Kuwait government initiated a number of important responses. Several structured strategies and knowledge-driven decisions were taken to provide urban areas with the help needed to respond to the crisis. The Cabinet of Ministers was responsible for decision-making and regularly monitoring the situation, and a weekly ministerial press conference modality was introduced. All key decisions were made at the Central Government level, with all other actors implementing the decisions of the Cabinet. In addition to the Municipality, private sector, and civil society organizations have all provided and put their capabilities at the disposal of the government throughout this crisis. The government had launched on March 31st, 2020 the Higher Steering Committee for Economic Stimulus headed by the Governor of the Central

⁴ kuna.net.kw : مجلس الوزراء يعقد اجتماعه الأسبوعي - حكومة - 2020/02/24

⁵ For descriptions of COVID-19 actions, please refer to the [Global Compendium of Practices on Local Economic and Financial Recovery \(UN-Habitat 2021\)](https://unhabitat.org/sites/default/files/2021/03/global-compendium-of-practices-covid-19.pdf): <https://unhabitat.org/sites/default/files/2021/03/global-compendium-of-practices-covid-19.pdf>.

⁶ [Kuwait COVID-19 Corona Tracker](#)

Bank of Kuwait⁷, with the purpose of designing a stimulus plan for the local economy. A “temporary fund” was established by the Government to receive financial contributions from private donors in support of the efforts related to the outbreak, especially in the most affected parts of the city. In addition, the Kuwait government has disbursed about 240 million dinars to support Kuwaiti citizens employed in the private sector as part of efforts to soften the impact of the pandemic.⁸

The Kuwait Municipality, which serves as the government entity responsible for the planning and monitoring of the country’s urban development activities, played a significant role in the management of the crisis. In support of the guidance of the Central Government and the Ministry of Health, the municipality enforced a strict policy of health safety within commercial stores. These efforts have been significant to support precautionary measures enforced by the country’s health authorities to avoid the spread of COVID-19. The Municipality has also maintained the crucial responsibility of cleaning and sanitizing streets and buildings throughout the crisis. The government ensured the availability of food, water, electricity and all essential needs for the citizens, Kuwaiti, and expats. It is also important to mention that civil societies had contributed towards easing the effects of the crisis, in particular the Kuwait Red Crescent Society which gathered donations from different private sector companies and distributed them to registered families in need. This was important as many families lost their job or had their salaries affected due to the crisis. Many civil charity organizations/societies participated in activities involving distributing food for underprivileged expat families and individuals during the lockdown in different areas of areas in Kuwait.

2. 5 Diagnostic process

Against this background, this project attempts to assess the urban economic resilience in Kuwait in the face of COVID-19 crisis. This resilience is defined as *the capacity and related capabilities of urban communities to plan for, anticipate negative shocks, including long-term stresses, to the economy, reallocate and mobilize resources to withstand those shocks, recover from the shocks, and rebuild at least to pre-crisis levels, while placing the economy on the path to sustainable economic growth and simultaneously strengthening capacity to deal with any future shocks*⁹. This definition was used as basis for developing a Diagnostic and Planning Tool (DPT) to assess the different dimensions of urban economic resilience. The DPT used in preparing this report helps in:

- Understanding the strengths and weaknesses of the institutional and operating arrangements taken in Kuwait, from the perspective of economic recovery and resilience building, as well as to assess the structure and functioning of its economy. This is necessary for developing a clear understanding of the economic performance in Kuwait and how it interrelates with vulnerability and resilience.
- Defining a process for the design and implementation of recovery plans/strategies to address the identified gaps, accelerate better recovery and improve longer-term resilience in Kuwait.

7 04.04.20 | بيان صحفي | انطلاق اجتماعات اللجنة التوجيهية العليا للتخفيف الاقتصادي (cbk.gov.kw)

8 For descriptions of the recovery measures, please refer to the Global Compendium of Practices on Local Economic and Financial Recovery (UN-Habitat 2021): <https://unhabitat.org/sites/default/files/2021/03/global-compendium-of-practices-covid-19.pdf>.

⁹ https://www.uncdf.org/article/6196/guiding-principles-and-practices-for-urban-economic-recovery-and-resilience#.X5_C7WGkn-c.twitter

The five dimensions and their corresponding indicators are listed in figure 2, which is taken from the DPT report of the UNCDF. Data collection and analysis for the city of Kuwait was conducted by ESCWA.

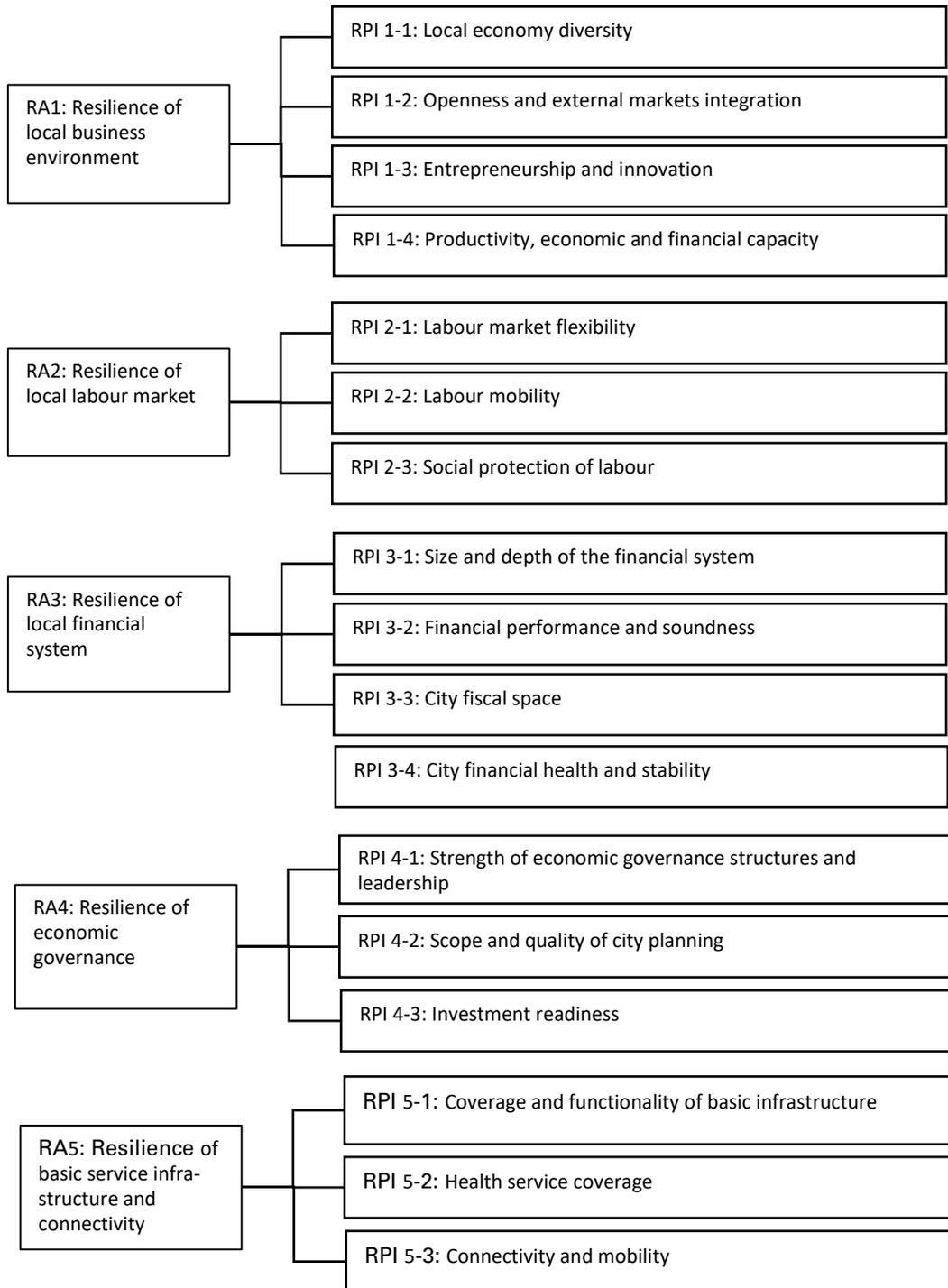


Figure 2 Design of the diagnostic tool

The DPT follows a demand-driven approach to urban resilience that encompasses the design, implementation, and monitoring of sustainable, resilient, and inclusive COVID-19 responses by local governments. The aim of this tool is to inform the users of its outcomes for better understanding of the drivers of economic and urban resilience in the context of external shocks, which are likely to become more frequent in the 21st century in an ever more urbanized world. The DPT provides two interlinked tools for urban analysis. First, the diagnostics of resilience aims at answering the “What” questions by identifying areas of weaknesses or strengths in city’s urban resilience. Second, planning for resilience, which is based on the results of the diagnostic analysis, aims to inform policymakers on the best way to enhance the resilience of the city and to plan for future shocks. This report tackles the first part, which is the resilience diagnostics applied to the city of Kuwait.

The application of the DPT for the purpose of this report about Kuwait commenced with assessing data availability from different available official sources and from specific stakeholders. All quantitative data was collected from various national and international sources. For the qualitative variables, a focus group discussion meeting was organized with stakeholders on March 11 and 12, 2021 to help in assessing the different indicators using a Delphi approach. A mean score is determined on a scale ranging from an “F” to an “A” for every indicator based on deliberations with stakeholders. Highly reputed academics and representatives of the business community were invited to participate in this focus group meeting. This process was complemented by a validation and local stakeholders visioning workshop organized on April 15 2021 to validate the results of the diagnosis and identify through an inclusive process the main gaps to address through a related recovery plan. The appendices at the end of this report detail the data sources used for all indicators, and the list of participants of the focus group and the validation workshop. The next section details the findings of the diagnostic analysis for the city of Kuwait based on the DPT.

