Special Edition for the IDB 43rd Annual Meeting

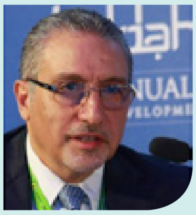
SDGs DIGEST

A Quarterly Newsletter brought to you by the Islamic Development Bank Group Community of Practices on the SDGs which provides summaries of current knowledge and debate on SDGs

Issue #3 / Rajab 1439 - April 2018

EDITORIAL

Rami Ahmad Special Envoy on SDGs



It is the time for our Annual Meetings… This year in Tunis, Tunis the Green! The theme of the Meetings this year is "Partnerships for Sustainable Development: working together to drive human capital development, innovation and digital transformation." Quite a theme, in terms of spirit, diversity and ambition!

While the 2030 Agenda for sustainable development, with its SDGs, provides a global and comprehensive framework for the development work for the coming years, it poses tremendous challenges that will not be addressed without true and effective partnerships. In the past, financial resources and political will and intentions drove the development agenda at the national and global levels. Today, the wisdom and the accumulated experiences of the development community over the past 70 years or so have reached the conclusion that multi-stakeholder partnerships are crucial in achieving any meaningful progress towards improving human conditions. The seventeenth SDG (Partnerships for the Goals) serves as a means for implementation and an umbrella that energizes collaboration and synergy among all actors, and no wonder SDG 17 has always been in focus at the High Level Political forum (HLPF) year after year. Although it is undisputable that the engagement of governments, private sector, civil society, academia, philanthropists, etc. is crucial for the success in the achievement of the SDGs, the challenge remains, as how these partnerships could become smarter, bigger and more effective.

This edition of the SDGs Digest is a special one for our 43rd annual meetings. In the spirit of partnership, we are delighted to have two contributions from ESCWA and UNDP, and we thankfully welcome others to contribute in the future. You will also find contributions from IDB staff covering a wide range of topics related to partnerships for the SDGs; including youth potential, women empowerment, resilience, climate, energy reforms, climate smart agriculture, economic transformation and reporting on contribution to the SDGs.

Looking forwards to the outcome of the annual meetings and the various side events, including the launch of the IDB's specialized STI fund for the SDGs and the seminars on forging smart partnerships for the SDGs and the potential of digital technologies for upgrading human capital and the role of Islamic Finance and the private sector in achieving sustainable development.

"One of our major objectives is to expand and deepen existing partnerships and seek new partners by harnessing strengths and comparative advantages of all parties involved"

Dr. Bandar Hajjar
President, IDB Group

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2018 TUNIS تونس
43rd ANNUAL MEETING
ISLAMIC DEVELOPMENT BANK GROUP

Forging Smart Partnerships with Multi-Stakholders for the SDGs: Experiences from Member Countries

03 April 2018 at 11:00-13:00

Ramada Hotel (Didon 1)

Arab Forum for Sustainable Development:
To go far, go together

Khawla Mattar

Deputy Executive Secretary UN Economic and Social Commission for Western Asia (ESCWA)

As the United Nations regional commission for the Arab region, we support our member States design and implement economic and social policies that drive change and promote dignity for the millions of people we serve. In this context, we are proud to see the commitment of Arab countries to the 2030 Agenda for Sustainable Development, and the efforts of governmental and non-governmental stakeholders to implement this ambitious global agenda.

Of the 48 countries presenting their Voluntary National Reviews (VNRs) to the High Level Political Forum (HLPF) in New York in July 2018, eight are from the Arab region, with Egypt and Qatar engaged for the second time. VNRs provide a unique opportunity to explore different approaches that can accelerate the implementation of the Sustainable Development Goals (SDGs) and strengthen commitment to accountability, and Follow-Up and Review processes.

Indeed, monitoring the impact of our actions and providing evidence of progress is what allows us to be accountable to the people who expect results from their governments and the international community. Thus, Follow-up and Review is not just a mechanism to measure our work; it is how we remain credible to ourselves and to others. The process demands that we pause, reflect, and assess alternative ways of working if business as usual is not producing the necessary impact. There is no other way around this approach if we are to ensure promises made in 2015 to wipe out poverty, fight inequality and tackle climate change, are respected.

The 2030 Agenda places people at the heart of development. As a regional commission, we work first and foremost to help Arab states tailor this global agenda to the needs of Arab people and the challenges facing our region.

Since 2014, ESCWA has been collaborating with the League of Arab States, UN organizations and regional partners in the yearly organization of the Arab Forum for Sustainable Development (AFSD). This unique regional platform brings together national stakeholders, including civil society, parliamentarians and the private sector, as well as international and regional organizations and multilateral financial institutions. Together, these groups foster a culture of exchange and mutual learning. Developing this spirit of regional partnership is crucial for us to adopt similar accountability approaches and mechanisms. The outcome of the AFSD is delivered to the HLPF.

In line with the theme of the 2018 HLPF, this year's AFSD, planned for 24-26 April, will address transformation towards sustainable and resilient societies. Given the spectrum of issues this can encompass, we have chosen to focus on the linkages between natural resources and the common good, and the imperative to address the needs, and rights, of future generations in the Arab world. The objective is to assess where we stand on regional priorities, our progress on the SDGs, and energize efforts for regional cooperation and enhance solidarity among Arab countries working for the common good.

