



SDGs DIGEST

A Quarterly Newsletter, the voice of the IsDB Community of Practice (CoP) on SDGs.

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ISLAMIC DEVELOPMENT BANK AND UNITED NATIONS TO STRENGTHEN PARTNERSHIP IN FINANCING SDGs



Editorial **Rami Ahmad, Special Envoy on SDGs**



Welcome to this special edition of the SDGs Digest, coming on the heels of the IsDB Annual Meeting in Marrakesh and in anticipation of the High Level Political Forum (HLPF) this month and the special Summit on the SDGs during the upcoming UN General Assembly later in September.

The theme of our Annual Meeting in Marrakesh was "Transformation in a Fast changing world: The road to the SDGs." Many relevant topics were addressed, including Voluntary National Reviews (VNR), Youth Employability,

Aligning GVCs with SDGs, Achieving Zero-hunger, Climate Investing and many more. It was encouraging to see the SDGs seeping through all the activities and no doubt becoming, slowly but surely, part of the DNA of the IsDB Group.

We were delighted to receive the UN Deputy Secretary-General at the IsDB HQ. Ms. Amina Mohammed, after meeting with H.E. the President, was kind enough to indulge the IsDB SDGs Community of Practice with an open and frank conversation. For more than an hour, management and staff asked tough questions about progress made and what needs to be done differently in order to achieve the SDGs. The answers were even more thought-provoking with a challenge and a call to action to every development practitioner, individuals and organizations, who are genuinely interested in comprehensive development and human dignity. The upcoming HLPF and the SDGs Summit during the General Assembly will take stock of progress made on the 2030 Agenda which was endorsed by all 193 member states back in 2015. It remains to be seen if the Heads of States would be able to sharpen the mandate of the 2030 Agenda with a compelling call for a 'decade of action' to accelerate progress towards achieving the SDGs by 2030. Apparently, without doing things differently, the world is off track and the jury is still out on whether we will be able to leave no behind!

ALIGNING G20 INFRASTRUCTURE LEADERSHIP WITH THE SDGs

CAN THE MUSLIM WORLD ACHIEVE SDG 4 WITH 40% ILLITERACY RATE?

THE POTENTIAL OF ISLAMIC FINANCE IN ACHIEVING SDGs

IS ZERO HUNGER POSSIBLE BY 2030?



"IsDB is ensuring that SDGs are embedded in our country programs by adopting new thematic and sector policies fully aligned with SDGs. Ensuring our policy alignment is key to staying the course in achieving the SDGs."

Mansur Muhtar, VP, Country Programs, IsDB

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SDGs Digest is a Newsletter published by the SDGs Community of Practice (CoP) in IsDB Group. You can submit your articles, feedback, book reviews, reports and other topics related to the SDGs via SDGsCoP@isdb.org

ISDB AND UN TO STRENGTHEN PARTNERSHIP IN FINANCING SDGs

• To address the challenges of implementing SDGs



The President of Islamic Development Bank, Dr. Bandar Hajjar and the Deputy Secretary General of the United Nations (UN), Ms. Amina Mohammed have discussed the need to strengthen the partnership between the two intuitions to scale-up funding for the SDGs. The discussion took place when Ms. Mohammed visited Dr. Hajjar at the IsDB headquarters in Jeddah.

The Deputy Secretary-General reiterated the importance of institutions like the Islamic Development Bank (IsDB) towards the successful implementation of the 2030 Agenda.

Ms. Mohammed congratulated the IsDB President on the approval to increase the capital of the Bank during the Makkah Summit in Ramadhan, adding that this is a testimony to the trust in his leadership.

In his remarks, Dr. Bandar Hajjar expressed his appreciation on the partnership between the UN and IsDB. The IsDB President told the UN Deputy Chief that the Bank is investing a lot in the

implementation of the SDGs. "That is why Dr. Rami Ahmad was appointed to serve as a Special Envoy on the SDGs so that he can create awareness among the IsDB complexes and in member countries," Dr. Hajjar stated.

In a separate meeting with the Vice President, Country Programs, Dr. Mansur Muhtar and Vice President Partnerships Development, Dr. Mohammed Jouini, Ms. Mohammed discussed how IsDB and UN can strengthen their partnership to deliver effective development results in IsDB member countries.

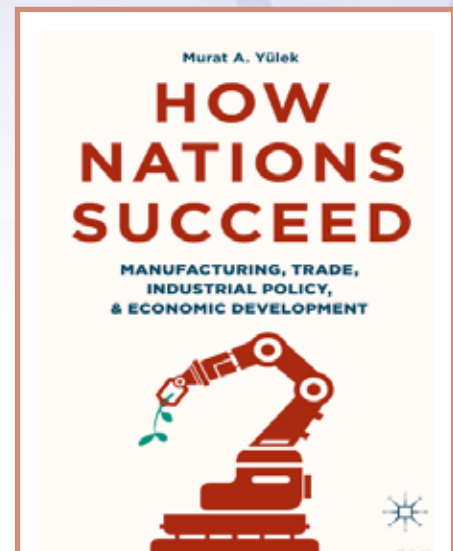
Following that, the Deputy Secretary-General participated in an interactive conversation with the Staff of IsDB Group organized by the SDGs Community of Practice. The UN Deputy Chief emphasized the importance of dialogue and consultation with client countries on their priorities.

"We need to speak more with the MDBs especially the World Bank, the African Development Bank and Islamic Development Bank. We are being more proactive. That is why the UN is engaged in a reform. We need all agencies and member states to be convinced of the reform," stated Ms. Mohammed during the discussion moderated by Dr. Rami Ahmad.

The UN Deputy Secretary-General expressed concern that many people are being lifted out of poverty around the world, while a large segment of the population also falls into hunger.

Despite these challenges, Ms. Mohammed stated that she is optimistic that the SDGs provide a framework that can help in addressing development challenges in education, health and the social sector.

Follow the next edition of SDGs Digest for an exclusive interview with Ms. Amina Mohammed.



This book assesses developmental experience in different countries as well as British expansion following the industrial revolution from a developmental perspective. It explains why some nations are rich and others are poor and discusses how manufacturing made economies flourish and spur economic development. It explains how today's governments can design and implement industrial policy, and how they can determine economically strategic sectors to break out of Low and Middle Income Traps. Closely linked to global trade and (im)balances, industrialization was never an accident. Industrialization explains how some countries experience export-led growth and others import-led slowdowns. Many confuse industrialization with the construction of factory buildings rather than a capacity and skill building process through certain stages. Industrial policy helps countries advance through those stages. Explaining technical concepts in understandable terms, the book discusses the capacity and limits of the developmental state in industrialization and in general in economic development, demonstrating how picking-the-winner type focused industrial policy has worked in different countries. It also discusses how industrial policy and science; technology and innovation policies should be sequenced for best results.





ICD AND SDGs: ONE PATH, ONE GOAL

The Islamic Corporation for the Development of the Private Sector (ICD) is a multilateral development organization and a member of the Islamic Development Bank (IsDB) Group. The mandate of ICD is to support economic development and promote the development of the private sector in its member countries through providing financing facilities and/or investments in accordance with the principles of Sharia'a. As part of its efforts to align its operations with the Sustainable Development Goals (SDGs) of its member countries, ICD has taken a set of steps since 2017. Accordingly, the Corporation has tagged its products and services with SDGs goals (i.e. <https://icd-ps.org/en/short-term-finance>) and amended the investment and advisory approval guideline, which requires now from all new investment and advisory project proposals to fill jointly with their clients, a Due Diligence Development Impact Questionnaire. Based on the

inputs of the questionnaire, the ICD Development Effectiveness Department submits a Development Effectiveness Note assessing how the project is contributing to the SDGs.

In 2018, ICD put into practice a comprehensive initiative, which included a set of activities to mainstream SDGs into its operations. The igniting point of SDGs initiative was the ICD Management's commitment to align the ICD operations with the priorities of our Member Countries. The President's message on SDGs during the Board Meetings has been key to bring the attention of each ICD officer on the subject. In this regard, ICD Strategy & Policy Department has recently completed a strategy mapping (ref. figure below) exercise to link the SDGs with its strategy and development targets. The mapping exercise showed that ICD strategy supports directly and indirectly 10 out of the 17 SDGs. Specifically, the Corporation has pledged to concentrate its investments into many specific targets: including SDG 7 (energy), SDG 8 (jobs and financial inclusion) and SDG 9 (industry and infrastructure), while engaging with SDG 13 (climate action) and SDG 17 (partnerships) to impact on SDG 1 (poverty), SDG 2 (agriculture), SDG 3 (health), SDG 4 (education) and SDG 5 (gender equality).

ICD also acknowledges the risk of diluting the effect of the SDGs if the organizations are undertaking some project activities but do not actually contribute. Such "SDG-washing" could lead to cynicism about the SDGs, as organizations receive recognition for contributing to the SDGs without providing anything tangible. In 2018, ICD



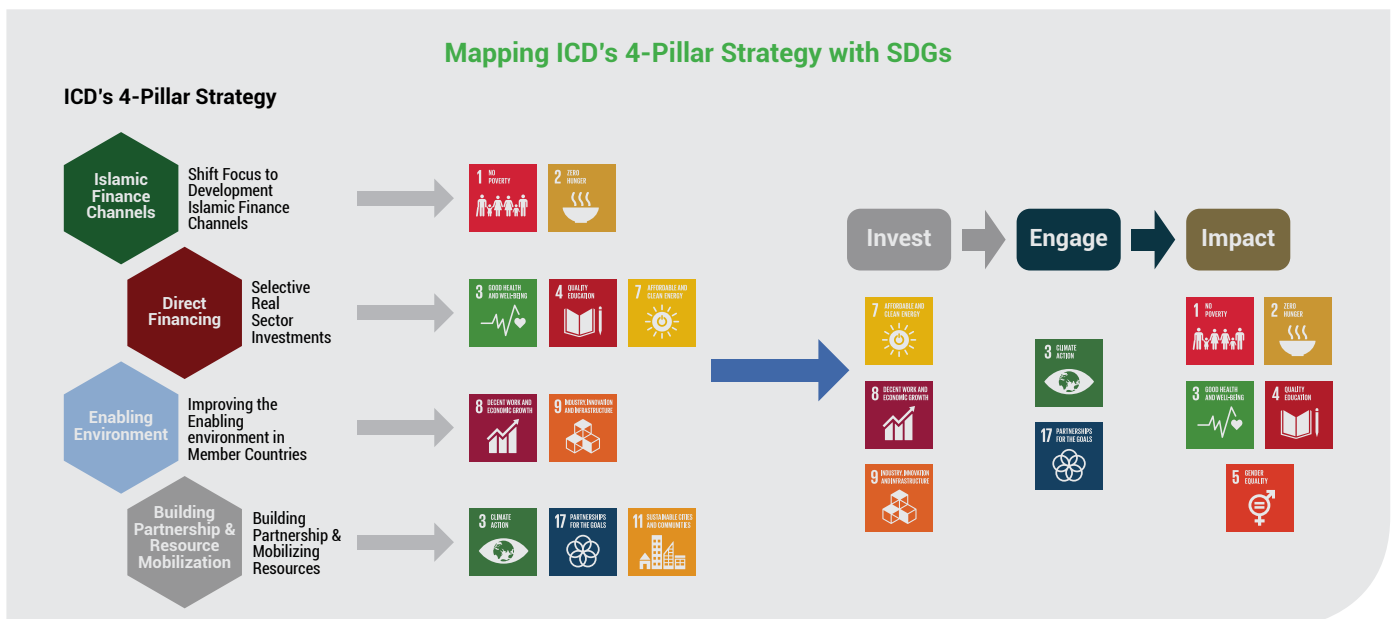
Ayman Amin Sejiny
CEO, ICD

developed an in-house SDG Dashboard Tracking System, tracking the annual progress vis-à-vis the projected outcomes agreed upon during project's approval. The tracking system generates real time automated dashboards based on the observed impact against the pre-agreed and customized reporting formats.