3. Findings of the Diagnostic

The diagnostics of the performance of the city of Kuwait used the DPT framework detailed in figure 2. The results can be summarized as follows: on the resilience of local business environment, Kuwait has a moderate performance on different business performance indicators. The latter shows that the city of Kuwait has a moderate local economy diversity (RPI 1-1), a weak openness and external market integration (RPI 1-2), a moderate entrepreneurship and innovation (RPI 1-3), and moderate productivity, economic, and financial capacity (RPI 1-4). On the Resilience of local labour market, Kuwait performs in a moderate way, it has a weak labour market flexibility (RPI 2-1), a weak opportunity for labour mobility (RPI 2-2) and a strong social protection of labour (RPI 2-3), assessed at different levels. On the resilience of local financial system, Kuwait has a moderate performance on different local financial system indicators. This shows that the city has a moderate size and depth of its financial system (RPI 3-1), a moderate financial performance and soundness (RPI 3-2), a very weak city fiscal space (RPI 3-3) and a moderate city financial health and stability (RPI 3-4). On the resilience of economic governance, Kuwait has a moderate performance. The city has moderate strength of economic governance structures and leadership (RPI 4-1), a weak scope and quality of city planning (RPI 4-2) and a moderate investment readiness (RPI 4-3). Finally, on the resilience of basic service infrastructure and connectivity, Kuwait has a strong to moderate performance on the different levels of this indicator. The city has a strong moderate coverage and functionality of basic public services and infrastructure (RPI 5-1), a moderate performance in health service coverage (RPI 5-2) and a moderate performance on connectivity and mobility (RPI 5-3).

The diagnostic tool assesses qualitative and quantitative indicators in five resilience areas as follows:

- RA1: Resilience of local business environment
- RA2: Resilience of local labor market
- RA3: Resilience of local financial system
- RA4: Resilience of economic governance
- RA5: Resilience of basic infrastructure and connectivity

Findings are detailed below.

3.1 Resilience of the Local Business Environment

The resilience of local business environment is assessed using four resilience performance indicators that measure the capacity of local businesses (including the public sector) to sustain growth and respond to demographic, technological and market conditions..

The indicators are:

- Local economy diversity (RPI 1-1)
- Openness and external markets integration (RPI 1-2)
- Entrepreneurship and innovation (RPI1-3)
- Productivity, economic, and financial capacity (RPI 1-4)

The figure below illustrates the mean scores attributed to each of these resilience performance indicators.

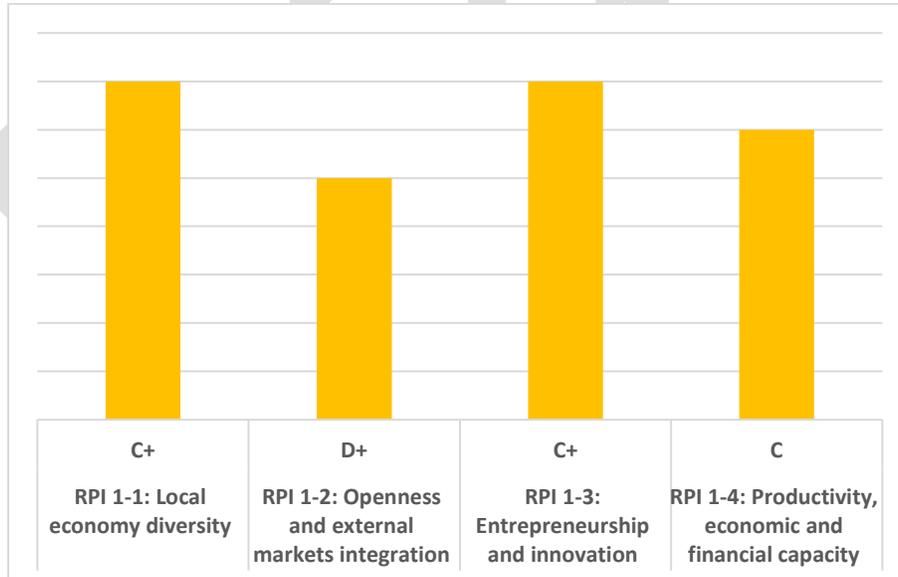


Figure 3: Resilience of Local Business Environment

The first performance indicator in this resilience area is (RPI 1-1: Local Economy Diversity) which includes four measures:city product diversity, informality, public economy strength, and COVID-19 impact concentration. Table 1 shows the values of respective measures and corresponding scoring. The overall score for RPI 1-1 is indicated in bold.

Table. 1. Local Economy Diversity

RPI 1-1: Local economy diversity	C+	
City product diversity	60%	F
Informality	15%	A
Public economy strength	75%	A
COVID-19 impact concentration	Some sectors are affected more significantly than others (e.g., Real Estate -4%, Manufacturing -5%, Wholesale & General Trading -9%, Retail -27%, ICT -2%). Many other sectors were not affected.	C

The table above illustrates the scores in these four measures that make-up “RPI 1-1: Local economy diversity”. Kuwait scores an overall “C+” score in this resilience performance indicator, which shows moderate local economic diversity. This indicator is composed of four measures. First, city product diversity (reflecting the extent of sector concentration) is measured using the Herfindahl-Hirschman Index, as calculated by summing the squares of the percentage shares for each key economic sector. 2019 national accounts data from the General Secretariat of the Supreme Council for Planning and Development was used to assess this measure. The analysis reveals that Kuwait has a very high sector concentration. The second measure is about informality is assessed based on the findings of a study by KISR (Kuwait Institute of Scientific Research) that estimates the size of the informal sector to be near 15%.¹⁰ The size of informality as a proportion of the total economy was found to be low. It is important to most of the informal employment in the economy is relevant to the expats segment of the population. The third measure is about the public economy strength is assessed using data from the General Secretariat of the Supreme Council for Planning and Development and PACI database¹¹. The assessment reveals that the public sector in Kuwait is very large in relation to the total economy. Finally, the measure on COVID-19 impact concentration variable is assessed in terms of how evenly distributed this impact across sectors. Data is not available from official sources, however, data from private company survey¹² shows that the impact on some sectors is significantly more than on others.

The second resilience performance indicator in this resilience area is (RPI 1-2: Openness and External Markets Integration). It includes two measures: the location quotient range and the local economy openness, to assess the degree of dependence of the local economy on external markets and its vulnerability to external shocks respectively. Table 2 shows the values of respective measures and their corresponding scoring. The overall score for RPI 1-2 is indicated in bold.

Table. 2. Openness and External Markets Integration

RPI 1-2: Openness and external markets integration	D+	
Location quotient range	Kuwait City's economy is structured similarly to the national economy. No distinctive industries for Kuwait City.	C

¹⁰ [Small and Medium Enterprises in Kuwait - Report Vol II, https://www.kfas.org/media/e649aaa4-a886-45c6-9629-6b1119c5264/0c6mkQ/StudiesResearchers/Files/Small%20and%20Medium%20Enterprises%20in%20Kuwait%20-%20Report%20Vol%20II.pdf](https://www.kfas.org/media/e649aaa4-a886-45c6-9629-6b1119c5264/0c6mkQ/StudiesResearchers/Files/Small%20and%20Medium%20Enterprises%20in%20Kuwait%20-%20Report%20Vol%20II.pdf)

¹¹ [نظام الخدمات الإحصائية paci.gov.kw](http://www.paci.gov.kw)

¹² [KUWAIT-BUSINESS-IMPACT-SURVEY-REPORT-MAY13-2020 \(kuwaitimpakt.com\)](http://www.kuwaitimpakt.com)

Local economy openness	100.49%	D
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Kuwait receives an overall score of “D+” in this second indicator, which shows weakness in the openness and external markets integration. This indicator is composed of two measure. The first measure is about the local industrial/employment quotient, reflecting how different is the structure of the local economy from the national economy (in sectoral terms). Data from the General Secretariat of the Supreme Council for Planning and Development shows that Kuwait City’s economy is structured similarly to the national economy. Therefore, the local industrial/employment quotients at the city and the national levels should be very similar. The second measure is about the local economy openness. It is assessed through dividing exports by imports using Information from World Bank national accounts data (trade as a % of GDP) and Globeconomy.com¹³. The result indicates dependence on external markets for economic activities.

The third resilience performance indicator in this resilience area is (RPI 1-3: Entrepreneurship and Innovation). This indicator includes four measures; new business creation, business digitization rate, digital access, and state of ecosystem for innovation support. The table below illustrates the scores in the four measures that make-up “RPI 1-3: Entrepreneurship and innovation”.

Table. 3. Entrepreneurship and Innovation

RPI 1-3: Entrepreneurship and innovation	C+	
New business creation	New business creation as a share of the existing businesses is assessed as medium to low and	C
Business digitization rate	The number of fintech and ecommerce companies is assessed as medium to small, i.e., e-commerce is relatively uncommon	C
Digital access	99.53%	A
State of ecosystem for innovation support	Medium-sized ecosystem for innovation support with some financial and technical facilities operational for supporting innovations different stages of lifecycle.	C

Kuwait’s overall score is a “C+” in the third indicator, which shows moderate performance for the city in entrepreneurship and innovation. This indicator is composed of four measures. The first one is about new business creation. It is measured by the total of new business creation as a share of existing businesses. Data from the Kuwait Chamber Commerce and Industry and the Ministry of Commerce and Industry indicate that the ratio of new business creations to existing businesses has been medium to low, and somehow unstable during the crisis. As for the second measure about the business digitization, the rate is estimated using data from the Kuwait Chamber Commerce and Industry and the Ministry of Commerce and Industry and eCommerce - Kuwait | Statista Market Forecast¹⁴. The number of fintech and ecommerce companies is found to be relatively small, i.e., e-commerce is relatively uncommon. The third measure involves a digital access variable. It is

¹³ [Trade openness by country, around the world | TheGlobalEconomy.com](https://www.theglobaleconomy.com)

¹⁴ <https://www.statista.com/outlook/dmo/ecommerce/kuwait#:~:text=Revenue%20in%20the%20eCommerce%20market,US%24358m%20in%202021>

calculated using the mobile connectivity index. Data from the Ministry of Communication was used to assess this sub-indicator confirming very high internet access and near universality of the coverage of the mobile network. Finally, the state of ecosystem for innovation support measure is a qualitative one that is scored in a focus group meeting with subject matter experts, and also on the basis of information available in the World Bank’s Ease of Doing Business report (about opportunities for firms in Kuwait to grow and innovate).