I am convinced that by implementing the mechanisms of accountability already developed, and with the many stakeholders investing time, resources and energy into achieving sustainable development in our region, we can create an enabling environment for change, and meet the expectations of our generation and those to come.

Partnership for the SDGs:
A Tale of Two Cities?

Dr. Karim Allaoui

Global Partnership & Resource Mobilization Department, IDB

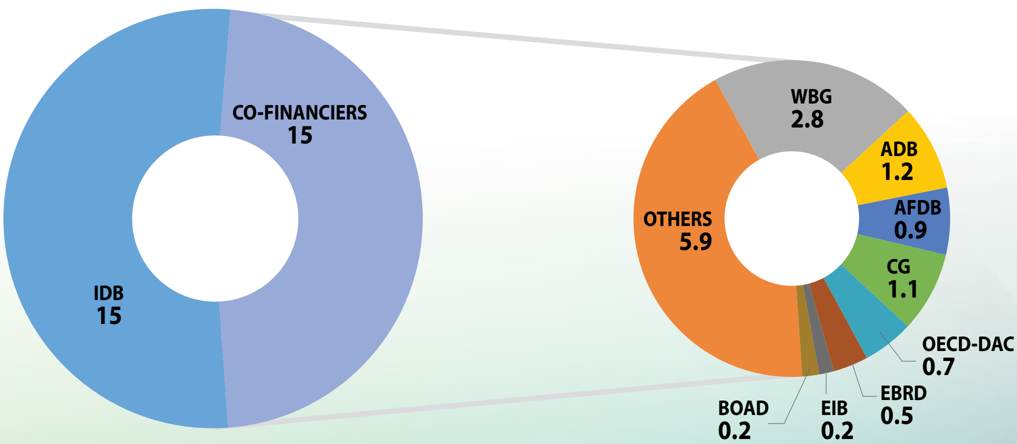
UNCTAD estimates the investment needs of developing countries to range between $3.3trillion and $4.5trillion annually. Current levels of investment stand at around $1.4tn, leaving an annual funding gap of around $2.5trillion. The World Bank estimates that there is more than $10tn invested in negative interest rate bonds, $24trillion in low-yield government securities and $5trillion sitting in cash, waiting for better investment opportunities. There is clearly no shortage of capital worldwide. Donors and MDBs are gearing up to "crowd in" private investment flows for the SDGs by essentially de-risking investments to make them more appealing to private investors. The aim is to mobilize an extra $1tn of private capital annually mainly for infrastructure or $12trillion by 2030 and to create 380 million new jobs.

This implies that $1 of ODA will need to mobilize $6 of private investment. Is this doable? Well, perhaps, but if the past is any indication of what the future may hold, one has to wonder. According to a recent study by the OECD, it took $5 of ODA to mobilize $1 of private investment during 2012-2015. This means ODA needs to attract 30 times more private capital if it is to attract $1trillion in additional private capital annually. This sums up the formidable challenge the global development community. It is fair to say that, short of achieving this gigantic tour-de-force, the SDGs could remain as elusive as ever.

Against this backdrop, the Bank is gradually internalizing SDG17 (Partnership for the Goals), which seeks to revitalize the global partnership for sustainable development. In doing so, the Bank is scaling up its partnership work and is re-focusing its engagement with development partners, including non-financing partners with diagnostic and delivery capability, with a view to achieving better results and development outcomes in member countries. The Bank committed $15billion in the last three years (2015-2017) to support total investments worth $30bn. Partners provided an additional $13.5billion, including $5.8billion from MDBs and $3bilion from private and non-sovereign investors (see chart).

Admittedly, the current bubbling parity leverage remains well below the Bank's ambition of leveraging $3 for every $1 of Bank financing. As part of the ongoing effort to align the Bank's delivery capability with its corporate goals, several new measures are currently under consideration to increase its leverage capacity and to crowd in private investment. A pertinent illustration of unlocking market resources—through a multilateral financial intermediary—with donor funding is the recently established Bank-administered Lives & Livelihoods Fund (LLF). LLF is a $2.5billion blending facility launched in late 2016 in partnership with the Bill & Melinda Gates Foundation and with the generous support of the Islamic Solidarity Fund for Development (ISFD), KSA, Qatar and the UAE, to address poverty and disease in member countries.

Going forward, it is through innovative financing mechanisms such as LLF and market-driven solutions that the Bank will be able to (i) address the impact and root causes of poverty and reduce disparities and inequalities; (ii) support job-creating growth through, inter alia, STI-driven solutions; and (iii) enhance the economic and social resilience of member countries and communities.



Gender Equality and Women Empowerment:
The Key to Achieving the SDGs

Kristonia Lockhart

Lead Gender Specialist at IDB

The 2030 Agenda for Sustainable Development is a wide-ranging framework for international development, both in terms of areas of engagement and geographic scope, under the commitment to "leave no one behind". The idea that 'no goal should be met unless it is met for everyone' puts the most vulnerable and marginalized groups at the center of the agenda. Yet, women and girls represent the majority of those furthest behind.

One of the most visible and transformative elements of the post-2015 agenda is the Sustainable Development Goal No. 5 (SDG5), the stand-alone goal on gender equality and the empowerment of women and girls which is also integral to all dimensions of inclusive and sustainable development. In short, a gender-responsive implementation of the SDGs will not only help in SDG 5 but will contribute to progress on all 17 Sustainable Development Goals.