Furthermore, to join forces with other Multilateral Financial Institution, ICD has been representing the IsDB Group in three Multilateral Development Bank (MDB) Taskforces, which aims at mobilizing private sector resources towards achieving SDGs. ICD has also been involved in the International Financial Institutions (IFI) Harmonization Working Group for the Private Sector Operations Development indicators since 2014, which enabled the Corporation to further enhance its development impact framework.

Going forward, ICD also plans to include a set of targets on SDGs in its 2019 corporate scorecard and provide regular reports to the ICD Board. ICD has also taken further steps to fully incorporate SDGs into departmental business plans.

Mapping ICD's 4-Pillar Strategy with SDGs





ICIEC's COMMITMENT TO THE SUSTAINABLE DEVELOPMENT GOALS



Oussama Abdel Rahman KAISSI
CEO, ICIEC

The United Nations' Sustainable Development Goals (SDGs) have been influential in galvanizing global support to coordinate efforts in ending extreme poverty and hunger, fighting inequality, tackling climate change, and achieving sustainable development for all. The SDGs outline 17 specific goals and provide a framework for coordinated effort in helping alleviate the world's most pressing social, economic and environmental challenges.

ICIEC is committed to achieving the SDGs by playing a decisive role in directing strategies to derive maximum development benefits through trade and investment. This approach is fully aligned with the Islamic Development Bank (IsDB) Group's long-term priority to promote economic resilience and prosperity in member countries. As part of its mandate, ICIEC seeks to utilize trade and investment insurance to support the Organization of Islamic Cooperation (OIC) countries' growth and development in ways that are inclusive and responsive to rapid changes as well as to improve their connectivity both among themselves and with the world. The promotion of investment and trade contributes to economic diversification and empowerment by addressing the supply-side capacity and investment-related infrastructure constraints, including micro, small and medium-sized enterprises (MSMEs) needs. Domestic and foreign direct investments generate wealth, employment and new market opportunities, which are preconditions to increasing the standard of living, further driving the achievement of SDGs in member countries.

ICIEC strategy embraces six of the SDGs which are deeply aligned with ICIEC's mission as an institution responsible for mobilizing the resources needed to realize inclusive and sustainable development.

SDG2: End hunger, achieve food security and improved nutrition and promote sustainable

agriculture: ICIEC insures non-payment risk for sales of agricultural technologies, equipment and service transactions. To date, ICIEC has supported USD 1.3 billion in this sector, helping to enhance the productivity and incomes of food producers, importers and exporters.

SDG3: Ensure healthy lives and promote well-being for all at all ages. Since inception, ICIEC has insured more than USD 500 million in trade and investment in the healthcare industry, facilitating the import of critical medical supplies, the construction of hospitals, and supporting a wide range of projects that help member countries bolster their capacity to provide healthcare for all.

SDG7: Ensure access to affordable, reliable, sustainable and modern energy for all ICIEC has supported numerous power generation projects and has been instrumental to the introduction and adoption of renewable energy technologies in its Member Countries. ICIEC has insured over USD 15 billion in energy projects including renewable technologies, ranging from wind farms to small scale solar energy generation.

SDG8: Promote inclusive and sustainable economic growth, employment and decent work. ICIEC has enabled over USD 2.5 billion in economic activity for labor-intensive sectors – such as agriculture and textiles – within Member Countries, and over USD 6.5 billion in trade and investments in the least developed nations, generating jobs and growth in these markets over the last two decades.

SDG9: Build resilient infrastructure, promote sustainable industrialization and foster innovation. ICIEC has supported nearly USD 4 billion in trade and investment in infrastructure, industry and innovation, by mitigating political risk for large-scale projects, promoting access to finance among Small and Medium Enterprises, who are the catalysts of the economies as the backbone of trade and innovation, and enabling trade between Members and developing countries.

SDG17: Revitalize the global partnership for sustainable development. Partnership and cooperation among governments, civil society, and the private sector are fundamental for achieving the SDGs, and they are at the heart of ICIEC's operations. For over 25 years, ICIEC has built strong strategic partnerships – with Member Countries, Multilateral Institutions, Export Credit Agencies, Private Insurers & Reinsurers and local & global financial institutions.

ICIEC role in achieving SDGs: Catalyst role of FDI to our MCs

As the IsDB Group credit enhancement and political risk insurance arm, ICIEC's primary role is to support expansion trade and flow of foreign direct investments (FDI) in OIC members, using Shariah compliant risk mitigation instruments. ICIEC holds a unique position to facilitate the expansion of intra OIC trade flows and mobilization of finance to realize the SDGs.

Due to the global scale, the challenge securing the investment required to meet the SDGs remains the most significant obstacle to systematic change. Indeed, according to the UNEP Finance Initiative, an estimated USD 6 trillion is required, mostly in the infrastructure sector and in developing countries. This makes it imperative to mobilize resources from multiple sources including public and private sector entities, integrating different financing modalities and instruments.

The large gaps in investment call on international organizations such as ICIEC to play an instrumental role in catalyzing trade and promoting investment to contribute decisively to the achievement of these goals. ICIEC stands as a crucial platform in facilitating private sector finance for developmental projects that have a great impact in its member countries. As the institution grows and fosters a stronger network, it is expected to increase its influence in driving the SDGs in member countries. As a member of the Berne Union, the International Union of Credit & Investment Insurers, ICIEC contributed to the group's USD 2.3 trillion in support for global trade and investment flows, accounting for approximately 15% of international trade and investment in 2017. ECAs account for the largest share of international project financing in developing countries, reaching USD 100 billion of the total amount of their trade and investment portfolio. By comparison, official development flows (ODA) roughly amount to USD 50 billion to USD 60 billion globally every year.

ICIEC & SDGs Into the Future

Looking forward, ICIEC, a proud member of the Islamic Development Bank Group, will continue to be guided by its mandate to promote economic growth and prosperity in its member countries through facilitating cross-border trade and investments. These efforts are aligned with the ambitious agenda set forth in the Sustainable Development Goals and have become ICIEC's new signposts for its continuing development journey.

ALIGNING G20 INFRASTRUCTURE LEADERSHIP WITH THE SDGs



Kevin P. Gallagher
Frederick S. Pardee, School of Global
Studies Boston University



Infrastructure Hub, set up by the G20, says that it will require the mobilization of an extra \$236 billion annually to 2030 just to achieve SDGs for energy access, and access to clean water.

Fortunately, investing in sustainable infrastructure brings co-benefits to the world economy and is a catalyst for other SDGs. Infrastructure is a foundation for economic growth by creating jobs, spurring industrialization and competitiveness, and connecting people and markets. Sustainable infrastructure can also help with poverty reduction given that it can help in providing basic services and work opportunities. Infrastructure investments reflecting environmental considerations contribute to preserving natural environment, reducing carbon emissions and pollution, and enhancing climate resilience and ensuring efficient use of resources.

Unfortunately, we are not yet at the scale or pace to meet the SDG challenge in general, and sustainable infrastructure gaps in particular. There is an urgent need for leadership committed to the scale and urgency of action that is needed. The global community is witnessing accentuated social unrest and climate change related natural disasters that threaten our economies and social fabric. Decisive action by the G20 to align its infrastructure ambitions with those of the SDGs can make history and secure our future at the same time.

Kevin P. Gallagher is a professor of global development policy at Boston University's Frederick S. Pardee School of Global Studies, where he directs the Global Development Policy Center. The author of six books on the global economy, Gallagher serves on the United Nations' Committee for Development Policy and co-chairs the T-20 Task Force on International Financial Architecture at the G-20. Follow him on twitter @KevinPGallagher

The G20 has become a champion for scaling up infrastructure financing across the world but needs to align such leadership with the Sustainable Development Goals (SDGs). In 2010, G20 leaders included infrastructure as one of the nine pillars given its importance for growth in developing countries. The 2014 G20 Brisbane Summit endorsed the G20 Global Infrastructure Initiative, a multi-year programme to support public and private investment in quality infrastructure. The G20's commitment to promote infrastructure was reaffirmed at the 2016 Hangzhou Summit. Whereas the 2017 G20 in Hamburg emphasized climate change and sustainable development there was little explicit attention to infrastructure. Under the Argentinian leadership in 2018, the G20 pushed forward the "Roadmap to Infrastructure as an Asset Class." The Japan presidency in 2019 is focusing on the agenda of quality infrastructure. Saudi Arabia has an opportunity to enshrine the SDGs into the G20 infrastructure agenda.