The fourth resilience performance indicator in this resilience area is (RPI 1-4: Productivity, economic and financial capacity). This indicator includes four measures: business productivity, business access to electricity, access to affordable finance, COVID-19 business failure rate. The table below illustrates the scores in the four measures that make-up **RPI 1-4: Productivity, economic and financial capacity**.

Table. 4. Productivity, Economic & Financial Capacity

RPI 1-4: Productivity, economic and financial capacity	C	
Business productivity	Kuwait City’s business productivity is at the same level with the national productivity	C
Business access to electricity	100% (Access to electricity is universal via the grid connection)	A
Access to affordable finance	Commercial credit to SMEs is not readily available and the spread is above 5%	C
COVID-19 business failure rate	Estimated to be more than 30%	F

Kuwait has an overall “C” score in the fourth indicator, which shows moderate performance productivity, economic, and financial capacity. This indicator is composed of four measures. The first one is about business productivity. Given that there are no significant differences between the economy of the State of Kuwait and that of Kuwait City, business productivity in the city is assessed as being the same as at the country level. The second measure is about business access to electricity. Data from the Ministry of Electricity and Water confirms that businesses have universal access to electricity via the grid connection. The third measure is about access to affordable finance. Data from the Central Bank and from a report by Gulf Bank Kuwait¹⁵ is used to assess this measure, showing that commercial credit to SMEs is not readily available and the spread is above 5%. Finally, the COVID-19 business failure rate is estimated to be higher than 30%, based on the findings of a survey report.¹⁶

3.2 Resilience of the Local Labor Market

The resilience of the local labor market is assessed using three resilience performance indicators . These are:

- Labor market flexibility (RPI 2-1)
- Labor mobility (RPI 2-2)
- Social protection of labor (RPI 2-3)

¹⁵ https://www.e-gulfbank.com/en/media/banking-the-sme-sector-beyond-financing-02022021-30778_v30_tcm27-30778.pdf

¹⁶ [KUWAIT-BUSINESS-IMPACT-SURVEY-REPORT-MAY13-2020 \(kuwaitimpakt.com\)](https://www.kuwaitimpakt.com/KUWAIT-BUSINESS-IMPACT-SURVEY-REPORT-MAY13-2020)

This area of resilience explores the capacity of the local labour market to adjust to changes in economic activities and reallocate labour while minimizing unemployment. The figure below illustrates the mean scores attributed to each of these resilience performance indicators .

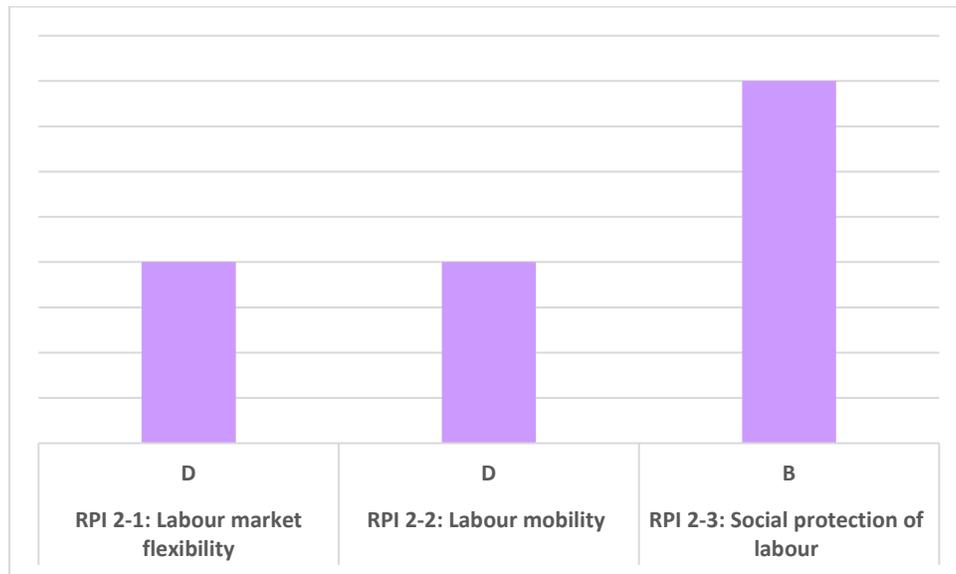


Figure 4: Resilience of Local Labour Market

The first performance indicator in this resilience area is (RPI 2-1: Labour Market Flexibility)

It includes three measures: employment diversity, population/employment ratio, and the COVID-19 induced unemployment. Table 5 shows the values of respective measures and corresponding scores for the labour market flexibility.

Table 5. Labour Market Flexibility

RPI 2-1: Labor market flexibility	D	
Employment diversity	Kuwait City economy has a high labor concentration by sector (In 2020, 1.96 percent of the employees were active in the agricultural sector, 24.38 percent in industry and 73.66 percent in the service sector)	D
Population/Employment Ratio	The ratio is around 152 %. Kuwait City’s employment rate is the same the national one.	C
COVID-19 induced unemployment	Estimated to be around 30% (for the expat segment of the labor market)	F

The table above illustrates the scores in the three measures that make-up “RPI 2-1: Labor market flexibility”. Kuwait has an overall “D” score in this area which shows weakness in labor market flexibility. This indicator is composed of three measures. The first is about employment diversity. Data from the Central Statistical Bureau is used to calculate the Herfindahl-Hirschman Index. This assessment reveals that the economy has a high labor concentration by sector. It is important to note that the expat labor force is concentrated in all private sector activities, while nationals prefer working in the more appealing public sector. The second sub-indicator is about population to

employment ratio. Given that there are no significant differences between the economy of the State of Kuwait and that of Kuwait City, this ratio in the city is almost the same at the national level. Finally, COVID-19 induced unemployment is estimated to be at least 30% based on the results of a survey report.¹⁷ However, it is important to note that this adverse situation has only affected the expats segment of the labor force.

The second performance indicator in this resilience area is (RPI 2-2: Labour Mobility) It includes four measures: occupational labour mobility, availability of retraining programs, geographic labour mobility, and the average proportion of a household’s budget spent on rental housing. Table 6 shows the values of respective measures and corresponding scores for the labour mobility.

Table 6. Labour Mobility

RPI 2-2: Labor mobility	D	
Occupational labor mobility	N.A.	
Availability of worker (re)training programs at the city level.	No significant availability of worker re-training programs for expats	D
Geographic labor mobility	The Focus group assessed that D is the more representative of the true situation in Kuwait City	D
Average Proportion of a household’s budget spent on rental housing	25%	D

Kuwait receives an overall “D” score in this indicator which shows weak labor mobility in the city. It is composed of four measures. The first one is about occupational labor mobility. No score is assigned for this measure, given that reliable data on this variable is not available. The second measure is about availability of worker (re)training programs. This is a qualitative measure that was scored in a focus group meeting with subject matter experts. The assessment is that there is no significant availability of worker re-training programs, especially for the expats segment of the labor force. The third measure is about geographic labor mobility. It was assessed in the focus group meeting with subject matter experts that “D” is the more likely representative of the true situation in Kuwait City. Finally, the average proportion of a household’s budget spent on rental housing services is calculated by dividing housing service expenses by the total household budget, using data from Central Statistical Bureau Annual Surveys (household income and expenditure surveys).

The third performance indicator in this resilience area is (RPI 2-3: Social Protection of Labour) It includes four measures: Unemployment rate, Unemployed receiving unemployment benefits, Informal employment rate, and city expenditure on social protection. Table 7 shows the values of respective measures and corresponding scores for the Social Protection of Labour.

¹⁷ [KUWAIT-BUSINESS-IMPACT-SURVEY-REPORT-MAY13-2020 \(kuwaitimpakt.com\)](http://kuwaitimpakt.com)

Table 7. Social Protection of Labour

RPI 2-3: Social protection of labor	B	
Unemployment rate	The same as the national rate (2.18% for nationals)	B
Unemployed receiving unemployment benefits	30% (Nationals only)	D
Informal employment rate	N.A.	
City expenditure on social protection	Over 15%	A

Kuwait has an overall “B” score in this indicator which shows a strong social protection of labor in the city. It is composed of four measures. The first one is about the unemployment rate which is obtained from the Central Statistical Bureau. The official rate is low (and similar to the rate at the national level). However, this rate is an accurate reflection of the situation only in the national segment of the labor force. It is expected to be significantly higher than the official rate within the expats segment of the labor market. The second measure is about percentage of those unemployed receiving unemployment benefits. It reflects the extent of coverage of the unemployed by some sort of unemployment benefit schemes, and the ease of access to such schemes. Such schemes are available in Kuwait, but only to the national segment of the labor force. Therefore, nearly 70 percent of the countries of the country’s work force (expats) have no access to such schemes. The third measure is about the informal employment rate. No reliable data allowing for proper scoring is available. Thus, this measure is not included in the scoring. Finally, city expenditure on social protection is measured by the proportion in the budget of total expenditures on social protection. Data from the Ministry of Finance (Budget) was used to assess this measure.¹⁸

3.3 Resilience of the Local Financial System

The resilience of the local financial system is assessed using four indicators. These are:

- Size and depth of the financial system (RPI 3-1) Financial performance and soundness (RPI 3-2)
- City fiscal space (RPI 3-3)
- City financial health and stability (RPI 3-4)

This area of resilience analyses the capacity of the local financial system to maintain adequate and continuous supply of finance to economic activities with appropriate instruments. The figure below illustrates the mean scores attributed to each of these resilience performance indicators.