It has been proven that when women have access to essential development elements namely health, education, economic opportunities and meaningful participation in decision-making, economic productivity increases resulting in inclusive economic growth, reduced poverty and inequalities, improved well-being of families, communities and institutions and sustainable development.

The evidence is clear, gender equality and the empowerment of women is no longer an option, it is a necessity for sustainable and inclusive development.

Women and girls are affected by each of the 17 proposed SDGs and for that reason are key to achieving each of these goals. As an example for SDG1 - Poverty, according to many studies and statistics, the percentage of women living in poor households exceeds that of men in developing countries. This is mainly linked to the discrimination women face in accessing basic services such as education and health and earning an income. As a result, women are more likely to take on informal, low-productive, low-wage or unpaid work and can even be prevented from earning an income or accumulating assets due to her "traditional roles and responsibilities", resulting in limited opportunities for advancing their well-being. Upholding their rights and advancing their development will be key to achieving the first SDG and similar linkages and connections are found with the other 16 goals. Ending all forms of discrimination against women and girls is not only a basic human right, but it is also crucial to accelerating sustainable development and helping drive up economic growth and development across the board.

By building awareness on the linkages between gender equality and women empowerment in the successful implementation of the SDGs, we have an increased appreciation and understanding within the Islamic Development Bank of why the institution needs to reflect and act to ensure its development assistance equally engages the participation of and benefits for both women and men to uphold its commitments to contributing to achieving the SDGs and in delivering on its inclusiveness agenda.

IDB's Youth Development Strategy:
Making the SDG's Work for the Youth

Sharia Walker

Senior Youth Development Specialist, IDB

The 17 SDGs spell out the global priorities for the next 13 years. If governments are to succeed in realizing the SDGs, leaving no one behind along the way, they must strive to actively engage youth, who are pivotal players in tackling global development issues and playing a key role in the decision-making processes, at all levels of society.

If issues of youth is to be addressed, it requires holistic approach for advancing youth development in Organization of Economic Cooperation (OIC) countries by emerging multiple partners, including governments, development institutions, policymakers, economists, civil society agencies, and youth themselves.

IDB Member Countries must set out priorities, and devise approaches to include youth in development process as partners to achieve the 17 SDGs. In fact, youth development and empowerment is a prerequisite for realizing most of the SDGs, including Goals 1 (no poverty), 4 (quality education), 5 (gender equality), 9 (industry, innovation and infrastructure), and 10 (reduce inequality), to mention a few. More specifically, SDG 8 (decent work and economic growth) highlights the role of youth in economic growth. It refers to "promoting sustained, inclusive and sustainable economic growth, and full and productive employment and decent work for all". To achieve this goal, SDG 8 has set itself the targets of "by 2030, to achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value" and "by 2020, substantially reduce the proportion of youth not in employment, education or training".

The IDB Group has been supporting youth through developing their capacities in different socio-economic domains as well as engaging with them in dialogue regarding their needs and priorities and integrating their vision as part of the Bank's Youth Development Strategy (YDS). The Bank's strategy is to pursue

two critical objectives in order to address the challenges of the youth in OIC Member Countries : (i) Productive and economically empowered youth who contribute to the development of their societies/communities; and (ii) Engaged and responsible youth who embody and embrace leadership. In order to achieve the desired objectives, the strategy proposes four strategic pillars: Education, Employment, Entrepreneurship and Effective Engagement to focus IDBG's efforts in the area of youth.

1. Education: This pillar is specifically in line with SDG 4 (Quality Education). Its focus areas include improving the standard of education in MC, imparting quality higher education in line with the market needs, as well as establishing skills based training programs. The focus areas are consistent with the targets of SGD 4.

2. Employment: Pillars 2 and 3 of the Youth Development can be combined under economic empowerment, which is in line with SDG 8, outlined above. Youth employment has grown in prominence on the global development agenda and is one of the key strategic pillars of the YDS. The analysis of each individual member country is key for determining country-specific needs and for designing policies, programs and interventions.

3. Entrepreneurship: Youth entrepreneurship, which is also in line with SDG 8, has the potential to reduce youth unemployment, poverty, and produce additional socio-economic outcomes.

4. Effective Engagement: This pillar of the Youth Development is a key element for the realization of the SDGs. Youth in MC must be effectively engaged, meaning that they are informed and consulted on the types of issues that impact their socio-economic well-being. Furthermore, MCs must develop tools and mechanisms that can provide an enabling environment for a healthy and sustained engagement of its youth.

In conclusion, the journey to achieving the SDGs must begin with the first step of engaging youth, as it is a prerequisite for the fulfilment of the SDGs. The IDB's YDS is a modest step forward in this direction, setting the guidelines for a comprehensive and strategic approach. As the IDB moves forward with its new strategy to become a "Bank of Developers", youth will not only be the target beneficiaries, but also our key partners in moving our Member Countries to a better future with no one left behind.

Reporting on the contribution of IDBG's Private Sector Operations to SDGs: ICD's Experience

"What gets measured, gets done!"