The New Climate Economy (NCE) and the OECD have each provided estimates of the investments needed to reach a low carbon, '2 degree' scenario for

Infrastructure is a foundation for economic growth by creating jobs, spurring industrialization and competitiveness, and connecting people and markets.

sustainable infrastructure. For NCE, the 2-degree scenario are the investments needed to make an energy transition and an emissions trajectory consistent with a 50% chance of limiting average global temperature increases to 2°C by the end of the century. The OECD (2017) estimate is based on a 66% chance of keeping the temperature rise below 2°C. The NCE estimates that USD 7 trillion is needed on an annual basis to reach a 2-degree target, OECD estimates that USD 6.9 trillion is needed—with roughly 75 percent of the need residing within G20 countries themselves, roughly USD 5.25 trillion per year for G20 and USD 1.75 trillion for the rest of the world by 2030. That is just SDG 13, 'Climate Action.' The Global

IS ZERO HUNGER POSSIBLE BY 2030?



Ismahane A. Elouafi
DG, ICBA

In 2015 the global community set some noble yet ambitious goals - Sustainable Development Goals (SDGs) - to be achieved by 2030. One of them, namely SDG 2, aims to end hunger, achieve food security and improved nutrition and promote sustainable agriculture. Alas, with a little over a decade left, we have already gone off track.

After many years of a downward trend, global hunger has been on the rise since 2014. The Food and Agriculture Organization of the United Nations estimated the number of undernourished people in the world in 2017 at 821 million. And some 2 billion people lack key micronutrients such as iron and vitamin A.

Scientists list conflict, drought and climate change-linked disasters among the key factors.

There are also many other reasons which deserve more attention.

First, our global food system is unhealthily dependent on major crops like rice, wheat and maize, which are neither resilient nor nutritious enough. With climate change increasing the risks of crop failure is haunting the smallholder farmers, who are already bearing the brunt.

A study by the University of Nebraska-Lincoln points out that nearly 31% of total global rice, wheat and maize production

has seen plateaus or sharp decreases in yield gain over the past two decades or so, singling out climate change and degradation of land and other natural resources as some of the main causes.

Scientists are also raising concern about unforeseeable effects of climate change on the spread of pathogens among major crops.

Yet we are still fixated on genetic improvement and biofortification of staple crops as the only options to address food insecurity and malnutrition.

We overlook what nature has to offer. There are around 30,000 known edible plant species in the world. More than 6,000 crops have been cultivated for food throughout human history, but fewer than 200 species had significant production levels globally as of 2014, with only nine accounting for over 66 percent of all crop production by weight.

To avoid a potential global food shortage, we must diversify into these underutilized, neglected and forgotten crops that are naturally better at withstanding biotic and abiotic stresses and are in many cases far more nutritious than the 3 staple crops we are building our diet around (wheat, rice, maize).

Quinoa, an Andean superfood, is a great example of how collective global endeavor can make a difference. In less than a decade, the crop has become a darling of agribusinesses and farmers in over 100 countries.

Second, one-third of the total amount of food produced globally is lost or wasted every year. A recent analysis by the Boston Consulting Group estimates that it is 1.6 billion tonnes of food worth about 1.2 trillion USD, which is projected to increase if not addressed. That is an unsettling excess at a time when nearly one billion people do not have enough to eat.

So it is critically important that we improve food supply chains and better tackle food waste worldwide.

Third, to grow more food in a sustainable way, especially in marginal environments, that is areas of the world that have biophysical and socioeconomic constraints on agricultural production, we need to look beyond mainstream approaches and tap into the potential of marginal soil and water resources.

Salinization is causing huge economic losses today in many countries where agriculture is a major contributor to GDP.

In their study, Qadir et al. put the global inflation-adjusted annual cost of salt induced land degradation in some 310 million ha of irrigated areas at 27.3 billion USD because of lost crop production only.

In view of these worrying figures, it is more important than ever before to enhance productivity and utility of lands and water resources degraded by salinity and other factors to meet future food demand.

These resources should be viewed as assets rather than liabilities. Every type of land and water suitable for agricultural production should be used as the Food and Agriculture Organization of the United Nations projects a need to produce 70 percent more food by 2050.

So even though zero hunger seems to be a far-fetched idea, it is not impossible. If we embrace for new ideas and realize that there are many options, we still have time to end hunger and make sure nobody is left behind.

SDG2: TRACKING WORLD HUNGER USING GLOBAL HUNGER INDEX (GHI) 2018

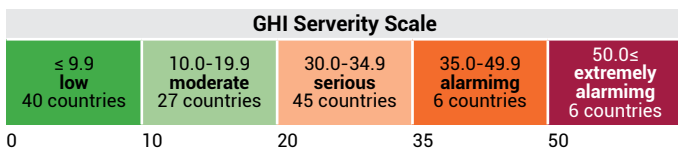


Syed Abdur Rahman ERIL

Hunger is usually understood to refer to the distress associated with a lack of enough calories. GHI is a tool designed to comprehensively measure and track hunger at global, regional and national levels. GHI scores are calculated each year to assess the progress and setbacks to take measures for combating hunger.

Global Hunger Trends: Out of 119 country-rankings, levels of hunger are still **extremely alarming** in one country (Central African Republic), **alarming** in six countries (including 3 IsDB member countries) **serious** in 49 countries (22 IsDB's) and **low** or **moderate** in rest 67 countries (22 IsDB's), reports the GHI-2018. Hunger and undernutrition worldwide now fall within the serious category, at a value of 20.9, down from 29.2 in 2000.

Number of Countries by Hunger Level

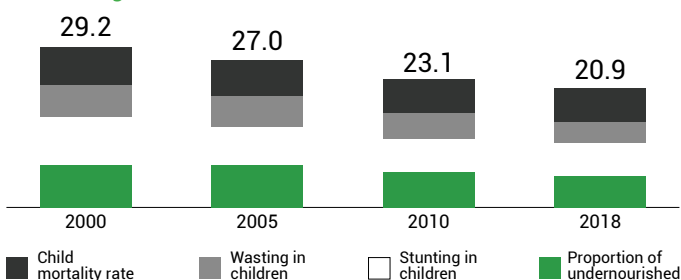


Source: Authors

Still, the question remains whether the world, by 2030, will achieve SDG2, which aims to end hunger, ensure food security and improved nutrition, and promote sustainable agriculture. Observations since 2000 confirm that around 50 countries will fail to reach low hunger levels by 2030 as defined by the GHI Severity Scale as 79 countries have failed to reach that designation till date. Given the gains that have already been made, although significant progress is possible, but the goal of achieving zero hunger can be reached by 2030 only if increased efforts and innovative approaches are ensured.

Hunger in the Regions: Hunger remains **serious** in South Asia and sub-Saharan Africa. In both regions, the rates of undernourishment, child stunting, child wasting, and child mortality remain unacceptably high. South Asia has the highest child stunting and child wasting rates of any region, followed by sub-Saharan Africa.

Global Hunger Index 2000 - 2018



In terms of undernourishment and child mortality, sub-Saharan Africa has the highest rates, followed by South Asia. In contrast, GHI scores in East and Southeast Asia, the Near East and North Africa, Latin America and the Caribbean, and Eastern Europe and the Commonwealth of Independent States range from 7.3 to 13.2, indicating **low** or **moderate** hunger levels. Yet, those regions include countries where hunger and undernutrition rates are **serious** or **alarming**.

Hunger in the Countries: In many countries, the areas with the lowest stunting levels are predominantly urban areas, such as national capitals, which are outliers relative to other parts of the country. In other countries, there are areas where stunting is exceptionally high, relative to the country, as a whole.

2018 Global Hunger Index



Recognizing the nature of the hunger and undernutrition challenges facing individual areas within a country can help to better tailor interventions and policies to meet those areas' needs. In order to delve more deeply into national averages, the 2018 GHI report takes a closer look at the hunger and nutrition situations of two countries—Bangladesh and Ethiopia—which have serious levels of hunger but have achieved notable progress through a range of policies and programs.

GHI-2018 Three Key Recommendations: (i) Leave No One Behind; (ii) Implement Long-Term Solutions; and (iii) Show Solidarity by Sharing Responsibility.

Composition of The Global Hunger Index



Source: Wiesmann et al. (2015)

Note: The values of each of the four component indicators are standardized. See Appendix A for the complete GHI formula and Appendix B for the source. SDGs = Sustainable Development Goals

NOT JUST MORE JOBS... DECENT JOBS FOR WOMEN (SDGs 5 & 8)



May Ali Babiker Elthahir
Manager, Women and Youth Empowerment Division

One of the most visible and transformative elements of the post-2015 agenda is the Sustainable Development Goal No. 5, the stand-alone goal on gender equality and the empowerment of women and girls that it is also integral to all dimensions of inclusive and sustainable development. Women empowerment by 2030 requires urgent action to eliminate the root causes of discrimination and disparities that still curtail women's full participation in the public spheres, especially the economic sphere.

Women form 40% of the global labor force. However, they are largely concentrated in part-time, low paid, and insecure jobs. As a result, women disproportionately account for 60% of the working poor, earning 24% less than men. They tend to run enterprises in less productive sectors and are more

likely to do part-time and temporary jobs with fewer avenues for advancement, than men. Women are particularly concentrated in domestic labor or work in the informal sector in jobs that lack security and are not covered by labor laws.

Efforts were focusing on increasing women's access to the labor market through education and training or the creation of more jobs. Considerable progress has been made on women's access to education, however, there was no focus on improving the quality of education or training to respond to the market needs. Women are typically underrepresented in the fields that usually reflect opportunities that lead to better-paying jobs.

Moreover, the creation of more jobs for women through programs funded by governments or development institutions usually doesn't lead to the provision of sustainable, decent jobs. It rather reinforces the concentration of women in low-paid and informal jobs that don't have social security or any other benefits. Such programs have short term objectives that aims at improving the living conditions of women, rather than addressing the structural barriers to women's access to decent job opportunities..

Women's access to decent work is an essential measure of inclusive growth. Evidence has shown that increasing women's access to decent work, can

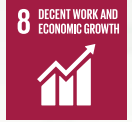
generate broad productivity gains and improve many other development outcomes for themselves and others, as they reinvest 90% of their income into the health and well-being of their families and communities ranging from better nutrition to increased years of schooling. Therefore, women should have equal access to decent jobs and productive resources.

Addressing gender gaps in accessing decent and quality jobs is key for the realization of the sustainable development agenda. Promoting more decent jobs for women requires a multidimensional approach that involve all the stakeholders, governments, private sector, development actors and others.

Governments should promote and enforce economic policies and development plans that prioritize equitable decent job creation including social protection measures for women. Countries should encourage more girls to take up subjects that provide opportunities for better paying jobs and to end the stereotypes of subjects that women can/cannot study. Private sector should champion initiatives that promote women's economic empowerment and employment in stable, decent job opportunities. Finally, programs targeting improving economic opportunities for women should aim creating the conducive eco-systems for decent job opportunities at the policy and programmatic levels.