¹⁸ This information is also confirmed in this article: <https://www.timeskuwait.com/news/kd-961-5-million-spent-on-social-protection-for-citizens-in-11-months/>

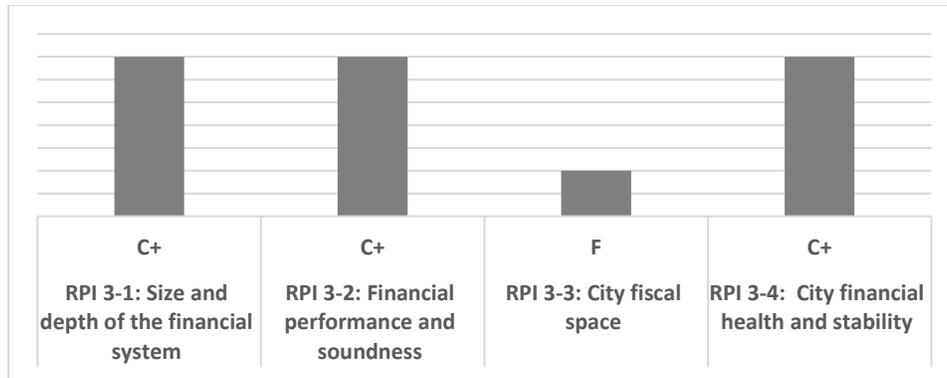


Figure 5: Resilience of Local Financial System'

The first performance indicator in this resilience area is (RPI 3-1: Size and Depth of the Financial System) It includes four measures: financial institutions per 100,000 inhabitants, proportion of the population with a bank account, percentage of adult population with a registered Digital Finance account, and market share of financial institutions and other financiers offering affordable finance for start-ups and innovations. Table 8 shows the values of respective measures and corresponding scores for RPI 3-1.

Table 8. Size and Depth of the Financial System

RPI 3-1: Size and depth of the financial system	C+	
Financial institutions per 100,000 inhabitants	13.5 financial institutions per 100,000, and the city level is approximately the same as nation-wise.	C
Proportion of the population with a bank account	Large proportion: (80%), the same as the national level	B
Percentage of adult population with a registered Digital Finance account	N.A.	
Market share of financial institutions and other financiers offering affordable finance for start-ups and innovations	A very small market share (less than 3.5%); very few investors; finance for startups and innovative businesses is very limited.	F

Kuwait has an overall “C+” score in this area about the size and depth of the financial system. This indicator is composed of four measures. The first one is about the city quotient of financial system. It is assessed by comparing the number of banks branches in Kuwait City per 100,000 inhabitants to the total number of bank branches in the State of Kuwait per 100,000 inhabitants. This information is available from the Central Bank and confirmed by “FRED Economic data”¹⁹. As for the second measure about proportion of the population with a bank account, data from the Central Bank reveals that the proportion of the population with a bank account is relatively large

¹⁹ <https://fred.stlouisfed.org/series/KWTFEBODCANUM>

and the same as the national level.²⁰ The third measure is not scored, given the lack of reliable data allowing for the proper measurement of the percentage of adult population with a registered Digital Finance account. Finally, the market share of financial institutions and other financiers offering affordable finance for start-ups and innovations was measured in a qualitative manner since quantitative data is not available. This qualitative sub-indicator is scored qualitatively based exclusively on feedback by a focus group meeting with subject matter experts. The score reflects the scarcity of investors, finance for startups and innovative businesses.

The second performance indicator in this resilience area is (RPI 3-2: Financial Performance and Soundness) It includes four measures: interest rates spread, nonperforming loans to total gross loans, sectoral distribution of loans to total loans, and the change in the nonperforming loans rate and percentage of loans restructured attributable to COVID-19. The table below illustrates the scores in the four measures.

Table 9. Financial Performance and Soundness

RPI 3-2: Financial performance and soundness	C+	
Interest rate spreads	2.92%	B
nonperforming loans to total gross loans	1.8%	B
sectoral distribution of loans to total loans	Loan portfolio is concentrated in two sectors (HHI is estimated to be around .4)	D
Change in the nonperforming loans rate and percentage of loans restructured attributable to COVID-19	rate has remained under 2%; with no significant change.	B

Kuwait receives an overall “C+” score in this second indicator which shows that the city has an average performance when it comes to financial performance and soundness. It is composed of four measures. The first one is about interest rate spread is assessed by the margin between the average rate on deposits in commercial banks and the discount rate. Data from the Central Bank was used to assess this sub-indicator. Data about the second measure about nonperforming loans to total gross loans is available from the World Bank and from the Central Bank, and from the 2020 Markaz Report.²¹ The third measure is about the sectoral distribution of loans to total loans. Data reflecting the extent of loan portfolio diversification among sectors available from the Central Bank was used to estimate the HHI index which was found to indicate that the loan portfolio is concentrated in a small number of sectors. Finally, information about the change in the nonperforming loans rate and percentage of loans restructured attributable to COVID-19 is assessed using data from the Central Bank and CEIC.²²

The third performance indicator in this resilience area is (RPI 3-3: City Fiscal Space) It includes four measures: city revenue diversity, share of income inelastic revenues as a percentage

²⁰ The information about the size of population with a bank account is confirmed in this article: <https://kuwaitlocal.com/news/kuwait-about-80-percent-of-people-in-kuwait-own-bank-accounts#:~:text=About%2080%20Percent%20of%20People%20in%20Kuwait%20Own%20Bank%20Accounts%20%7C%20Kuwait%20Local&text=About%2080%20percent%20of%20the.%2C%20reports%20A1%2DAnba%20daily>.

²¹ <https://www.markaz.com/getmedia/c4a029ff-c1a3-4c18-b70b-770378696c50/Kuwait-Banking-Sector-Outlook-Report.pdf.aspx>

²² <https://www.ceicdata.com/en/indicator/kuwait/non-performing-loans-ratio>

of own source revenues, financial flexibility, and fiscal flexibility. Table 10 shows the values of respective measures and corresponding scores for the City Fiscal Space indicator.

Table 10. City Fiscal Space

RPI 3-3: City fiscal space	F	
City revenue diversity	A very undiversified revenue, oil income averages more than 90 percent of total revenues	F
Share of income inelastic revenues as a percentage of own source revenues	Below 10%)	F
Financial flexibility	Below 10%	F
Fiscal flexibility	Very weak fiscal capacity: no taxes and fees are assigned (they are set by the central government).	F

Kuwait has an overall “F” score in this indicator which shows that the city has a poor performance when it comes to city fiscal space. This indicator is composed of four measures. The first one is about the city revenue diversity. It is reflecting the extent of diversification of the revenue space, and the degree of dependency on external finance. Data from the Ministry of Finance (Budget) was used to assess this measure revealing a very undiversified revenue base, given that oil income averages more than 90 percent of total revenues. The second measure is about the share of income inelastic revenues as a percentage of own source revenues. Data from the Ministry of Finance (Budget) was used to assess this measure, indicating that the share of income inelastic revenues is very low. The third measure about the financial flexibility is assessed using data from the Ministry of Finance, confirming a very low degree of financial flexibility. Finally, the fiscal flexibility is a qualitative measure that was scored in a focus group meeting with subject matter experts. The score reflects a very weak fiscal capacity to introduce new taxes.

The fourth performance indicator in this resilience area is (RPI 3-4: City Financial Health and Stability) It includes four measures: share of local financial market, city credit rating, city audit performance, and COVID-19 impact on city financial health and stability ‘Table 11 shows the values of respective measures and corresponding scores for the City Financial Health and Stability.

Table 11. City Financial Health and Stability

RPI 3-4: City financial health and stability	C+	
City share of the local financial market	More than 10%	A
City credit rating	High credit rating	B
City audit performance	Adverse opinion	D

COVID-19 impact on city financial health and stability	Revenues significantly decreased in 2020 because of sharp declines in oil revenues (nearly 40%)	D
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Kuwait’s overall score in this indicator is “C+” which shows an average performance in city health and stability. This indicator is composed of four measures. The first one is about the share of the local financial market. Kuwait City’s share of this market is high given that it is also corresponding, to a large extent, to the central government’s share of the financial sector. The second measure is about the city’s credit rating variable. It indicates how well the credit rating of Kuwait (State of Kuwait and not the city in this case) is. Data from Moody's, Standard & Poor's and Fitch was used to assess this sub-indicator. The third measure, about city audit performance, is a qualitative one that was scored as “D” in a focus group meeting with subject matter experts. Finally, the measure about the change in total city revenues under COVID-19 is assessed using data from the Ministry of Finance revealing that revenues significantly decreased in 2020 because of sharp declines in oil revenues.

3.4 Resilience of Economic Governance

The resilience of the economic governance is assessed using three resilience performance indicators. These are:

- Strength of the economic governance structures and leadership (RPI 4-1)
- Scope and quality of city planning (RPI 4-2)
- Investment readiness (RPI 4-3)

This area of resilience analyses the capacity of local economic governance to plan, allocate and mobilize resources and coordinate public and private economic activities. Figure 6 depicts the resilience performance of economic governance in Kuwait by listing the scores of each RPI under this area of resilience.