Authors: Members of the ICD Development Effectiveness Task Force[1]

Achieving the SDGs is an important part of the strategic framework of IDBG. Its private sector operations will be crucial to achieve this goal. The Islamic Corporation for the Development of the Private Sector (ICD), as the major private sector arm of IDBG, updated its results framework in 2017 to ensure that the SDGs agenda is embedded in all of its development work, ranging from the design of its projects to their performance assessment.

In the context of the SDGs, ICD has pledged to invest in SDG7 (Energy), SDG8 (Financial Inclusion) and SDG9 (Industry and Infrastructure), engage in SDG13 (Climate Action) and SDG17 (Partnerships), in order to impact on SDG1 (Poverty), SDG2 (Hunger), SDG3 (Health), SDG4 (Education), SDG5 (Gender Equality).

As part of the monitoring and evaluation processes, a global development effectiveness survey is conducted every year to track the development results of ICD's operations on the ground.

This article describes how ICD has, for the first time, incorporated elements of the SDGs in its annual survey and presents the preliminary results of the survey.

The Survey Methodology

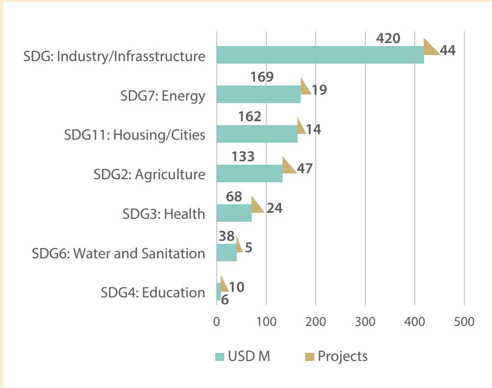
For 2017, the traditional annual development effectiveness survey included specific questions to examine the role of ICD's clients/partners in addressing the above SDGs and the amount of resources they have invested in each SDG. The survey also took into account the development indicators of the IDBG's Scorecard updated in January 2018, the ICD's Scorecard and the development indicators agreed with 25 Development Financial Institutions (DFIs). In terms of scope, the SDGs survey covered ICD's operations in Banking Equity, Banking Line of Financing (LoF), Ijara, Non-Banking Institutions, Direct Investment, Corporate Equity, Asset Management and Advisory Services.

The survey, designed with an advanced data collection software, SurveyCTO, was officially launched on January 10, 2018 and closed on February 15, 2018.The contacts with the clients/partners were facilitated by the project officers and the regional focal points. The survey achieved a response rate of 82% (80 out of 97 targeted projects, from 32 Member Countries).

The 2018 Survey Findings

Operational Results

In terms of operational results, the responding Clients/Partners have reported that the number of active projects and resources invested in the various SDGs areas in 2017 were as follows:



Outcome Results

In terms of outcome results, the responding clients/partners have reported that, with regard to SDG 8 (economic growth, financial Inclusion

PRAN-RFL, client of ICD in Bangladesh, exported 120.000 bikes units to Europe in 2016 and jobs creation), the contribution of their partnership with ICD, from January to December 2017, helped 95,609 people open Islamic Finance Accounts, provide funding to 9,367 Micro, Small and Medium Enterprises (MSMEs), collect USD 1,2billion deposits, create 10,795 new direct jobs, generate USD 629million export sales and USD 612million value of net inflows of foreign currency.

Further Important Steps

ICD believes in the importance of better leveraging partnerships with clients to build a strong Monitoring and Evaluation (M&E) system for tracking the contribution of the private sector to achieving the SDGs. As a concrete step, ICD plans to deliver individual assessment to all its clients who have participated in the survey. The aim is to help them highlight their contribution to the SDGs in their annual report. In addition, a sample of clients will be offered technical assistance to engage locally in the SDGs dialogue in their respective countries through the United Nations Global Compact Network.

Finally, to complement the survey, ICD is partnering with the Abdul Latif Jameel Poverty Action Lab at the Department of Economics at the Massachusetts Institute of Technology (MIT), to launch an experimental evaluation of the impact of the effectiveness of Islamic Finance in reducing poverty.

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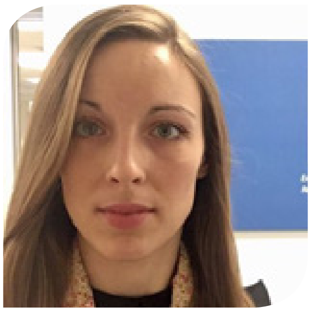
Comprehensive, Customized and Partnership-Driven:
Delivering effective SDG support on the ground



Catharina Klingspor

Knowledge and advocacy officer for the 2030 Agenda in the Strategic Policy Unit at UNDP

The 2030 Agenda and its 17 Sustainable Development Goals (SDGs) sets out a radical vision: the eradication of poverty in all its forms and dimensions – for everyone, everywhere. While implementing the Agenda is a country-owned process, collective action and stronger partnerships are needed to deliver on this promise.

One ambitious initiative to configure context-specific SDG support, and to tap into the knowhow and capacities from all of society, is the 'MAPS' approach, adopted by the 32 members of the United Nations Development Group (UNDG). Through Mainstreaming, Acceleration and Policy Support (MAPS), the UN development system and partners are supporting countries to translate the agenda into national and sub-national plans and budgets, identify actions that will boost progress across SDGs and access policy support.