SOCIAL DIALOGUE: KEY TO ACHIEVING THE 2030 AGENDA



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The 2030 Agenda for Sustainable Development, adopted as a result of consultations involving more than 1 million people across all countries and backgrounds, places at its heart a strong commitment to reducing all forms of inequalities and “leaving no one behind”. To achieve this ambitious agenda and its 17 Sustainable Development Goals (SDGs), we need to continue to uphold the standards of inclusiveness and multi-stakeholder engagement and partnerships as underlying principles for its implementation.

One critical modality of multi-stakeholder engagement is social dialogue. While the 2030 Agenda does not explicitly mention “social dialogue,” it acknowledges the centrality of decent work to the achievement of sustainable development, as enshrined in SDG8 (Decent work and inclusive growth). This de facto implies recognizing social dialogue as a tool for negotiation and consensus building among the tripartite actors from the world of work¹: governments and worker and employer organizations. Indeed, evidence shows that social dialogue, underpinned by the fundamental principles and rights at work, can foster socio-economic progress and can be a governance instrument for the realization of sustainable development, representing an essential means for implementing the SDGs². Social Dialogue has had proven

positive impact on wages, working conditions, and labour productivity³. But beyond SDG8, social dialogue is also a critical element for achieving other goals, including goal 1 (poverty reduction), goal 5, (gender equality), goal 10 (reduced inequality), and goal 16 (peace, justice and strong institutions).

The challenges facing the world of work today are formidable. According to the ILO, 190 million people are unemployed in the world today, out of which 65 million are youth. Some 300 million workers live in extreme poverty (below US\$ 1.9/ day)⁴, a reflection of the poor quality of jobs offered and the low wages earned by these people. Societies have become unequal; this is to a great extent the result of weakened labour market institutions and social dialogue.

These challenges are amplified in the Arab region, which for decades has been characterized by high unemployment rates, particularly among youth, low labour productivity, informality, poor working conditions, low labour force participation rates among women, and low or inadequate social protection coverage. All these deficits have converged to form a vicious circle that is hampering efforts to make significant advances in reducing poverty and inequality. At the heart of these deficits has been weak governance, manifested in weak industrial relations and lack of effective channels of communication between governments and citizens that would enable their voices to be heard

³ *ibid*

⁴ Global Commission on the Future of Work and ILO (2019) – “*Work for a brighter Future*”

“Social dialogue is defined by the International Labour Organization (ILO) to include all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy”. Based on freedom of association and collective bargaining, social dialogue takes different forms and is adapted to each country’s context.

and solutions to be agreed⁵. Where social dialogue mechanisms existed, they were neither institutionalized nor sustained.

In this context, the ILO Regional Office for Arab States organized in April 2019 a south-south dialogue amongst governments and employer

⁵ ILO-UNDP (2012) – “Rethinking Economic Growth: Towards Productive and Inclusive Arab Societies”

¹ Social dialogue is one of the four key pillars of the Decent Work Agenda, the other three being employment creation, workers’ rights, and social protection.

² ITUC (2018) – “What policies are needed to achieve Goal 8?: The trade union recipe for SDG implementation”



and worker representatives from Iraq, Jordan, Kuwait, Lebanon, the Occupied Palestinian Territory, and Oman. The aim of the dialogue was to foster exchange of knowledge and experience on the engagement of the ILO' tripartite constituents in the implementation, monitoring, and reporting of the 2030 agenda, with a focus on SDG8, and identify ways to enhance their role and engagement in these processes. Key conclusions are:

1. Increased political, economic and social distress and armed conflicts have exacerbated pre-existing development challenges in the Arab region and further exposed inequalities. **Social dialogue is a proven powerful tool in these contexts to stabilise social relationships and pave a way forward**, by gathering economic and social actors and governments around the table⁶.
2. **Implementation, monitoring and reporting on SDGs needs to adopt a participatory approach that engages all concerned stakeholders**, including employer and worker representatives and civil society. Mechanisms need to be put in place and sustained to ensure that these processes are not ad hoc and one-off events.
3. In addition to their participation Voluntary National Reviews reports (VNRs), **civil society and social partners can submit shadow reports** to provide their views and reflections on the implementation of the 2030 Agenda and SDGs.

Looking forward, there is a need to further promote participatory social dialogue as a fundamental means to address the challenges and seize the opportunities that emerge from changes in the world of work and technological advances. Beyond its usefulness as a mechanism for ensuring the coherence and legitimacy of social, economic, and environmental policies, the right to dialogue is a basic tenet to the construction of inclusive societies, and is one of the underlying pillars of the 2030 Agenda⁷. The year 2019 is a special year for reinforcing the centrality of social dialogue to the 2030 agenda: it marks the 100th anniversary of the ILO's pursuit of social justice, and is also the year during which SDG8 and SDG 10 will be reviewed at the High Level Political Forum (HLPF).

6 "The 2030 Agenda: How Social Dialogue combats inequality and ensures social cohesion?" <https://sustainabledevelopment.un.org/content/documents/10512Sectoral%20Paper%20HLPF%20WTUMG%20Final.pdf>

7 ITUC-ILO (2018) "The contribution of Social Dialogue to the 2030 Agenda – Formalising the informal economy" https://www.ituc-csi.org/IMG/pdf/sd_2030agenda_en.pdf

SDG 8.B: TOWARDS AN INTEGRATED GLOBAL STRATEGY FOR YOUTH EMPLOYMENT



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Ever since the economic and financial crisis of 2008, youth unemployment has been a top policy concern. In 2012, a "Call for action" for youth employment was adopted by representatives of governments, employer organizations and trade unions of the 185 member States of the International Labour Organization (ILO) at the International Labour Conference. The Call for action established a set of guiding principles, while recognizing that there is no "one-size-fits-all" solution that applies to all countries. It also recommended to focusing efforts in five policy areas, namely, macro-economic policies, skills and employability, labour market policies, youth entrepreneurship and rights for young people.

As a result, countries at all levels of development formulated youth employment policies through different instruments. Some countries developed specific strategies for youth employment (e.g. Republic of Korea and Togo). Others, such as all the countries in the European Union, developed action plans for the implementation of the Youth Guarantee scheme that aimed to ensure young people's successful transition into work. Countries like China and Turkey included specific measures for youth in their national employment strategies. However, determining the progress of youth employment strategies is challenging. Many of them lack clear targets, a

monitoring framework, and a budget. Without these elements, it is not easy to determine if youth employment strategies are being operationalized and to monitor their progress in countries and regions.

As part of Goal 8 of the UN Sustainable Development Goals (Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), Target 8.b aims "by 2020, to develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization". In order to achieve this, we first need to determine what are the strategies to advance youth employment and to what extent they are being implemented. Indicator 8.b.1, linked to Target 8.b, measures the "existence of a developed and operationalized national strategy for youth employment, as a distinct strategy or as part of a national employment strategy". In other words, the indicator will not only report the countries that have a strategy for youth employment, but also those that implement them and to what extent. This will be possible because countries are asked to report concrete elements of their national youth employment strategies, such as implementation and progress reports and evidence of an existing budget for the strategy.

This information is crucial for both national and international youth employment stakeholders. First, it will make it easy to identify which countries need support and in what areas (e.g. funding, formulation, implementation, monitoring, etc.); and second, it will be possible to draw good practices and successful cases that could help inform youth employment strategies in other countries and regions. The methodology for data collection was developed by the ILO and endorsed at the International Conference of Labour Statisticians in October 2018.

ISDB, ISFD AND UNDP PARTNERSHIP TO EMPOWER NGOs FOR POVERTY ALLEVIATION



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Empowering NGOs can help achieve stronger impact in reducing poverty and other sustainable development objectives. In a world with growing complexities, new innovative solutions – from technological progress to new ways of communicating, financing and marketing – are also critical to support development outcomes.



NGOs to be innovative, their projects to be more visible and their fundraising efforts more successful, they will be trained and supported to create their crowdfunding campaigns, and to develop their networks for sustainable financing. In order to interlink the work and experiences of different NGOs, the project includes the development of an aggregating platform TADAMON (Arabic: solidarity) to serve as a "Trip adviser" for citizens and private sector to make it easier to financially support the humanitarian and development efforts of NGOs. This will be done by linking numerous crowdfunding campaigns from NGOs supported through the Program from a number of existing crowdfunding platforms.

Crowdfunding and technologies such as blockchain and social impact bonds are already changing the development landscape, bringing about new mechanisms and models of thinking. Even in fragile settings within countries like Somalia or Sierra Leone, NGOs with smart phones, mobile payments and blockchain-based IDs are creating new value and impact, achieving more efficient, effective and transparent development goals. With this new initiative, the Islamic Development Bank Group and UNDP aim to empower more NGOs to be able to perform better, recognizing their important role in bringing positive transformational change in the communities they serve.

ISDB, ISFD and UNDP recognize the significant role of Civil Society Organizations (CSOs), including Non-Governmental Organizations (NGOs), as valuable development partners that help promote citizen participation, enhance sustainability and alleviate poverty to accelerate progress towards the SDGs and especially SDG1.

NGOs' contributions are particularly needed in ISDB member countries (MCs) where a number of socio-economic challenges are keeping millions of people in the trap of poverty, violent conflicts, insufficient access to clean energy and water, lack of skills and education, out of school children and unemployment.

Empowering NGOs can help achieve stronger impact in reducing poverty and other sustainable development objectives. In a world with growing complexities, new innovative solutions – from technological progress to new ways of communicating, financing and marketing – are also critical to support development outcomes.

It is in this context that ISFD and ISDB Human Development Division

have formulated the Program "NGOs Empowerment for Poverty Reduction" aiming at empowering NGOs to improve the socio-economic well-being of hard-to-reach communities through better identification of impactful NGOs (mapping), and supporting these NGOs in their work to increase education of refugees and remote communities, job creation, building resilience and stronger community livelihoods. Over the next five years, this project – sponsored by ISFD, designed and implemented by ISDB and supported by UNDP – will be rolled out in 57 member countries to empower NGOs development and their humanitarian initiatives.