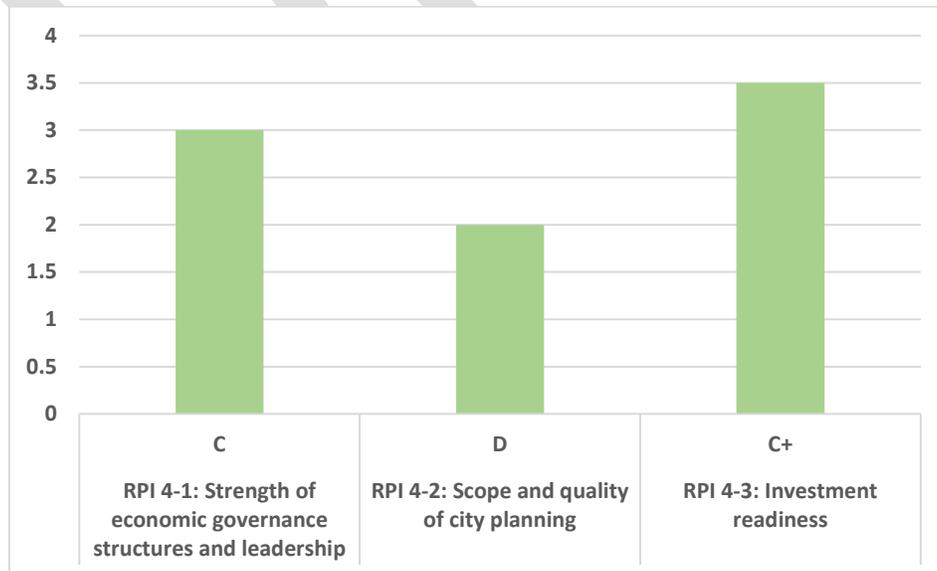


Figure 6: Resilience of Economic Governance

The first performance indicator in this resilience area is (RPI 4-1: Strength of economic governance structures and leadership) It includes four measures: inclusiveness of economic governance structures, public participation in economic governance processes, and access to local public information on economic issues. Table 12 shows the values of respective measures and corresponding scores for RPI 4-1.

Table 12. Strength of Economic Governance Structures and Leadership

RPI 4-1: Strength of economic governance structures and leadership	C	
Public participation in economic governance structures'	City economic governance structures have a few or no nongovernment representatives limited to one sector only; participation is sporadic or ad-hoc	F
Public participation in economic governance processes	Average degree of public involvement (via ad hoc consultations, meetings, forums), public feedback is sought from time to time and sometimes incorporated	C
Access to local public information on economic issues	Information covers many relevant economic issues, and is of acceptable quality and provided relatively regularly	C

Kuwait receives an overall “C” score in this indicator, which shows an average performance in the strength of economic governance structures and leadership. It is composed of three measures. The first measure is about the inclusiveness of economic governance structures. It is a qualitative one that was scored as “F” in a focus group meeting with subject matter experts. The second measure is about public participation in economic governance processes and the third one is about access to local public information on economic issues. The following two qualitative measures received “C” scores in a focus group meeting with subject matter experts.

The second performance indicator in this resilience area is (RPI 4-2: Scope and quality of city planning) It includes four measures: holistic planning system, degree of integration of crisis management provisions in city planning and budgeting, vulnerability assessment methodology and vulnerability assessments of basic infrastructure and systems, and the extent of access and application of digital technologies for city planning and management. Table 13 shows the values of respective measures and corresponding scores for the scope and quality of city planning.

Table 13. Scope And Quality of City Planning

RPI 4-2: Scope and quality of city planning	D	
Holistic planning system	Plans on at least two levels (strategic or medium-term and annual) exist and demonstrate a degree of interconnectedness,	C
Degree of integration of crisis management provisions in city planning and budgeting	Crises management provisions address a few issues and not properly mainstreamed in respective plans.	D

Vulnerability assessment methodology and vulnerability assessments of basic infrastructure and systems	No coherent vulnerability assessment methodology exists; assessments take place rarely, if at all; relevant actions rarely incorporated in plans at all levels.	D
Extent of access and application of digital technologies for city planning and management	No use of IoT and big data.	F

Kuwait has an overall “D” score in this indicator, which shows weakness in Kuwait’s scope and quality of city planning. This indicator is composed of four qualitative measures. These are the holistic planning system indicating how comprehensive and interconnected all levels of plans (strategic, medium-term and annual) are; degree of integration of crisis management provisions in city planning and budgeting indicating how comprehensive and mainstreamed in plans at all levels (strategic, medium-term and annual) are the crises management provisions; the vulnerability assessment methodology and vulnerability assessments of basic infrastructure and system budgeting reflecting the extent of robustness of the vulnerability assessment methodologies (and how often such methodologies are towards proposing relevant actions to be incorporated in plans at all levels); and the extent of access and application of digital technologies for city planning and management reflecting the degree of development and usage of information technologies and big data analytics in services. These were scored as “C”, “D”, “D”, and “F”, respectively, in a focus group meeting with subject matter experts.

The third performance indicator in this resilience area is (RPI 4-3: Investment readiness) It includes four measures: for the strategic planning and resilience proofing of investment projects, access to public land as a factor of production, intensity of regulation/administrative burden’, and the investment-enabling environment. Table 14 shows the values of respective measures and corresponding scores for the Investment Readiness indicator.

Table 14. Investment Readiness

RPI 4-3: Investment readiness	C+	
Strategic planning and resilience proofing of investment projects	Most investment projects are derived from the approved medium-term development plan and CIP, make provision for external finance when appropriate, and have project profiles that in general address resilience issues.	B
Access to public land as a factor of production	Significant autonomy to decide over the use and (re)allocation of land resources; a high percentage of vacant/unutilized public land.	B
Intensity of regulation/administrative burden	High intensity of business regulation, registration takes a long time and requires significant efforts.	D
Investment-enabling environment	Some amount of investment data (including some investment profiles) and a small number of financial and nonfinancial facilities to facilitate investment.	C

Kuwait has an overall “C+” score in this indicator which shows an average performance in investment readiness. It is composed of four qualitative measures. These are the strategic planning and resilience proofing of investment projects reflecting the extent by which investment projects are derived from approved medium-term development plans that make provision for external finance when appropriate (and whether these projects address as part of their profile resilience issues); the access to public land as a factor of production reflecting the extent of the autonomy to decide over the use and (re)allocation of land resources (and how available vacant/unutilized public land is); the intensity of regulation/administrative burden reflecting the intensity of business regulation (and how quick and easy business registration procedures are); and investment-enabling environment reflecting the degree of accessibility to detailed and properly designed investment data (and the availability of financial and nonfinancial facilities to promote investment). These were scored as “B”, “B”, “D”, and “C”, respectively, in a focus group meeting with subject matter experts.

3.5 Resilience of Basic Service Infrastructure and Connectivity

The resilience of the basic service infrastructure and connectivity is assessed using three resilience performance indicators. These are:

- Coverage and functionality of basic public services and infrastructure (RPI 5-1)
- Health service coverage (RPI 5-2)
- Connectivity and mobility (RPI 5-3)

This area of resilience analyzes the capacity of basic service infrastructure and connectivity systems to enable and facilitate continued operation of the other four components of urban economy under stressful conditions. Figure 7 depicts the resilience performance of the basic service infrastructure and connectivity in Kuwait by listing the scores of each RPI under this area of resilience.

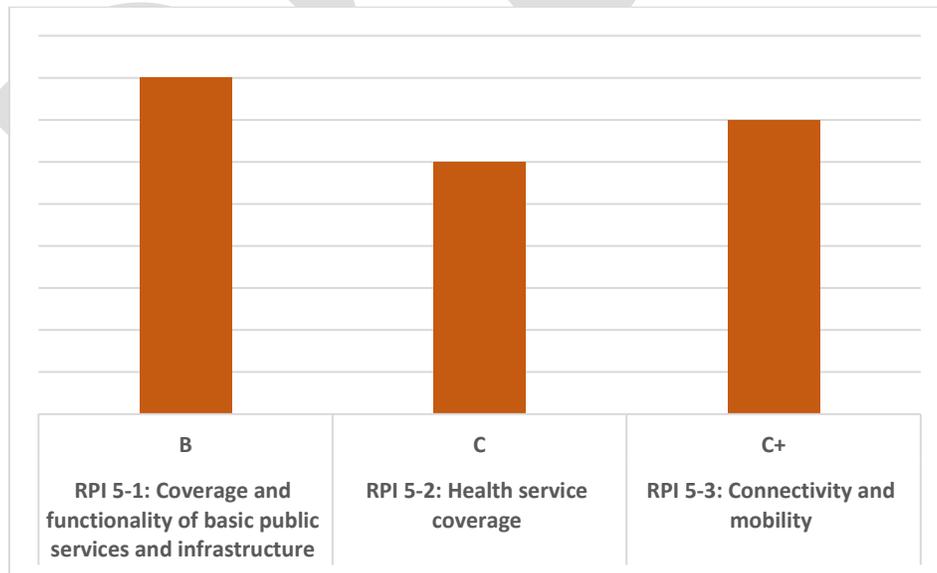


Figure 7: Resilience of Infrastructure and Connectivity

The first performance indicator in this resilience area is (Coverage and functionality of basic public services and infrastructure) It includes four measures: public open space per 1000 inhabitants, Average number and length of interruptions per customer per year in the electricity

network., percentage of population with access to water and sanitation services, and percentage of population with regular municipal solid waste collection. Table 15 shows the values of respective measures and corresponding scores for RPI 5-1. The overall score for RPI 5-1 is indicated in bold. Table 15. Coverage and Functionality of Basic Public Services and Infrastructure

RPI 5-1: Coverage and functionality of basic public services and infrastructure	B	
Public open space per 1,000 inhabitants	N.A.	
Average number and length of interruptions per customer per year in the electricity network.	Very rare interruptions for short periods	A
Percentage of population with access to water and sanitation services	More than 95%	B
Percentage of population with regular municipal solid waste collection	Officially, more than 90%. Technically, the score should be “B”. However, some of the dumpsites are surrounded by residential and commercial areas which creates public health concerns (i.e., the high official percentage overstates the actual situation). That is, not all regular waste collection serves the intended purpose of removing waste completely from residential areas. For this reason, the score “C” is allocated.	C

Kuwait has an overall “B” score in this indicator which shows a strong performance in the coverage and functionality of basic public services and infrastructure. This indicator is composed of four measures. The first one is about the public open space per 1,000 inhabitants. This was not scored given the lack of reliable data on the matter. The second measure is about the average number and length of interruptions per customer per year in the public electricity network. Data from the Kuwait Ministry of Electricity and Water was used to assess this measure. As for the third measure, about the percentage of population with access to water and sanitation services, it is assessed by dividing the number of residents with access to sanitation services by the total population, using data from the Ministry of Electricity and Water, and the Borgen project.²³ Finally, data for the measure about the percentage of population with regular municipal solid waste collection, reflecting the degree of accessibility to municipal solid waste collection services, comes from the Kuwait Municipality and Eco MENA.²⁴

The second performance indicator in this resilience area is (RPI 5-2: Health Service Coverage). It includes three measures: city quotient for health workers per 10,000 population, city quotient for hospital beds per 10,000 population, and the city expenditure on health. Table 16 shows the values of respective measures and corresponding scores for RPI 5-2. The overall score for RPI 5-1 is indicated in bold.