Activities are already well under way in many OIC member states. For example, the 'SDG Local and Urban Governance Dashboard' (LOGOD) is being implemented in the Province of Riau in Indonesia and in the Province of Khyber Pakhtunkhwa in Pakistan together with UNDP. The tool is helping local authorities to adjust annual development and investment plans, and to align resources for SDG mainstreaming into local plans and budgets. UNDP-IDBG-GOPAC have jointly produced a leading knowledge product on Parliament's Role in Implementing the Sustainable Development Goals, and Jordan, Lebanon, Pakistan, Sierra Leone, Uganda and Côte d'Ivoire Coast are partnering with UNDP to raise awareness of parliaments' role for the 2030 Agenda, assess SDG readiness, and support parliaments to build capacities as SDG champions.

Since August 2016, UNDP has facilitated 27 'MAPS missions' to support national SDG implementation, undertaken in cooperation with UN and other partners including the World Bank and the Asian Development Bank. Almost half of these have taken place in OIC member states: Azerbaijan, Burkina Faso, Comoros, Djibouti, the Gambia, Guinea, Kazakhstan, Mali, Sudan, Tajikistan and Turkmenistan.

For example, the MAPS mission to the Gambia assisted the government in developing its new National Development Plan in tune with the 2030 Agenda. It helped to identify key investment areas to accelerate progress towards the SDGs, such as youth empowerment, expanding ICT infrastructure and services, and reducing land degradation. And it helped to frame a coherent strategy to 'leave no one behind' – a central ambition of the Agenda. In Tajikistan, the MAPS mission showcased an SDG Dashboard – a dynamic monitoring tool to support development coordination and engagement. The mission also promoted new partnerships between the government, local academia and think tanks to catalyse research and assessment of policy options.

These are just some examples of how UNDP is helping to move the SDGs from paper to practice. Much more remains to be done. Collaborating with dynamic development partners like the IDBG and the OIC is essential for the UN in supporting countries to realize the full promise of the 2030 Agenda and leave no one behind.

UNDP and IDBG share more than 30 years of successful cooperation. We have committed to build on this foundation to join forces for the SDGs, and we look forward to continue increasing our collaboration to help deliver tangible development results and maximize impact on the ground for the communities we serve.

Harnessing the Potential of Global Partnership in Resilience Building in Fragile and Conflict-affected Situations

Abdirashid B. Warsame
Regional Hub, Uganda, IDB

In recent years, the operations of IDB in fragile and conflict-affected situations (FCAS) have become a significant proportion of the Bank's portfolio. Ostensibly, the increased operations are to sustain the development gains achieved so far in fragile and conflict-affected countries and to ease strain on any efforts aimed to reduce poverty and promote development. The increased intervention is not only to save lives but also resource as the conflict and fragility can divert country's scarce resources from its pressing development needs.

Experience has shown that supporting the transition from FCAS to sustainable peace and development is a daunting array of development challenges, requiring innovative engagement and global collaboration. For that reason, the 2030 Agenda recognizes the interplay of peace and sustainable development by placing peace as one of five cross-cutting priorities. For instance, SDG 16 focuses on promoting peaceful and inclusive societies and access to justice and accountable institutions, while SDG 17 focuses on 'partnerships', calling for "an intensive global engagement in support of the implementation of the Goals and targets, bringing together governments, the private sector, civil society, the United Nations System and other actors and mobilizing all resources". SDG 17 also encourages sharing knowledge, expertise, technology and financial resources, and promotes effective public-private and civil society partnerships, and resourcing those efforts.

In April 2016, over forty countries and organizations signed the Stockholm Declaration, stating the continued importance of the "New Deal", and committing to the deployment of its principles to achieve the SDGs in fragile and conflict-affected countries. The "New Deal" for International Engagement in Fragile States is built on principle-driven partnership between states, their societies and international partners to jointly work towards mutually agreed objectives and collectively respond to the challenges posed by conflict and fragility. The required global partnership in the New Deal is in line with the SDG 17.

Indisputably, the fulfilment of the SDGs requires global cooperation among all stakeholders. In this regard, the World Humanitarian Summit (WHS) recognized the need to ensure better connectivity between humanitarian and development efforts in order to pursue collective outcomes across all areas and to remove any institutional and funding barriers to aid delivery system, especially in fragile and conflict-affected situations. The notion of "collective outcomes" was placed at the centre of the commitment to the "New Way of Working", as encapsulated in the Commitment to Action signed by the Secretary-General and 8 UN Principals at the WHS. Remarkably, donors, NGOs, conflict-affected States and other stakeholders welcomed the idea of moving beyond the humanitarian-development divide, in support of collective outcomes that reduce risk and vulnerability.

It is, therefore, encouraging to see that the IDB is scaling up its global partnership with other multilateral development banks (MDBs), UN specialized agencies and bilateral agencies in a bid to contribute to the fulfillment of the 2030 Agenda in fragile and conflict situations. The IDB global partnership is anchored in a wide range of areas including a joint analytical work on the underlying root causes of vulnerability, fragility and conflict, while meeting the humanitarian needs of the affected population and building institutional resilience in key productive sectors, and providing jobs and opportunities for youth. The current partnership with the Fragile, Conflict and Violence Department of the World Bank Group and UNDP is a case in point.