The project will include a mapping, screening and categorizing (according to their activities and field of work) of national NGOs and CSOs in MCs operating in humanitarian or development contexts, indicating which organizations are relevant and where there may be a need for support. In order to empower NGOs to get visibility for their work, the project will also include trainings on communication, management and accountability. To enable

DISRUPTIVE TECHNOLOGY IN A "SUPER-SMART SOCIETY"



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 Science Technology and Innovation Department

Not more than a couple of centuries ago, man would only dream of speaking to someone in another city directly. Nowadays, we, sometimes, are more connected with acquaintances in other continents than relatives who are in the same room. This poses the

question of what is next! As technology is evolving in unprecedented manner, new society is forming. A society that is fostering technology leaps such as Artificial Intelligence (AI), Internet of Things (IoT) and Big Data. The fusion of similar disruptive technologies with the emerging human needs is creating what is known as the «super-smart society» or what Japan is endorsing as Society 5.0.

Historians recorded the development of society starting from the elementary hunting and gathering society then moving to the agricultural society. With the introduction of major inventions such as electricity, the steam engine and the discovery of fossil fuel, the industrial society became more dominant and allowed the mass production of standardized products. It was not until the second half of the 20th century where information technology and digitization vastly impacted the development of

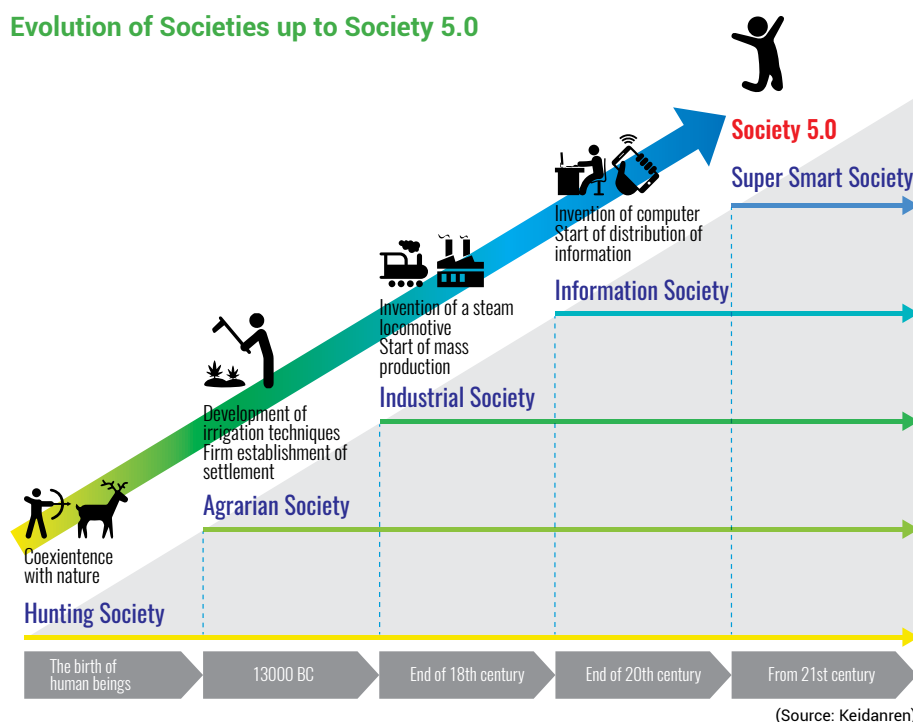
civilization creating what is called the "Information Society".

An integral enabler of the SDGs; Science, Technology and Innovation (STI) addresses challenges related to society development and economic growth by elevating the standards of living and improving societies despite of the limited resources and the unfortunate increase in the exploitation of the planet resources. To better leverage on success stories that IsDB has accomplished in this arena, we could invest in implementing the concept of Society 5.0 by means of rethinking the STI ecosystem and its interdependency with the SDGs in the member countries. In this prospective, several SDGs come to mind including (4) Quality Education, (7) Affordable and Clean Energy, (8) Decent Work and Economic Growth and (11) Sustainable Cities and Communities.

Seamless integration between new technologies and social activities is essential in order to accomplish this. For instance, robotics can take part in the children and elderly care, IoT can help the less privileged interact with the world, AI can help develop new ideas into useful products, Big Data can identify trends and opportunities to improve education systems and curriculums to better serve the needs of the community.

In line with the vision of H.E. in establishing IsDB as role model for the world in this prospective and with the introduction of the Transform Fund and the Engage platform, IsDB has boundless potential in being key driver of such move in its member countries. Those initiatives could introduced a much-needed mechanism to facilitate and encourage new ideas with a variety of disciplines and to provide them with the funding and guidance to take them to the next level, henceforth, enabling IsDB to be a leader in establishing the "Super-Smart Society" in member countries.

Evolution of Societies up to Society 5.0



BAPA+40 IS AN IMPETUS TO THE IMPLEMENTATION OF 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT



Yuefen LI
Senior Advisor on South-South
Cooperation and Development
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The United Nations Second High-level Conference on South-South Cooperation (BAPA+40) held in March 2019 in Argentina was meant not only to commemorate the 40th anniversary of the adoption of the Buenos Aires Plan of Action (BAPA) but also to give further impetus to the already fast expanding South-South cooperation (SSC) which has been acknowledged as an important tool for the implementation of the 2030 Agenda for Sustainable Development.

The conference took place at a challenging time when the international system has been at a troubled phase of rising geopolitical tension, deliberate weakening of multilateralism by some countries and increasing protectionism, as well as an emerging tendency to retreat from globalization and to adopt inward-looking policies,¹ or deglobalization. The preparatory process and the BAPA+40 conference itself have provided the international community with a good opportunity to review the changing and still evolving dynamics and increasing importance of South-South cooperation.

The SSC has gone through ups and downs. It was only a trickle by volume in the 1950s and 1960s. The 1970s saw an increase of SSC which was mostly in the form of technical assistance programs. The debt crisis and the imposition of structural adjustment programs on some countries in the 1980s dampened the SSC as countries were preoccupied with their own crisis resolution. However, the Asian financial crisis in the 1990s led to increasing financial cooperation among the



Southern countries which further discovered the strength of collective self-reliance to counter financial instability.² A decade of almost synchronized economic expansion before the 2008 global financial crisis was a period of fast expansion of SSC in volume, partners and modalities covering the political, economic, social cultural and technical domains. The post-crisis period has witnessed how some emerging developing countries have gained stature in the international cooperation landscape as their scale of SSTRC has reached an extent which cannot be overlooked, though far behind North South cooperation. Its potential has been appreciated more keenly with rising nationalism and trade protectionism in some countries.

The fast expansion of SSC is not only because a number of emerging economies have made important progress in catching up with their peers in the North, but more importantly as a demonstration of solidarity among the South. The proximity in historical background and development stages have made SSC not only more cost effective but also more responsive to development problems. The diversity among the Southern countries have provided many opportunities to forge effective partnerships to benefit from the experiences of each other while promoting economic growth. Mutual benefits enjoyed by both SSC providers and recipients have initiated a snowballing effect of SSC activities. The horizontal partnership relationship is a reflection of the SSC principles of peer-to-peer learning and mutual benefit, which make SSC more attractive at a time when Official

Development Assistance has been diluted and declining in the context of declining multilateralism.

The BAPA+40 Outcome Document includes important future areas of work which should help realize the full potential of SSTRC in the context of Agenda 2030. Currently, development partners have been actively engaging in designing ways to fully and effectively implement the Outcome Document including enhancing partnership among institutions in their common endeavor to promote SSTRC. For instance, the IsDB, the South Centre and United Nations Office on South-South Cooperation have already started to discuss their partnership in implementing some selected areas indicated in the outcome document. These partnerships will build bridges, overcome divergences and consolidate the ongoing development-oriented cooperation, which may, to some extent, fill in the gap left by the weakening multilateralism.

Three years have passed since the adoption of the 2030 agenda, however progress made in some areas are limited.³ It is of utmost importance to maximize South-South cooperation and leverage global partnerships to implement BAPA+40 Outcome Document to support countries and the international community in achieving the noble Goals of the 2030 agenda. While acknowledging SSTRC as a fundamental tool for the attainment of SDGs, the North-South cooperation should also be scaled up as it constitutes the major part of development cooperation. If not effectively done, our aspiration of leaving no-one behind would be elusive.

¹ Bank for International Settlement (2018). Globalisation and deglobalisation. BIS Papers No 100.

² Y. Li, forthcoming. Financial cooperation among developing countries. South Centre

³ The Sustainable Development Goals Report 2018. United Nations, 2018

WHEN THE MAP SHAPES THE TERRITORY: HOW CAN VNRS SHAPE THE ROAD TOWARDS ACHIEVING THE SDGs?



Khalid O. M. Ahmed
Young Professional



Yehia Amin
Young Professional

Renowned Polish-America scholar Alfred Korzybski once famously proclaimed that “the map is not the territory”. The founder of general semantics was, in that instance, emphasizing the difference between models of reality and reality itself. But can models of reality shape reality itself? Can we not, especially when it comes to policymaking and the practice of development, shape our reality by measuring it and properly devising plans and targets to improving it? More specifically, can Voluntary National Reviews (VNRs) shape the road towards achieving the SDGs? This was the main question around which some of the world’s most prominent policymakers, academics and politicians, gathered, on a rainy afternoon in the ancient city of Marrakech, on the 5th of April 2019, on the sideline of IsDB’s 44th Annual Meeting.¹

The VNR mechanism is an innovation in the follow-up and review mechanisms of the 2030 Agenda for Sustainable Development. The Agenda 2030 encourages member states to “conduct regular and inclusive reviews of progress at the national and sub-national levels, which are country-led and country-driven”, and voluntary.

In that sense, VNRs may be seen as a means of encouraging internal governmental and non-governmental

stakeholders to exchange information and ideas, as well as highlight the need to localize the SDGs, develop efficient data collection and protection systems, and to devise efficient strategies and effective develop partnerships to fill the SDG financing gap.

Indeed, the key messages from the above-mentioned discussion may be summarized in the following points. First, the very process of creating VNRs is beneficial for the submitting government, because it allows, and even forces, different

internal stakeholders to share information they would otherwise have not shared with each other.

Second, Pakistan’s federal system of governance provides a very clear example of the importance of localizing the SDGs. Aggregating data from Pakistan’s highly diverse four provinces and three regions would lead to diluted results and improper recommendations. VNRs, therefore, must showcase diversity by location, and consequently, it should be local governments that, using a bottom-up approach, determine SDG achievement plans.

Third, the weak state of data collection and protection systems in IsDB Member Countries is a source of genuine concern and a major obstacle to devising useful VNRs, since without baselines, neither progress nor deterioration may be measured. The concern is only exacerbated by the lack of internal organs capable of

analyzing the data, if it were to be available. Developing efficient data collection systems and data-analyzing organs will help MCs, through conducting VNRs, measure what they treasure, not the other way around.