Table 16. Health Service Coverage

²³ <https://borgenproject.org/sanitation-in-kuwait/#:~:text=The%20CIA%20estimated%20in%202015,access%20to%20improved%20sanitation%20facilities.>

²⁴ <https://www.ecomena.org/solid-waste-management-in-kuwait/>

RPI 5-2: Health service coverage	C	
City quotient for health workers per 10,000 population	24.0 physicians and 59.0 nurses and midwives per 10 000 population. The number of Kuwait City health workers is the same as nation-wise.	C
City quotient for hospital beds per 10,000 population	Around 21, The number of hospital beds at Kuwait City level is the same as nation-wise.	C
City expenditure on health	N.A.	

Kuwait has an overall “C” score in this indicator which shows an average performance in the health service coverage. It is composed of three measures. The first one is about the city quotient for health workers per 10,000 population. Data from the Ministry of Health was used to obtain the figures in the table. These quotients are pertinent to Kuwait City and to the national level as well, given that the health care system that serves the city is also the one that serves the whole country. Likewise, data from the Ministry of Health and the World Bank was used to estimate the second measure, the city quotient for hospital beds per 10,000 population. No significant differences in this quotient between the city and at the national level, given that the health care system available in the city is the same health care system that serves the whole country. Finally, the measure on the city expenditure on health was not scored due to the non-availability of reliable recent data sources.

The third performance indicator in this resilience area is (RPI 5-3: Connectivity and Mobility) It includes four measures: continuity of telephone and internet operations, average commuting travel time disaggregated for the key modes of transportation, total coverage of all superior modes of public transport, and walkability and cyclability. Table 17 shows the values of respective measures and corresponding scores for RPI 5-3. The overall score for RPI 5-3 is indicated in bold.

Table 17. Connectivity and Mobility

RPI 5-3: Connectivity and mobility	C+	
Continuity of telephone and Internet operations	100%	A
Average commuting travel time disaggregated for the key modes of transportation	Relatively short commuting times (1-1.5 hours)	B
Total coverage of all superior modes of public transport	Average coverage	C
Walkability and cyclability	Less than 50% walkability and 0% bicycle lanes	F

Kuwait has an overall score of “C+” in this indicator which shows an average performance in connectivity and mobility. It is composed of four measures. The first one is about the continuity of telephone and internet operations. Data from the Ministry of Communications, and Trading Economics²⁵ was used to assess this measure. The second measure is about the average commuting

²⁵<https://tradingeconomics.com/kuwait/individuals-using-the-internet-percent-of-population-wb-data.html>

travel time disaggregated for the key modes of transportation, reflecting average lengths of commuting times. Data from the Ministry of Communications was used to assess this measure. The measure about the total coverage of all superior modes of public transport”, as indicative of the degree of availability and coverage of superior modes of public transport, is assessed qualitatively as there is no exact data that is available on this subject matter. Finally, the measure about walkability and cyclability, reflecting the percentage of streets with and the percentage of streets with bicycle lanes (km per 100,000 population) within the city, is assessed using data from the Ministry of Public Works.

4. Conclusions and Recommendations

4.1. Summary of the City’s overall performance

The outcome of the diagnostic detailed in the previous section can be recapped in one single figure summarizing the Kuwait City resilience performance, as shown below. This figure is effectively the resultant distribution of performance scores based on the methodology used in preparing this report. It is a snapshot of Kuwait City’s performance that can be used for meaningful comparisons between different periods (if this exercise is replicated in the future), and between different cities in the world at this particular point in time.

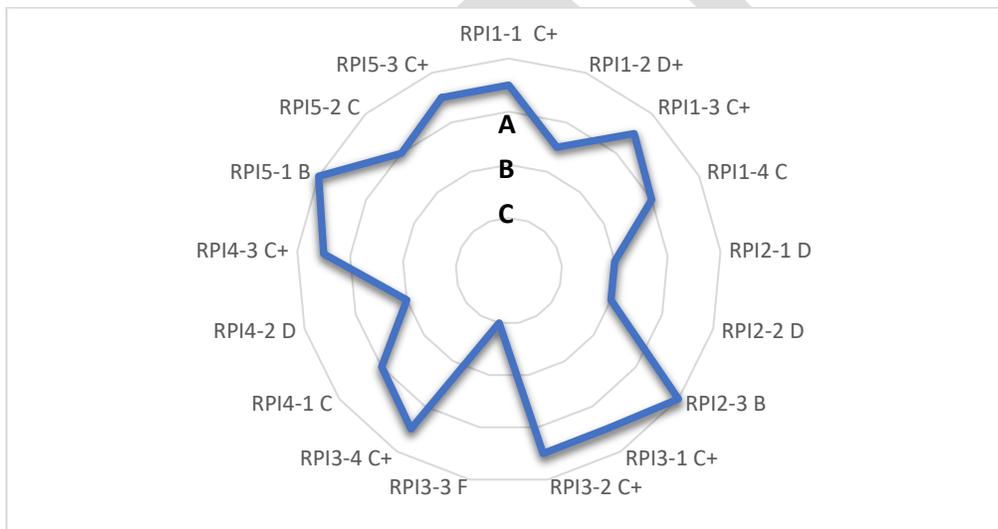


Figure 1: Kuwait resilience performance

While there are fluctuations across different indicator performances, as the overall performance is assessed, it can in this regard be classified as weak to moderate. This indicates that Kuwait City’s capacity to mitigate the crisis during the pandemic suffices to achieve low to moderate levels of impact. At this level of capacity, it is no surprise that Kuwait City has experienced some significant impact, most likely necessitating a relatively long time to overcome. While all five resilience areas are in need for considerable improvement, some areas are weaker than others. The weakest area is the resilience of the local labor market. The dimensions of resilience of both the local financial system and the economic governance can also be viewed as not performing so well. The areas of

local business environment and basic infrastructure and connectivity have performances that can be considered as relatively moderate. The ranking from weakest to less weak is as follows:

1. RA2: Resilience of local labor market (**being the weakest**)
2. RA4: Resilience of economic governance
3. RA3: Resilience of local financial system
4. RA1: Resilience of local business environment
5. RA5: Resilience of basic infrastructure and connectivity (**the relatively better performer**).

4.2. Recommendations

Recommendations provided in this section will follow the structure of the urban resilience diagnostic tool in the five areas discussed earlier in this report.

4.2.1 Resilience of local business environment

As detailed in the previous section, the outcome of the diagnostic process has revealed that Kuwait City has what can be considered as a moderate to weak performance in different business performance indicators. This indicates that there is need to increase Kuwait's capacity to adjust economic activities and business models in response to the changing supply and demand. Given that this capacity depends on three primary factors, local economy diversity, openness and external market integration, and entrepreneurship and innovation, it is important that Kuwait makes improvements with respect to these factors. From this perspective, it is essential to take steps towards:

- Diversifying the economy through developing a sustainable non-oil productive base. To this end, there must be an effort towards building a strategic path to restructuring the economy. This is in line the "Kuwait Vision 2035" that aims at *positioning the country as a center for trade and finance, creating the favorable conditions for boosting foreign investment and advancing the role of the Kuwaiti private sector in economic growth, education, training of young people and overall development*.
- Adopting an approach to transformation of the Kuwaiti economy based on reforming all systems and policies to enhance incentives for entrepreneurs to invest into diversified economic activities. In this regard, it is recommended that Kuwait draws on experiences from other countries that succeeded in economic diversification, particularly with respect to generating market competition through innovation and creativity.
- Structuring diversification strategies to include developing SMEs, supporting strategic sectors through partnerships with international players, and promoting innovation-led sustainable development.
- Intensifying efforts towards encouraging and supporting the entrepreneurship ecosystem; and implementing initiatives to improve institutions and the business environment, and to foster entrepreneurship (e.g., through establishing business incubators).
- Removing administrative barriers that are the main obstacle to investments (e.g., approvals and permits).
- Adopting an approach by the government to act as an "enabler" of investment, rather than a proactive investor in business-building activities.

4.2.2 Resilience of local labor market

The outcome of the diagnostic process has disclosed that Kuwait City has an overall relatively weak performance in local labor market indicators. This indicates that there is a major need to increase the capacity of the labor market to be able to reallocate resources and adjust employment patterns and behaviors in response to internal and external shocks. Specifically, three essential characteristics of the Kuwait's labor market should be improved in the future. i.e., the flexibility, the mobility, and the ability to retain the labor force under adverse conditions. From this perspective, it is essential to take steps towards:

- Reforming the current labor market structures, particularly with respect to establishing the right incentives for creating a dynamic and skilled workforce.
- Designing strategies for educational and training reforms to improve skills and productivity.
- Overcoming the problems associated with the current duality/segmentation of the labor market (with expatriate workers predominately occupying private sector jobs, and nationals working in the public sector). This requires addressing the distortions in the labor market through controlling the growth in public sector compensation and employment to encourage more nationals to take jobs in the private sector.
- Improving expatriate labor regulations, especially for skilled expatriates. This can be achieved by targeting specific skills through varying fees and visa issuance and renewal regulations. In this regard, Kuwait faces a significant challenge as it needs to design and implement a more efficient labor migration governance system.
- Allowing more mobility for the expatriate labor force and abolishing the sponsorship system.
- Designing systems that are more effective in protecting expatriate labor rights and promote safe and secure working environments for them through enhanced dispute prevention and resolution mechanisms and enhanced access to justice procedures.
- Providing incentives to the private sector to adopt rigorous programs of professional training within companies.