Bearing in mind that successful interventions might depend, at least in part, on well-sequenced and coherent progress across all key areas, enhanced partnership is also required in the area of streamlining the SDGs into interventions in FCAS and tapping into Islamic social finance (Zakat, Waqf, Sukuk) and crowdfunding for financing interventions in FCAS. Equally, it is important to adapt flexible, streamlined, and simplified approaches to project processing and implementation as related to FCAS and to establish Trust fund facilities as flexible financing instruments and modalities for quick response, especially in fragile and conflict-affected countries. Most importantly, coherent strategic priorities and operational plans and policies are required to be put in place, prior to any enhanced operational engagement in FCAS.

Energy Support Reforms: Citizens' Account Program - A Case Study of Saudi Arabia

Farid Ahmed Khan
Senior Energy Specialist Economic & Social Infrastructure Department, IDB

Low energy prices encourage excessive and inefficient consumption, producing an inordinate growth in energy demand for non-productive activities and inequitably rewarding higher-income households. The low-priced fossil fuels also encourage wasteful consumption which results in environmental degradation through excessive greenhouse gas emissions.

In December 2015, the Government of Saudi Arabia announced plans to reform energy prices in the coming five years. To ensure widespread support and acceptability of the reforms, a Citizens' Account Program was announced and set up in 2017, prior to further energy price increases, with a view to protecting the lowest income population from the adverse financial impact associated with the increase in energy prices.

The Household Allowance, under the Citizens' Account Program, is a targeted cash transfer scheme. Applications for the cash transfer program are received through an on-line portal. As of 21 December 2017, applications for a total of 700,000 families, representing 10.6 million beneficiaries, have been approved. The first installment of approximately SAR 2 billion ($534 million) was deposited into the approved accounts on 21 December 2017, prior to the increase in energy prices on 01 January 2018, with the intent to ensure that the households can plan their expenditure and feel the relief, in advance. The amount of household cash allowance has been limited to cover costs of sensible consumption only. In line with the international best practices, the allowances will be reviewed on a regular basis to ensure that the cash transfers continue to reflect any increased burden on the financially vulnerable households as a result of increase in energy prices.

The program for shielding the poor and financially vulnerable against the financial burden associated with increase in energy prices is in line with SDG-1 of No Poverty. Equally, price increase will also encourage more efficient use of energy by Saudi households and industry in line with SDG-12, i.e. Responsible Consumption and Production which in turn will help to decrease the Kingdom's cumulative carbon emissions to enable the country to meet its Nationally Determined Contribution (NDC) in line with SDG-13 (Climate Action). Reduction in subsidies will also facilitate in creating additional budgetary space which can be used to support social development to meet the provisioning of modern infrastructure (SDG-9), to support the long-term economic growth of the country. IDB, through its newly formed Regional Hubs, can provide an ideal platform for other member countries to study, benchmark and replicate the Energy Support Reforms, introduced by the Kingdom of Saudi Arabia, to help achieve their relevant SDG targets.

Bridging the Partnership Gaps in Adoption of "Climate Smart Agriculture"

Mohammed Shahid Parwez
Senior Agriculture Economist at IDB

Agricultural transformation has become more prominent today in light of the food security related targets of the Sustainable Development Goals (SDGs). While there is a clear responsibility on the shoulders of the world's agriculturists to find innovative solutions that will put the sector on a sustainable path, climate change threatens our progress, not only because of how climate change directly impacts the effectiveness and efficiency of food production, but also because ubiquitous techniques contribute about a quarter of greenhouse gas emissions.

The Climate-Smart Agriculture (CSA) has emerged as an approach to address interlinked challenges of food security and climate change. It explicitly aims for three objectives: (1) higher agricultural productivity; (2) increased resilience to climate change; and (3) lower greenhouse gas emissions. CSA is not a set of practices that can be universally applied, rather an approach that involves different elements embedded in local contexts. It relates to actions both on-farm and beyond the farm, and incorporates technologies, policies, institutions and investment in order to build resilience throughout the food system.

CSA promotes fusion of indigenous knowledge and modern technologies to harness combined benefits for sustainable agricultural development. For small holder farmers in developing countries, the opportunities for greater food security and increased income together with greater climate resilience will be more important for adopting the principles of CSA than mitigation opportunities. On the other hand, for intensive mechanized agricultural operations, the adoption of CSA approaches will provide opportunities to reduce emissions.

Notwithstanding the opportunities, CSA faces a wide range of challenges to achieve the desired results, to name few:

Availability of Adequate Financial Resources: Many CSA practices incur establishment and maintenance cost and it can take considerable time before farmers benefit from them. The annual cost of adaptation alone in the agriculture sector in developing countries has been estimated by the World Bank to be US$2.5 - 2.6 billion a year between 2010 and 2050 (World Bank 2010).

Subsistence Farming: Food insecure farmers find it hard to innovate and invest in better management systems when they are fully occupied finding sufficient food to survive.

Technology and Knowledge Gap: The challenges facing the small farmers in CSA technology gap are twofold: (i) availability of appropriate technologies and (ii) access to available technologies.

Agricultural Policy: Agriculture sector in developing countries lacks conducive policies to enable the farmers to practice CSA. Globally, the agriculture and food security are still not widely considered to be key "crunch" issues within the climate change negotiations and within climate financing mechanisms.