Finally, with regards to the SDG financing gap, which is only being exacerbated by declining FDI figures, VNRs can help Member Countries to think of ways and means to scale up domestic resource mobilization, develop more innovative resource mobilization tools, reprioritize government spending, and allow for a greater involvement of the third pillar.

We may, therefore, conclude, that if properly conducted, VNRs may be a way of altering and improving our reality, i.e. the map may shape the territory.



¹ The panel discussion, opened by remarks by the President of IsDB, was moderated by IsDB’s Special Envoy on SDGs, Dr. Rami Ahmad, and was composed of Niger’s Minister of Planning, H.E. Aichatou Kane, Egypt’s Minister of Planning, Monitoring and Administrative Reforms, H.E. Hala Helmy El-Said, Pakistan’s Minister on Institutional Reforms and Austerity, Advisor to the Prime Minister, H.E. Dr. Ishrat Hussain, Morocco’s Minister of Energy, Mines and Sustainable Development, H.E. Aziz Rabah, and the World Bank’s Senior Vice President, H.E. Dr. Mahmoud Mohieldin. Prof. Jeffrey D. Sachs, Professor at University of Columbia, contributed to the discussion via a recorded video message.

THE POTENTIAL OF ISLAMIC FINANCE IN ACHIEVING SDGs



Nosratollah Nafar
Lead Economist

The Sustainable Development Goals (SDGs), which cover a wide range of development issues were adopted through wide and extensive consultations with the member countries of the UN in 2015. The prominence of SDGs will certainly direct the development plans over the next two decades as they embrace a universal approach to the sustainable development agenda.

According to the UN, the financial gap to achieve the SDGs is about \$2.5 trillion per year in developing countries. This means that high financing demand of SDGs will not be met with current pace of investment due to various obstacles; notably, the shortage of fiscal space because of global economic recession, and the hesitancy of private sector to put capital to long-term and risky investment particularly in low-income countries. Given the fact that, developing countries particularly least developed countries are mostly less

able to mobilize the required amount of finance to achieve the targets of the 2030 Agenda, they need to represent new mechanisms to mobilize additional sources of finance, both domestic and international for achieving SDGs. In this context, expanding financing will be critical to meet the investment needs of SDGs effectively. It is, therefore, vital to discover other innovative financing tools to support SDGs and the key question is how to design a broader set of financing instruments to increase the amount of financing that make sense to each country.

As a system, Islamic finance helps stimulate economic activity and entrepreneurship towards inclusive economic development, financial and social stability, and comprehensive human development. Traditionally, Islamic finance possesses models for solidarity-based financing with important features of social sustainability. It is worth to stress that the entire health, education and welfare budget during the Osman Caliphate based in Istanbul came from its charitable foundations. The experience of Malaysia, Indonesia and Bangladesh also shows that Waqf can be used as a viable alternative model for supporting social infrastructure (health and education). The role of Waqf has great significance in countries with high levels of exclusion and deprivation as it can play a critical role in protecting the poor and vulnerable against sudden risks of unemployment, hunger, illness, drought, and other calamities. It is also worth to mention that they are not restricted to the Muslim community and can be shared beyond religious, cultural, racial and sectarian boundaries.

Generally, Islamic finance has strong potential in promoting both social and

Islamic finance has strong potential in promoting both social and economic projects related to SDGs. While Zakat and Awqaf have great potential to support small size and social programs, sukuk (Islamic bonds) can successfully finance large scale projects such as energy, transport, roads and shelter.

economic projects related to SDGs. While Zakat and Awqaf have great potential to support small size and social programs, sukuk (Islamic bonds) can successfully finance large scale projects such as energy, transport, roads and shelter. To fully utilize Islamic finance in supporting SDGs, the Bank needs to play more active role in promoting knowledge of its member countries about these types of finance and explore the relevant policy, legal, regulatory and institutional interventions necessary to expand Islamic financing as well as create a common platform for the regulators of the Islamic financial services industry to enhance constructive dialogue.



ACHIEVING SDG 10 THROUGH ISLAMIC FINANCE: REALLY?



Hylmun Izhar
Senior Economist, IRTI

The industrialization of Islamic finance along with its inevitable commercialization could be likened to two flips of the same coin. Rightly so, the high streets of Basra historically were replete with *sayarifah* and *jahabidhah* that the banking network in Basra was regarded by a Western historian as “the Wall-Street of the Middle Ages” (Heck 2006). Furthermore, the contemporary age of Islamic financial engineering that is characterized by a greater reliance of plugging ‘classical Islamic financial contracts’ into an Anglo Saxon based banking model and a conventional securitization technique in Sukuk issuance has proven to have made Islamic finance look no different than its conventional counterpart. Such an era, which commenced in mid-nineties has been considerably exacerbated by the introduction of; first, *wa’ad*

The new era of industrial revolution 4.0 that is somewhat synonymous with the use technology and digitization could pave the way for Islamic finance to be more committed to contributing to SDG10 as it provides a new platform aside from the ‘old fashion’ way of conducting financial transactions.

technique (especially double *wa’ad*) applied to Islamic financial contracts. The white paper by Deutsche Bank in 2007 was perhaps the first documented articulation on the use of double *wa’ad* in contemporary Islamic financial engineering. Second, the deployment of commodity *murabaha* through the use of *tawarruq* for both liquidity management and personal financing purposes. Third, is the operationalisation of the concept of beneficial ownership and the extension of the *khulta* (mixture) principle to the field of commercial transactions; of which Islamic capital market through sukuk issuance has undoubtedly the great

beneficiary of the implementation of such concepts. These three components have altered the profile or body of Islamic financial contracts resulting in the financialization of the entire Islamic financial services industry.

In the process, one of the an unpreventable outcomes is a ‘shift’ in the natural domain of contract; from initially being classified as a benevolent contract to now being a commercial contract; a vivid example is *kafalah* contract; upon which a fee is now permissible. This is possible since in the contemporary practice, *kafalah* has essentially been molded into ‘*shirkatul wujuh*’ using the principle of *tab’iyyah* or subordination.

Financialization, as Palley (2007) contends, is a process whereby financial markets and financial institutions gain greater influence over economic policy and economic outcomes leading to a supreme superiority of financial sector over real sector. The consequential impacts of this process would be a) an elevated significance of the financial sector relative to the real sector; b) income transfer from the real sector to the financial sector; c) increase income inequality; and d) propagation of debt creation instead of wealth creation.

Having said the above, it has become clear that under the existing commercial institutional set-up, reducing inequalities has never been the ultimate ‘natural’ objective of Islamic financial institutions; hence it may not necessarily be attainable. The commercial underpinning, some argue, is just too overwhelming. In order to be part of SDG 10, there is no other way for Islamic finance but to change. The new era of industrial revolution 4.0 that is somewhat synonymous with the use technology and digitization could pave the way for Islamic finance to be more committed to contributing to SDG10 as it provides a new platform aside from the ‘old fashion’ way of conducting financial transactions. And this perhaps is a new momentum that Islamic finance can’t afford to miss. We shall see...



PARIS ALIGNMENT AND TRANSITION TO GREEN ECONOMY



Ahmed Qabani
Manager, Climate Change Division

The association between Climate Change with risk and crisis has never been clearer. With IsDB mainstreaming climate action in its operations and carrying out climate risk screening for all projects with physical assets, the bank is now in a better position to understand the physical climate risks that face its projects and address them more effectively. Nevertheless, not enough attention is given yet to what is one of the key pillars of the new IsDB Climate Change Policy. Namely, Green growth and supporting the transition to a green economy.

Business as usual is no longer an acceptable option in the development world in light of climate change. Green growth is an opportunity for better food security through climate smart agriculture, sustainable land use and water efficiency, better access to energy through renewables, better access to jobs and markets through mass transit and electric mobility, and an opportunity to have smarter, more efficient and more inclusive cities.

The 2018 New Climate Economy Report estimated economic benefits of up to US\$ 26 Trillion in Economic benefits up to 2030 from shifting to a low carbon economy when compared to business as usual. However, there is still no clear breakdown of what the share of IsDB member countries of such benefits may be. Significant technology and market progress have been seen over the last few years and naturally developed



countries with available technologies and early movers' advantage would have a higher share of such benefits. Nevertheless, this is more reason for Development agencies and MDBs to ramp up their support to developing countries to enable them to move to more sustainable investments and work fast towards such transition.

IsDB is currently actively working with all major MDBs in developing a framework for Alignment with the Paris agreement which was announced at COP24. This framework is expected to enable

Green growth is an opportunity for better food security through climate smart agriculture, sustainable land use and water efficiency, better access to energy through renewables, better access to jobs and markets through mass transit and electric mobility, and an opportunity to have smarter, more efficient and more inclusive cities.

MDBs to comprehensively integrate climate change considerations in their different operations and support this green economy transition. One of the key building blocks of the framework is Engagement and policy development support. MDBs, including IsDB, look to play a more proactive role in working with governments for developing their low carbon and resilient development pathways that would enable them to achieve the sustainable development goals.

Moving forward, one of the key issues that IsDB is to focus on, is the upstream country work including country diagnostics and dialogue for identifying and developing green investments, green global value chains and investments that help create green jobs. While proofing investments against climate risks may be important, this upstream work with member countries is urgently needed to help enable them to accelerate their green growth transition, taking into account each country's own circumstances and needs to ensure equitable growth and just transition supported by clear national and sub-national strategies and programs.

IsDB member countries may still be facing some of the same development challenges they were facing 40 years ago when IsDB was established. However, the bank is now part of shaping a greener, more sustainable pathways for its member countries to transition to and achieve their development goals.

CAN THE MUSLIM WORLD ACHIEVE SDG 4 WITH 40% ILLITERACY RATE?



Muhammad Jameel Yusha'u
Lead Communications Specialist

Do you know that nearly 40% of the population in the Muslim World cannot read and write? Are you aware that nearly four in ten Muslim adults, roughly 36% of adults in the Muslim World, cannot read and write? Would you believe that 65% of Muslim adults in sub-Saharan Africa are illiterate, ditto 42% in the MENA region? Yet almost 100% of Muslim adults in North America can read and write, and 95% of Muslims in Europe have some form of formal education.