4.2.3 Resilience of local financial system

The outcome of the diagnostic process has revealed that Kuwait City has a relatively weak performance in different local financial system indicators. This signifies that there is a need to improve Kuwait's local financial system capacity to expeditiously redistribute funds between different economic sectors and expand credit to companies and individuals in times of crises. In this regard, there must be an effort to improve the size and depth of the financial system, its financial performance and soundness, and the overall robustness of public finances (given that strong public finances can serve as a cushion against severe shocks). From this perspective, it is essential to take steps towards:

I. Fiscal Policy:

- a. Pursuing economic and fiscal reform programs that aim to reduce the dependency of the public finances on oil revenues. In this regard, it is essential to increase non-oil government revenue, through the introduction of taxes, possibly the Value Added Tax (VAT) in alignment with the rest of GCC countries.
- b. Reducing the fiscal deficit through rationalizing public spending and increasing its efficiency so that the quality of offered services to the citizens is not compromised.

II. Monetary Policy

- a) Strengthening the Central Bank supervision of the banking system by improving the existing supervisory review and evaluation process aiming at setting bank-by-bank capital requirement targets, based on their risk profile and systemic importance.
- b) Creating additional funding channels to finance of SMEs, in a particular as SMEs represent an important source of job creation and economic diversification. In this regard, financial products and services should reflect SME's changing financial needs throughout their life cycle.
- c) Fostering greater competition in the financial system, possibly through creating alternative financial instruments and players/financiers, such as fintech.

4.2.4 Resilience of economic governance

On the resilience of economic governance side, the outcome of the diagnostic process has revealed that Kuwait City has a relatively weak performance in its different indicators. This signifies that there is need to improve Kuwait's economic governance capacity, in terms of being well prepared with functioning mechanisms and systems to exercise uninterrupted governance of economic affairs under adverse conditions in an effective and inclusive manner. From this perspective, it is essential to takes steps towards:

- Building further capacity to enhance the planning function, both at the state and the city of Kuwait levels, to ensure the optimal use and best distribution of available resources to support social and economic development.
- Strengthening the extent of civil society organization, private sector, and public participations in economic governance processes and the development of economic and social policies.
- Ensuring that development plans undertaken onwards include programs of implementation of institutional reforms.
- Expanding the extent of usage of digital technologies for city planning and management purposes, particularly in matters of traffic congestion and delivery of different city services.
- Expanding plans and programs for the provision of adequate investment readiness related services, to meet the growing needs of the business community.
- Improving the extent of coordination between ministries and the municipality and the governorates in planning for service provisions to the inhabitants, and as a means for improving economic and environmental sustainability in the urban areas where they reside.
- Creating systems and programs to render land more easily accessible for businesses seeking to grow their operations.

4.2.5 Resilience of basic service infrastructure and connectivity

On the resilience of basic service infrastructure and connectivity side, the outcome of the diagnostic process has revealed that Kuwait City has an overall moderate performance in its different indicators. In terms of the areas for improvement in Kuwait's resilience in this area, the focus should be on growing the basic service infrastructure, and the health service coverage, and the adequacy of connectivity and mobility. To this extent, it is essential to takes steps towards:

- Sustaining the provision effort of adequate infrastructure services to meet the growing needs of inhabitants and businesses; and ensuring that future development plans undertaken onwards support the implementation of rapid infrastructure development.
- Undertaking major investments into transport and logistics infrastructure in Kuwait City, in line with the strategic goal of becoming a regional commercial hub.
- Pursuing infrastructure investment programs to build new hospitals to boost the number of hospital beds per 10,000 inhabitants, particularly as the COVID-19 pandemic has revealed that the public health infrastructure proved to be somehow insufficient to handle the demand for hospital beds.
- Investing in electricity generating powers to keep pace with rising demand for electricity, both at the city and the country levels.
- Investing in more efficient and cost-effective multi-effect desalination technology to keep pace with rising demand for water, both at the city and the country levels.
- Building on the relatively advanced Kuwait telecom industry to enhance connectivity service quality and penetration rates.
- Undertaking project by the Public Authority for Roads and Transportation to increase the proportion of streets with sidewalks and to construct bicycle lanes along key streets in the city

Annex 1: Focus Group-Attendees

Name	Title/Expertise	Contact
Nayef Al-Shamry	Technical Team Leader Kuwait National Competitiveness Committee	alshammari2000@gmail.com
Ali Arifa	University's President Boxhill University Kuwait - State of Kuwait	a.arifa@bhck.edu.kw
Abdul Majeed Al-Shatti	Chairman of the Board - Previously at the Commercial Bank of Kuwait President of the Union of Banks in the State of Kuwait - Previously	a.alshatti@gmail.com
Turki Al-Shammari	Faculty Member - College of Administrative Sciences College of Administrative Sciences - Kuwait University	latasi3@yahoo.com

Annex 2: Concept Note for the Validation and Local Visioning Workshop

Building Urban Economic Resilience during and after COVID-19:

Validation of Kuwait City Diagnostics and Local Stakeholders Visioning Workshop

KUWAIT, 15TH OF APRIL 2021

From 14:00 to 17:00 Kuwait Time (GMT +3)

CONCEPT NOTE

I. BACKGROUND

The COVID-19 pandemic is far more than a health crisis; it is affecting societies and economies at their core. While the impact of the pandemic varies from country to another, it has increased poverty and inequalities at a global, regional, national, and local scales. To respond to the immediate socio-economic of COVID-19, the United Nations developed a related UN framework which highlights the need to “empower local governments; scale community and city level resilience” as core components for recovery. Accordingly, different United Nations entities are collaborating on the implementation of a joint project on “Building Urban Economic Resilience during and after COVID-19” in 16 different cities around the world. This project draws from the UN framework and promotes the “recovering better” principle by developing measures for planning and building resilient cities, advocating for an approach that is multi-hazard, multi- sectoral and multi-stakeholder, promoting the green and circular economy, overcoming inequalities, and assisting the most vulnerable groups.

The United Nations Economic and Social Commission for Western Asia (UN ESCWA) is leading the implementation of this project in the Arab region in partnership with UN-Habitat. The targeted cities in the region are Alexandria, Beirut and Kuwait. A diagnostic tool was developed as part of this project and used to assess the urban economic resilience of the city. The tool aims to capture the performance of cities and assess the effect of the pandemic on the urban economic resilience of the city and provide the evidence to design related recovery plans. This workshop aims to validate the outcomes of the diagnostics of Kuwait City on the issue and identify the main areas of interventions for economic and financial recovery following an inclusive process. This inclusive process is essential for ensuring that local values are incorporated into city resilience plans, and that potential local trade-offs are explored in the light of global uncertainties.

II. OBJECTIVES OF THE WORKSHOP

This workshop aims to present and validate the diagnostic and planning tool that was developed for this project to capture the city’s performance in terms of urban economic resilience and to guide the city’s related visioning and recovery plan. It also aims to present the results of the diagnosis for the city of Kuwait based on collected quantitative and qualitative data. Local stakeholders and relevant central government officials will be involved in an inclusive approach highlighting gender balance in visioning and scenario planning that will be used to set local recovery and resilience objectives and identify the main areas of focus for building economic resilience and financial recovery.

The discussion will present local development priorities and how they relate to the areas of focus for recovery. Key actions to achieve the desired vision will be developed and an identification of the institutional arrangements for the implementation of the recovery process will be discussed.

III. PARTICIPANTS

The workshop brings together representatives from local government, national government, private sector, civil society, technical experts, and academia in addition to relevant stakeholders involved in matters related to urban planning and economic governance in the city of Kuwait.

IV. VENUE, DATE & TIME

The workshop will be held on 15th April 2021 through an online platform from 14:00 to 17:00. The confirmed participants will receive the final meeting agenda and the link to the online link prior to the meeting.