While increased financial commitments are needed to meet the objectives of CSA, innovative mechanisms need to be devised to leverage financing from diverse sources coupled with capacity building measures and technological innovation. In this context, the IsDB has a strong role to play in mobilizing a resource for the adoption of the principles of CSA and enhancing partnership in CSA with other multilateral development banks (MDBs) and different learning institutions. For example, the IsDB can scale up its investment in capacity building of professionals in agriculture sector in order to effectively respond to the above challenges. Equally, the IsDB can help in fostering linkage among different agricultural research institutions in member countries through its Reverse Linkage Program in a way that can engender innovative solutions to the above challenges and others faced by the agriculture sector, particularly in relation to climate change.

Undoubtedly, the adoption of CSA will contribute to achieving multiple objectives of SDGs including poverty reduction, food security, dissemination of best practices, innovation and technologies as climate change threatens agriculture productivity. Therefore, it is time to further scale up the IsDB partnership with other institutions on jointly investing in the development of innovative agricultural methods which are smart, sustainable, and resilient to the impacts of climate change.

Economic Transformations and the SDGs.

Khalid O. M. Ahmed

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Development is not only about individual welfare, poverty reduction, gender equality and improvements in the quality of healthcare and education, but also considerable transformations in the economic/productive structure. Economic transformations, generally, require diverting resources to economic sectors that have increasing returns (ex. Manufacturing), transforming and improving those which have either diminishing, or constant returns (ex. Primary Agricultural Products) and improvements in the workforce's capabilities and skills. History has given us a valid global lesson since the late 18th century that is all developed countries (from old Untied States, European countries and Japan to late-industrializers in East-Asia) underwent processes where the share of manufacturing increased and the share of primary agricultural sector decreased, both in terms of GDP and the number of labor force[1].

The 2030 agenda is comprehensive with 17 Sustainable Development Goals (SDGs) and 169 specific targets, which encompass the social, structural, economic and environmental dimensions of development. Goal 9, which is set up to" Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation", is directly addressing the structural component in the development by calling for the: promotion of inclusive and sustainable industrialization, significantly raising industry's share of employment and GDP, upgrading the technological capabilities of industrial sectors and supporting domestic technology development, research and innovation in developing countries.

The most important instrument in achieving the economic transformation is not the international development aid/inflows; it is rather the domestic resource mobilization. In fact, all recent developed countries like China, Turkey and late-industrializers in East Asia underwent financing economic transformation where the share of gross domestic savings in the GDP has increased, while the shares of foreign investment and the amount of Official Development Assistance (ODA) received have decreased. This idea is also compatible with the SDGs. Goal 17, which is set up to "Strengthen the means of implementation and revitalize the global partnership for sustainable development", considers the mobilization and effective use of domestic resources as the "central to our common pursuit of sustainable development goals".

Moreover, it is estimated that achieving the SDGs requires 2-3 USD Trillion annually until 2030, out of the international GDP of approximately $115 Trillion[2]. However, the amount of Official Development Assistance (ODA) is merely around USD 143 Billion annually[3]; all financing by multilateral developments banks (MDBs) is about USD 127 Billion annually[4]. Therefore, mobilizing the domestic resources through building the capacities of local taxation institutions and channeling these domestic resources to productive sectors through investment promotion regimes are very crucial in covering this financial gap and achieving the SDGs. For example, developing countries need to channel at least 15% of their GDP to finance basic services like education, healthcare and road infrastructure. If they just improved domestic capacity for taxation, they would deliver these basic services, but unfortunately, in almost 30 of the 75 poorest countries, tax revenues are below this 15 percent threshold[5].

The domestic resource mobilization has two main elements: the first one is the public saving, which can be increased by building the capacities of local taxation institutions; while the second element is private savings. To mobilize the private savings that could be used to finance investments in productive sectors, governments need to unleash the institutional hinders for the private sector which can be done by improving the property rights and land reforms.

The comprehensive approach of the 2030 agenda and how it pays more attention for economic transformations and improving capacities of local taxation institutions is a great achievement in the international development community. However, there is always room for improvement, part of which comes from paying more attention to institutional challenges that prevent developing countries from mobilizing the domestic private sector resources. We need to open more discussions about how these countries can implement successful land reforms, improve the property rights, and establish investment promotion regimes that will mobilize the huge dead capital and forge smart (public-private) partnerships.

1 Chang, Ha-Joon. Kicking Away the Ladder: Development Strategy in Historical Perspective, London: Anthem Press, 2003.

2 Hendrik du Toit, Aniket Shah and Mark Wilson, Ideas for Action for a Long-Term and Sustainable Financial System, a paper commissioned by the Business and Sustainable Development Commission, January 2017.

3 OECD, Development aid rises again in 2016, OECD – Paris, 11 April 2017

4 Inter-Agency Task Force on Financing for Development, Multilateral Development Banks (MDBs): Issue Brief Series from the World Bank, August 2016.

5 World Bank, Countries Must Strengthen Tax Systems to Meet SDGs, Press Release, February 2018.

SDGs and Climate Change

Dr. Ahmed Al-Qabany

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Climate Change is happening because of the increased level of anthropogenic (human made) emissions of Greenhouse Gases (GHGs) in the Earth's atmosphere. GHGs (such as carbon dioxide and methane) in the earth's atmosphere absorb energy then radiate it towards the surface of the earth causing it to warm. Thus, the increased level of carbon dioxide in the earth's atmosphere (mainly due to burning fossil fuels) has led to an increase of the global surface temperature by over 1.1 degrees Celsius in 2016 compared to the preindustrial era.