Well, according to a 2017 study by ISESCO entitled "Strategy for the Development of Education in the Islamic World," a major impediment to achieving socio-economic development in the Muslim World is educational backwardness with 40% of the Muslim population being illiterate and up to 70% of the population in certain Muslim countries.

A study by Pew Research Centre on religion and education around the world found that "globally, Muslim adults have an average of 5.6 years of schooling. But, regionally, the average ranges from 13.6 years among Muslims in North America (a population projected to increase from 3 million to 10 million people by 2050) to just 2.6 years in sub-Saharan Africa (where the number of Muslims of all ages is expected to expand from 248 million in 2010 to 670 million by mid-century)."

It is interesting to note from this data that Muslims are doing better in achieving educational success where

they are minorities, for example in North America and Europe. The story is the same in countries like South Africa, Rwanda, Burundi and Madagascar where Muslim minorities tend to have higher educational attainment compared to Christians, according to the study by the Pew Research Centre. Here is the question, how can the objectives of SDG 4 on equitable and quality education and life long learning for all be achieved by the year 2030?

If we go by the projection of the Pew Research Centre that the global Muslim population will increase by 35% by 2030, that is from 1.6 billion in 2010 to 2.2 billion in 2030; it means there would be around 880 million illiterates in the Muslim World by 2030 if the situation does not improve.



Perhaps of all the challenges in achieving the SDGs, this is the most momentous. I am not unmindful of the threat posed by poverty (SDG 1) and hunger (SDG 2), but the herculean task is the strategy that will transform the 40% of the Muslim World into an educated, productive, and fit-for-purpose population. The year 2030 is not far away from us. It is only 11 years away. Figures and statistics cannot change anything, it is collective action and political will that will transform the situation. What is the solution then? Here is my penny of suggestions.

First, the major political and economic institutions of the Muslim World, i.e. Organization of Islamic Cooperation (OIC) and the Islamic Development Bank (IsDB), should partner to organize a global summit on education at the level of heads of state. The summit should provide the political will and resources to address the challenges of education in the Muslim World. Second, IsDB can partner with ISESCO to conduct a major study on the budgetary allocation to education in the Muslim World. UNESCO recommends 15-20% budgetary allocation to education. How many Muslim countries implement this recommendation and is it enough to address the education gap in Muslim countries? Third, there should be global forum for Muslim philanthropists who should be presented with this situation and be encouraged to dedicate more of their resources to education. Fourth, utilizing and engaging the Muslim diaspora to contribute their quota through voluntary service in various Muslim countries. I am glad IsDB is planning to establish a volunteer program, all and sundry should embrace this golden opportunity. Fifth, embracing the power of technology to reduce the cost of building infrastructure for education. Data from statistica suggests that the number of mobile phone users will reach 5 billion this year. This is the perfect opportunity to embrace mobile technology for education. Sixth, think out of the box. The former Central Bank Governor of Nigeria and the Amir of Kano, Muhammad Sanusi II, recently called for all mosques in areas without schools in Kano to be used as schools except during prayer times. It is difficult to disagree with him.

In the words of Malcom X, "education is the passport to the future, for tomorrow belongs to those who prepare for it today." If you are still in doubt, read the exegesis of this Quranic verse: "Say, 'Are those who know equal to those who know not?'" It is only men of understanding who will remember" (Az-zumar, Verse 9).

ISDB AND THE ROAD TOWARDS SDG#4



Jawara Gaye
Global Lead Education Specialist

With over \$4.5 billion investment in education since inception, the IsDB has contributed significantly towards efforts to increase school enrolment in its Member Countries. Notwithstanding, the number of primary school aged children who were out of school globally has been falling too slowly between 2010 and 2015. Consequently, there was an estimated 57 million children out of school in 2015; albeit representing a significant drop from 100 million in 2000. UNESCO reports of 63 million out of school children in 2017 with 34 million of them in Sub Saharan Africa, of which 48% (16.5 million) are in IsDB MCs in the region. More alarming, however, is that millions of children already in school are not learning, due to lack of adequate learning opportunities including well-trained teachers, inadequate learning materials, and insufficient or unsuitable education infrastructure.

While there is consensus that education contributes to economic growth, increases propensity to earn for individuals, reduces poverty amongst other pecuniary benefits, the adverse learning environment experienced by millions of school children potentially perpetuates poverty, youth unemployment

amongst other social ills.

Attaining SDG #4 implies that learners must acquire the requisite knowledge and skills needed for employability and gainful engagement in society as global citizens; an endeavor that IsDB is fully committed to. The Global Partnership for Education (GPE) estimates that it costs on average \$1.25 a day per child in low and lower-middle income developing countries to provide a full cycle of pre-primary through secondary education (13 years). The largest share of this cost, 88%, is borne by the developing countries themselves, leaving a funding gap of just 15 cents a day per child for the international community to fill. With the magnitude of students in school but not learning, coupled with those out of school, there is an urgent need for greater synergy to tackle this apparent crisis in order to ensure that every child has access to quality basic education in Member Countries.

Against the framework of the IsDB President's Five-Year Plan (P5P), the IsDB has taken a conscious step towards strengthening partnerships engagements while building a network of Developers at the grassroots level to complement government implementation capacity.

The new IsDB Education Sector Policy adopts the theme of "learning for human development" and recognizes that efforts aimed at building the fundamentals of human development, shall be imperative in IsDB's investment decisions. Thus, supporting Member Countries provide school readiness, tackle the menace of out of school children, and ensuring and improving learning outcomes including the use of ICT and providing continuous teacher professional development takes precedence. To fulfil this aspiration, the policy anchors on the principles of cultivating value-added partnerships, and optimizing education financing.

With this in mind, and against the framework of the IsDB President's Five-Year Plan (P5P), the IsDB has taken a conscious step towards strengthening partnerships engagements while building a network of Developers at the grassroots level to complement government implementation capacity. To this effect, the out of school children program funded by the Islamic Solidarity Fund for Development aims to leverage grant financing from partners to complement government implementation capacity by utilizing the services of non-governmental organization (NGOs) and UN Agencies as implementation partners. This blended financing approach, avails concessional financing to Member Countries while creating opportunities for NGOs to accelerate their proven initiatives in reaching out to children in difficult circumstances and/ or deprived communities to provide them with access to quality basic education including a second chance to some. The engagement with the Global Partnership for Education is strategically intended to ensure that IsDB participates actively in the global aid architecture in education and takes a leadership role on behalf of the southern hemisphere.

TACKLING INEQUALITY AT THE GRASSROOTS: INVESTING IN EARLY CHILDHOOD CARE AND EDUCATION (SDG 4.2)



Ismael Naiya
Senior Research Economist, ERIL

Inequality Starts at Childhood

SDG 4.2 calls for ensuring “that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education”. In 2016, about 5.6 million children (about 15,000 children every day) died before reaching their 5th birthday with Sub-Saharan Africa accounting for the largest share (WHO).¹ While many children survived to their maturity, many of them do not meet their full potentials due to their families' characteristics such as income status, geographic location, ethnicity, disability, religion or sexual orientation etc. These factors affect child's nutrition status, care and opportunities to learn which in turn influence his development and future prospects in life. Healthy, well-nourished and happy children who start learning from early years have the potentials of performing better in schools, becoming more productive and thus, earning higher incomes during their adulthood, thereby contributing more to economic growth.

Early Childhood Development (ECD) refers to “the physical, cognitive, linguistic, and socio-emotional development of a child that happens at various settings surrounding him (such as homes, schools, health facilities, community-based centers etc.) from the prenatal stage up to age eight” (World Bank 2010). 85% of the human brain develops in the first five years and 50% of his cognitive capacity is affected by his immediate environment.

Inequality of opportunity is the circumstance people find themselves due to their gender, location, ethnicity or

parental background (OECD 2016), which significantly determine their educational qualification, type of their jobs and ultimately their levels of earnings.

Empirical evidences link early childhood condition to health outcomes and academic performance in older years. Early health intervention and medical treatment of a child results in better health in both childhood and adulthood which lead to better academic performance in future life. This means that children of the poor and those at risk of not having the opportunity to have good health and nutrition in their childhood are at disadvantage over children of rich families.

Similarly, poor or disadvantaged children have lower levels of school readiness compared to rich or advantaged children by the time they start schooling. These inequalities of opportunity from childhood may remain with disadvantaged children through adulthood, which can perpetuate the cycle of poverty. Therefore, breaking this cycle entails reducing these inequalities by providing equal opportunities in health, nutrition and education for all children from their childhood.

Inequality of opportunity deters people from making good use of their skill, entrepreneurial capabilities which affects economic growth in the long run. It also prevents people from acquiring knowledge essential for skills necessary

for economic development such as technological know-how.

Although data on ECCE is very scanty in IsDB MCs, available data reveals very low access to early childhood education (ECE) to the poor compared to the rich children in many MCs (Table 1). According to the available information, children of the poorest 20% have no or little access to ECE in many IsDB MCs. The data also reveals wide gaps between the poor and the richest percentiles in accessing ECE.

ECD is critical because improving cognitive development is more difficult in older ages. In other words, laying a solid foundation in the early years is significant in advancing the future development of a child in his adulthood.

Financing ECCE proved to have very high returns. It has been observed that children that acquired early childhood education outperform those that start their education at older age. Therefore, all children should be given equal opportunities in education, health and nutrition, and allow them to emerge from their own efforts when they grow up.

Despite its proven importance, early childhood care and education is not given due consideration in many IsDB member countries (MCs). The IsDB and the MCs may consider giving attention to early childhood education and development in order to address the rising inequality and breaking the cycle of poverty among the citizens. Addressing SDG 4.2 is a key to achieving to many other SDGs.



¹http://www.who.int/gho/child_health/mortality/mortality_under_five_text/en/

YOUTH + TECH= EQUITABLE QUALITY EDUCATION



Zubair Janjunia Founder ZNotes

What if the Olympics 100m sprint started with one runner 10m behind the rest? Surely that'd be preposterous! Although there are sadly too many global issues which fit this analogy, a 16-year-old me saw it in education as I walked in to my first international high school exam. Why is it that students across the world will be sitting the same examination as me, affecting our future education and career alike, and yet have been exposed to significantly varying amounts of resources and teaching. This unfairness struck me and led to the formation of ZNotes.

ZNotes began as simply a website sharing my revision notes which I maintained over high school. By word of mouth, the reach of the website has grown exponentially, crossing 20 million hits in less than 5 years. The greatest outcome of the project is the community which grew around it. Students from across the globe continue to update and develop further resources, supporting more subjects than even textbook publishers.