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Annex 3: Agenda of the Validation and Local Visioning Workshop

Building Urban Economic Resilience during and after COVID-19

Validation of Kuwait City Diagnostics and Local Stakeholders Visioning Workshop

KUWAIT, 15TH OF APRIL 2021

From 14:00 to 17:00 Kuwait Time (GMT +3)

Agenda

Thursday, 15th of April 2021	
14:00-14:15	Opening session <ul style="list-style-type: none">- United Nations Economic and Social Commission for Western Asia (UN-ESCWA)- UN-Habitat Kuwait
14:15-15:30	Session 1: Building Urban Economic Resilience in Kuwait City <ul style="list-style-type: none">• Presentation of the “Diagnostics and Planning tool for Building Urban Economic Resilience during and after COVID-19”• Results of Kuwait City Diagnostics: Quantitative and Qualitative Data and Final Scoring• Discussion and Validation
15:30-15:45	Break
15:45 -16:45	Session 2: Local Stakeholders Visioning and Scenario Planning <ul style="list-style-type: none">• Local development priorities for Kuwait City and synergies with diagnostic outcomes• Proposed areas of focus for building economic resilience and financial recovery in Kuwait• Discussion
16:45-17:00	Closing Session: Project outcomes and the way forward (UN ESCWA and UN-Habitat)

Annex 4: List of Participants for the Validation and Local Visioning Workshop

Name	Title/Expertise	Contact
Nayef Al-Shamry	Technical Team Leader Kuwait National Competitiveness Committee	alshammari2000@gmail.com
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	The General Secretariat of the Supreme Council for Planning and Development	
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Annex 5: Details of Resilience Indicators

Urban Economic Resilience	Indicator Measure	Data Source	
<i>RA1: Resilience of local business environment</i>	<i>RPI 1-1: Local economy diversity</i>	GDP Product Diversity	
		General Secretariat of the Supreme Council for Planning and Development data, reflecting heavy domination of the oil sector. Herfindahl-Hirschman Index is calculated by summing the squares of the percentage shares for each key economic sector. Economic Diversification and Sustainable Development of GCC Countries SpringerLink	
		Informality	A study by KISR (Kuwait Institute of Scientific Research) estimate the size of the informal sector to be near 15% (Small and Medium Enterprises in Kuwait - Report Vol II), file: https://www.kfas.org/media/e649aaa4-a886-45c6-9629-f6b1119c5264/0c6mkQ/StudiesResearchers/Files/Small%20and%20Medium%20Enterprises%20in%20Kuwait%20-%20Report%20Vol%20II.pdf .
		Public Economy Strength	General Secretariat of the Supreme Council for Planning and Development and paci.gov.kw
COVID-19 Impact Concentration	Impact on some sectors is significantly more than on others. Those affected more significantly include Real Estate -4%, Manufacturing -5%, Wholesale & General Trading -9%, Retail -27%, ICT -2%. KUWAIT-BUSINESS-IMPACT-SURVEY-REPORT-MAY13-2020 (kuwaitimpakt.com)		

<i>RPI 1-2: Openness and external markets integration</i>	Location quotient range	General Secretariat of the Supreme Council for Planning and Development
	Local economy openness	World Bank data used to calculate the ratio of exports to imports.
<i>RPI 1-3: Entrepreneurship and innovation</i>	New Business Creation	Kuwait Chamber Commerce and Industry + Ministry of Commerce and Industry, and based on the World Bank Doing Business 2020: Economy Profile of Kuwait. https://openknowledge.worldbank.org/handle/10986/32917
	Business digitization rate	Kuwait Chamber Commerce and Industry + Ministry of Commerce and Industry, and eCommerce - Kuwait Statista Market Forecast: https://www.statista.com/outlook/dmo/ecommerce/kuwait#:~:text=Revenue%20in%20the%20eCommerce%20market,US%24358m%20in%202021.
	Digital Access	Ministry of Communications, and https://data.worldbank.org/indicator/IT.NET.USER.ZS?locations=KW https://ourworldindata.org/internet
	Investment-enabling environment	Scored in a focus group meeting, Based on world Bank (Ease of Doing Business), and The National Fund for SME Development
<i>RPI 1-4: Productivity,</i>	Business productivity	Kuwait Labour Productivity Growth data is updated yearly, available from Dec 1996 to Dec 2019, averaging at -1.25 %. City business productivity is the same as the country. https://www.ceicdata.com/en/indicator/kuwait/labour-productivity-growth

	<i>economic and financial capacity</i>	Businesses with access to any means of electricity	Ministry of Electricity and Water, and https://tradingeconomics.com/kuwait/access-to-electricity-percent-of-population-wb-data.html
		Access to affordable finance	Central Bank of Kuwait, and banking-the-sme-sector-beyond-financing-02022021-30778_v30_tcm27-30778.pdf (e-gulfbank.com)
		COVID-19 induced business failure rate	Kuwait Chamber Commerce and Industry, and KUWAIT-BUSINESS-IMPACT-SURVEY-REPORT-MAY13-2020 (kuwaitimpakt.com)
RA2: Resilience of local labor market	<i>RPI 2-1: Labor market flexibility</i>	Employment diversity	Central Statistical Bureau, and https://www.statista.com/statistics/438879/employment-by-economic-sector-in-kuwait/#:~:text=The%20statistic%20shows%20the%20distribution,percent%20in%20the%20service%20sector.
		Population/Employment Ratio	Central Statistical Bureau
		COVID-19 induced unemployment	KUWAIT-BUSINESS-IMPACT-SURVEY-REPORT-MAY13-2020 (kuwaitimpakt.com)
	<i>RPI 2-2: Labor mobility</i>	Occupational labor mobility	N.A.
Availability of worker		scored in a focus group meeting	

		(re)training programs	
		Geographic labor mobility	scored in a focus group meeting
		Proportion of a household's budget spent on rental housing	Central Statistical Bureau (Annual Surveys), Household income and expenditure surveys
	<i>RPI 2-3: Social protection of labor</i>	Unemployment rate	Central Statistical Bureau
		Unemployed receiving unemployment benefits	Manpower and Government Restructuring Program
		Informal employment rate	N.A.
		City expenditure on social protection	Ministry of Finance (Budget), and https://www.timeskuwait.com/news/kd-961-5-million-spent-on-social-protection-for-citizens-in-11-months/
RA3: Resili	<i>RPI 3-1: Size and</i>	Financial institutions per	Central Bank of Kuwait, and https://fred.stlouisfed.org/series/KWTFCBODCANUM

ence of local financial system	<i>depth of the financial system</i>	100,000 inhabitants as a local quotient in relation to the national indicators	
	Proportion of the population with a bank account	Central Bank of Kuwait, and https://kuwaitlocal.com/news/kuwait-about-80-percent-of-people-in-kuwait-own-bank-accounts#:~:text=About%2080%20Percent%20Of%20People%20In%20Kuwait%20Own%20Bank%20Accounts%20%7C%20Kuwait%20Local&text=About%2080%20percent%20of%20the,%2C%20reports%20AI%20DAnba%20daily.	
	Percentage of adult population with a registered Digital Finance account.	N.A.	
	Market share of financial institutions and other financiers as a total of the local	scored in a focus group meeting, and http://news.kuwaittimes.net/pdf/2021/feb/03/p09.pdf	

		financial market	
<i>RPI 3-2: Financial performance and soundness</i>	Interest rate spreads	Central Bank of Kuwait and, https://knoema.com/atlas/Kuwait/topics/Economy/Financial-Sector-Interest-rates/Interest-rate-spread	
	Nonperforming loans to total gross loans	Central Bank of Kuwait and, https://www.markaz.com/getmedia/c4a029ff-c1a3-4c18-b70b-770378696c50/Kuwait-Banking-Sector-Outlook-Report.pdf.aspx	
	Sectoral distribution of loans to total loans	Central Bank of Kuwait, and http://news.kuwaittimes.net/pdf/2021/feb/03/p09.pdf	
	Change in the nonperforming loans rate and percentage of loans restructured attributable to COVID-19	Central Bank of Kuwait, and https://www.ceicdata.com/en/indicator/kuwait/non-performing-loans-ratio	
<i>RPI 3-3: City fiscal space</i>	City revenue diversity	Ministry of Finance (Budget)	
	Share of income	Ministry of Finance (Budget)	

		inelastic revenues as a percentage of own source revenues		
		Financial flexibility	Ministry of Finance (Budget)	
		Fiscal flexibility	The score had been confirmed with the focus group	
	<i>RPI 3-4: City financial health and stability</i>		Share of the local financial market	Central Bank
			City credit rating	Moody's, Standard & Poor's and Fitch
			City audit performance	The score had been confirmed with the focus group
			Change in total city revenues under COVID-19	Ministry of Finance (Budget)
RA4: Resili	<i>RPI 4-1: Strengt</i>	Inclusivene ss of economic	The score had been confirmed with the focus group	

ence of economic governance	<i>h of economic governance structures and leadership</i>	governance structures	
		Public participation in economic governance	The score had been confirmed with the focus group
		Access to local public information on economic issues	The score had been confirmed with the focus group
	<i>RPI 4-2: Scope and quality of city planning</i>	Comprehensiveness of city planning systems	The score had been confirmed with the focus group
		Integration of crisis management provisions in planning and budgeting	The score had been confirmed with the focus group
		Application of vulnerabilit	The score had been confirmed with the focus group

		y assessment methodolo gy	
		Extent of access and application of digital technologie s	The score had been confirmed with the focus group
	<i>RPI 4-3: Investment readiness</i>	Strategic planning and resilience proofing of investment projects	The score had been confirmed with the focus group
		Access to public land	The score had been confirmed with the focus group
		Intensity of regulation/ administrat ive burden	The score had been confirmed with the focus group
		Quality of investment -enabling environme nt	The score had been confirmed with the focus group
RA5: Resili	<i>RPI 5-1:</i>	Public open space	N.A.

ence of basic infras tructu re and conne ctivity	<i>Covera ge and function ality of basic public services and infrastr ucture</i>	per 1,000 inhabitants	
		Average number and length of interruptio ns per customer per year in the electricity network.	Ministry of Electricity and Water Statistics
		Percentage of population with access to water and sanitation services	Ministry of Electricity and Water Statistics, and https://borgenproject.org/sanitation-in-kuwait/#:~:text=The%20CIA%20estimated%20in%202015,access%20to%20improved%20sanitation%20facilities.
	Percentage of population with regular municipal solid waste collection	Kuwait Municipality and https://www.ecomena.org/solid-waste-management-in-kuwait/	
<i>RPI 5- 2:</i>	City quotient	Ministry of Health	

	<i>Health service coverage</i>	for health workers per 10,000 population	
		City quotient for hospital beds per 10,000 population	Ministry of Health, and (worldbank.org)
		City expenditure on health	N.A.
	<i>RPI 5-3: Connectivity and mobility</i>	Continuity of telephone and Internet operations	Ministry of Communications, and https://tradingeconomics.com/kuwait/individuals-using-the-internet-percent-of-population-wb-data.html
		Average commuting travel time disaggregated for the key modes of transportation	Ministry of Communications
		Total coverage	The score had been confirmed with the focus group

		of all superior modes of public transport	
		Walkability and cyclability	Ministry of Public Works

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