This change in Earth's temperature has harmful effects on ecosystems, biodiversity and the livelihoods of people worldwide. Threats of Climate Change vary from minor disruptions to economic activities such as flooding or road closures to more significant threats and extreme weather events causing natural disasters, loss of land and food harvest leading to malnutrition and poverty, and affecting health. Natural disasters alone have been reported by the UN to have caused the death of more than 1.6 million people during the period of 1995-2015, where more alarming reports by WHO estimate that 12.6 million people die globally each year due to pollution, extreme weather and climate-related disease.

Many of the climate change features such as warming of oceans, melting of ice and rise in sea level will persist even if emissions are stopped, due to the already elevated levels of carbon dioxide in the atmosphere. What's more alarming, the intensity of these changes is only expected to increase. If the global surface temperature goes above an estimated threshold of 2 degree Celsius, it is predicted that there would be more extreme changes in natural ecosystems, such mass extinctions, super droughts, intense hurricanes, decreased crops and fresh water, and many of these changes would be irreversible.

In response, a two-pronged approach is needed. The first is Adaptation, where action is taken to adapt to the climate change already happening (and increasing) to help communities and ecosystems be more resilient to the associated negative expected impacts. The second is Mitigation, where the root cause of climate change is addressed by reducing or preventing emissions of GHGs, using new technologies, making old equipment more energy efficient, or changing management practices or consumer behavior.

Due to their location, relatively limited water resources, or even economic dependency on agriculture, IDB member countries are generally quite vulnerable to climate change risks. For example, for each 1 degree of temperature increase, it is estimated that grain yields decline by about 5 per cent, which shows how grave climate change impacts may be on less developed countries. In fact, climate change impacts are more significant on less developed and poorer countries, making Adaptation as urgent as necessary.

UNFCCC estimates that a USD 6 Billion investment in disaster risk reduction over the next 15 years would avoid losses of USD 360 Billion. For an institution that aims to alleviate poverty and restore dignity, doing nothing about climate change risks is simply not an option. IDB plans to mainstream climate action in its delivery mechanisms to help make our member countries more resilient to the adverse effects of climate change, and ensure that our contribution to their development is more sustainable.

The Paris Agreement and SDG 13

In COP21 in Paris, a historic agreement was reached, recognizing that all countries and stakeholders must act to combat climate change. All 196 countries attending agreed to work to limit global temperature rise to well below 2 degrees Celsius, and to strive for 1.5 degrees Celsius. "SDG 13: Climate Action" brings everything together from a development perspective. It paves the way towards the implementation of the Paris agreement and encourages countries to integrate climate action in their development processes.

In its targets, SDG13 touches on the importance of incorporating climate change measures in national policies and planning, where aligning planning processes at the national level can ensure policy coherence, maximize resources, and avoid duplication. Moreover, it touches on the need for building human and institutional capacity, and possible financing mechanisms, that would address the possible higher investment needs for some climate mitigation measures in developing countries. In the road map it sets out, it also emphasizes the need for supporting least developed countries, youth, women, and marginalized communities' capacity in addressing climate change challenges.

IDB has chosen not to remain behind and work towards the development of its member countries in ways that could have worked decades ago. It sees climate change not only a threat to be prepared for by becoming more resilient, but also as an opportunity for growth, and for supporting its member countries transition to a more resilient, green and sustainable development.

SDGs Events:

The Retreat of the Country Programs Complex had discussed the alignment of IDB's projects with the SDGs on March 10th 2018.

A seminar on the State of Youth in OIC Member Countries, organized by the Capacity Dep on January 10th 2018, had explained how SDGs enhance Youth Empowerment.

The President of IDB Group addressing the importance of STI in achieving SDGs, during the World Governments Summit, February 11th 2018, Dubai.

IDB is represented on the global council on SDG8, chaired by Minister Emad Fakhouri. Cluster discussion on February 10th 2018, World Government Summit.

2018 TUNIS تونس
43rd ANNUAL MEETING
ISLAMIC DEVELOPMENT BANK GROUP

Forging Smart Partnerships with Multi-Stakeholders for the SDGs: Experiences from Member Countries

03 April 2018 at 11:00-13:00

Inauguration by
H. E. Dr. Bandar M. H. Hajjar,
The IDBG President

Governments:

- **Mr. Mehmet Şimşek**
  Deputy Prime Minister, Turkey
- **Mr. Bambang Brodjonegoro**
  Minister of National Development Planning, Indonesia
- **Ms. Sahar Nasr**
  Minister of Investment and International Cooperation, Egypt
- **Ms. Adejoke Orelope-Adefulire**
  Senior Special Assistant to the president, Nigeria

Stakeholders:

- **Mr. Achim Steiner**
  The Administrator, UNDP
- **Mr. Mahmoud Mohieldin**
  Senior Vice President for the 2030 Development Agenda, The World Bank
- **Mr. Abdillah Hifdi**
  Member of the Moroccan parliament, Morocco
- **Mr. Badreddine Ouali**
  Chairman of Vermeg, Tunisia

Moderator
Mr. Rami Ahmad, IDB Special Envoy on SDGs

Ramada Hotel (Didon 1), Tunis, Tunisia