The impact of education is like a pebble breaking the surface of an infinite body of water, ripples far reaching. In the context of the Sustainable Development Goals, inclusive and equitable quality education helps reach every single goal, including eradication of poverty and promoting employability. It is this vision which has brought together a team to continue the growth of the platform, truly embodying "for students, by students".

Since its inception, the platform has reached over 2 million unique visitors, with testimonials being our motivation: a remote team of students spanning 10 time zones. The resources have been discovered in as far reaching places as libraries in schools of Nigeria to in the hands of teachers who use them as teaching framework. This phenomenal reach is a testament to the sheer impact and maturity in the youth with a mission and technological advancement. How many lives, families and communities have those 2 million ripples affect



THE INCLUSIVITY AND ACCESS TO JUSTICE IN THE CONTEXT OF MULTILATERAL DEVELOPMENT BANKS (MDBs)



Ahmad S. Sackor
Legal Counsel- Legal Division

The social inclusiveness and access to justice without discrimination have been core at the heart of global discussions including the UN 2030 Agenda on Sustainable Development Goals (SDG). Enshrined as part of SDG 16, the principles of social inclusion and access to justice through due process, serve as the bedrock for sustainable poverty reduction. Addressing the multidimensional aspects of extreme poverty in the context of said principles ensures that equitable distribution of resources, opportunities, and other socio-economic rights remain

completely protected. Not only do robust legal norms hold institutional settings accountable for broader social inequality and economic disparity per se; but rather allow disadvantaged social groups to challenge decision outcomes adversely impacting their lifestyles. Poor communities have been



historically obstructed from seeking redress for grievances in some development-related cases which is largely due to judicial and financial bottlenecks such as legal fees, racial and religious barriers. At this juncture, the analytical shift in contemporary development-based debates that remains fundamental is examining to throw lights on the policy roles initiated by Multilateral Development Banks (MDBs) in overcoming constraints posed by legal and social exclusion on poorer societies.

The wide-range involvement of MDBs in various socio-economic projects remains undoubtedly dynamic for supporting governments' efforts in realizing their SDGs. As strategic-driven institutions, bringing poor and vulnerable communities into the social development process eases the complex relationship between societies and states through enforcing public inclusion pre-requisites. To substantiate this conceptual pattern, nearly all MDBs have comprehensive policies and safeguard measures to address extensive social and environmental problems. In other words, the development projects to be financed by MDBs must provide vulnerable and poor communities based on the rule of law, equal empowerment without leaving anyone behind.

Generally, the modus operandi followed by MDBs sets as a pre-implementation condition of a project, is to carry out in-depth social and environmental risks assessment and identify the potential impacts expected on concerned groups. In event where resettlement is necessary as result of the planned projects, development partners including governments, would be required to fairly and adequately compensate affected citizens.

In summary, legal and socioeconomic rights are significantly pivotal to the strategic development plans of MDBs. As such, partnership engagement should continue to encourage governments to adopt policy reforms that protect the economic, cultural social and as well as environmental rights on the principle of the rule of law. In addition, inclusive social alignment and enhancement of the legal capacity and the institutional structures could be instrumental in the achievability of SDGs.

THE FUTURE IS DECENTRALIZED, AND PRIVATE-SECTOR DRIVEN



Muhammad Taimur Khan
Manager, Decentralization Facilitation



Since adoption of 2030 Agenda for sustainable development, MDB community has committed to delivery of SDGs which requires trillions of dollars of resources, far more than the combined official development sources including MDBs. To overcome this huge financing gap, the Addis Ababa conference on financing for development (F4D) has already underscored the importance of private sector in mobilizing financial resources and in aligning the global financing flows towards achieving the SDGs. In this regard, the ECOSOC forum on F4D convenes annually to take stock of the progress made towards implementing the Addis Agenda. IsDB is coming to terms with this new reality by undergoing an institutional paradigm shift that will transform the Bank from just merely providing resources to also mobilizing resources by crowding-in the public and private sector players in its development interventions. To actively engage the private sector, the Bank besides introducing a new staff incentive structure and cultivating a new risk culture based on alternative development financing, is also implementing an ambitious decentralization exercise that delegates the responsibility to 11 empowered Regional Hubs for shepherding the project lifecycle from value chain-based country programming to project implementation.

In a decentralized structure, by positioning the Bank closer to its public-sector clients and the private-sector partners in Member Countries, it is envisaged that some of the most entrenched operational challenges will be addressed i.e. crowding-in private sector players upfront to improve quality-at-entry and readiness of projects and during project implementation to expedite delivery. To facilitate these institutional objectives, a comprehensive decentralization action plan was developed and is anchored on four tracks:

- 1) Enabling geographic decentralization by Improving the enabling environment in existing Hubs and through gradual operationalization of new Regional Hubs, Centers of Excellence and Field Representatives (i.e. Signing of host country agreements, upgrading physical and IT infrastructure, relocation and on-boarding of staff, enhancing the safety, security and medical architecture for field staff, improving internal communication through online service desk platforms and conducting bi-annual staff feedback surveys);
- 2) Enabling functional decentralization in operational and support functions for Hubs through periodic Delegation of Authority reviews and by developing business processes for operations and first-level support structures for Hubs that are aligned with the new business model of the Bank;

- 3) Enabling transparent monitoring and reporting on Hub operations internally for staff and Management and externally for clients (i.e. developing live operations and service level agreement dashboards, setting-up service desk and Program Delivery Units within IsDB Governor's Office to expedite implementation of IsDB programs and operations, and conducting client perception surveys);
- 4) Enabling Group synergy on decentralization initiatives through the taskforce on field presence and decentralization.

In order to monitor the progress on decentralization initiatives in a transparent and objective manner, a program monitoring dashboard has been developed that tracks the progress on initiatives within all four tracks and is updated on a weekly basis. It is pertinent to note that execution of decentralization did not happen organically in IsDB unlike the other MDBs where several decentralization approaches were tried and tested over several years. Therefore, these data-driven online monitoring and tracking tools are necessary to perpetuate evidence-based decision making and timely corrective actions on decentralization initiatives by Bank's Management. Furthermore, they allow the Bank to objectively assess the scope of both geographic and functional decentralization in terms of costs and efficiencies as well as in terms of qualitative feedback from staff and clients in Member Countries.

The corporate execution of the whole decentralization initiative comes down to just how effective is the collaboration between Regional Hubs and key operational and support Departments in HQ. At the nexus of this collaboration is a dedicated team of decentralization partners for each decentralization track whose main purpose is to ensure that this collaboration is executed in a smooth and structured manner in line with the decentralization action plan.

Ultimately, it all boils down to whether through decentralization the Bank can achieve three key operational objectives. First, to crowd-in the public and private sector players in mobilizing resources for projects, second to improve quality-at-entry of projects by actively engaging the private sector players in project development and, third to significantly reduce the project implementation period. Achieving these key objectives in the medium term will directly contribute to supporting the Addis Agenda and SDGs including for eradicating hunger and poverty, improving quality of basic and social services, building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation and addressing climate change-related issues.

A NEW ERA OF FUNDING TO BOLSTER MC'S DEVELOPMENT AMBITIONS A VOICE FROM THE FIELD



Sidi Mohammad Taleb
Director, DRO

Our member countries (MCs) are strongly committed to the SDGs and their development programs are very much inspired by their objectives. However, all stakeholders believe that success will be largely contingent on the availability of resources specially to Low-Income countries (LICs). The Financing Gap is huge, and this is particularly so for the underserved and underfunded social development.

New innovative and adapted alternatives resources are therefore of paramount importance. However, resources alone would not contribute efficiently towards SDG unless coupled with transformative solutions for development as MCs believe that traditional development business models have shown their limits to accelerate the pace of development.

To relieve the above constraints, our stakeholders believe that among the overarching objectives of the P5P the strong message to position the IsDB at "the frontier of development" through innovation and transformation may open up an new avenue to (i) forge for

IsDB a unique differentiated role in the landscape of development partners to contribute alleviate the above two SDGs challenges in LICs and (ii) engage a new momentum for their inclusive development.

For that to happen, stakeholders believe that IsDB should leverage its two-fold identity characteristics which are in the same its main sources of strength:

- a solidarity-based south-south institution which proximity to its MCs enable her to understand their social and cultural dynamics to factor in the design of its programs viable, creative and productive capabilities for Empowerment at the local level for the sake of realizing the SDGs.
- Its Islamic business model, nowadays the fastest growing segments of International finance, which embeds in its product offering powerful specific instruments for social finance (Zakat, Waqf etc,) that may add up products for delivering the SDGs. This opens up a wide range of opportunities.

Among the social finance Islamic instruments, stakeholders believe that the Waqf vehicle may mobilize significant additional domestic and foreign resources However, to unleash this potential. enabling environments are key. In addition, innovative solutions-based applications for SDGs adapted to the contemporary developmental arena in the MCs to thrive shall be guided by indigenous national thinking and home-grown tools geared towards transformation through transfer of technologies, packages to tap for instance the potential of value chains.

These new avenues will build on the strong political will, the high social

demand in local societies characterized by strong cultural communities' ties focused on Islamic values of shared prosperity and generosity for inclusive growth and wellness of human being.

The IsDB in collaboration with Governments in RH Dakar constituency is now within the P5P hub program building the super structures of the ecosystem that would incept a regional Waqf Development Gateway at the frontiers of innovation. This network/ Alliance will contribute to enhance collaboration between Government, civil society, private sector and community across the region for financing SDGs through Waqf.

As a first step towards this objective, as a first stage, drafting and ratification of specific national laws on Waqf before the end of the year is going on through a reverse linkage program to transfer the Senegalese expertise and experience to Guinea, Guinea Bissau, The Gambia and Mali (also Niger which is outside the constituency).

Mainstreaming the above program in our field work and programs would be a pillar of our identity comparative advantage and provide a unique positioning of our Institution for sustainable social development and SDGs.

The IsDB by doing so will e a catalyst for large scale mobilization for the underserved social investments, operating at a new frontier of waqf in a contemporary new space strengthening PPPs with the 4th P of philanthropy. This 4P collaboration will definitely synergize and integrate complementary of intervention for co-creativity, better interfaces and solutions leaning on STIs to address the challenges of SDGs.

WEST AFRICA: THE ROAD TO SUSTAINABLE DEVELOPMENT GOALS (SDGs)



Salah Mansour
Director, CRS MENA & Europe

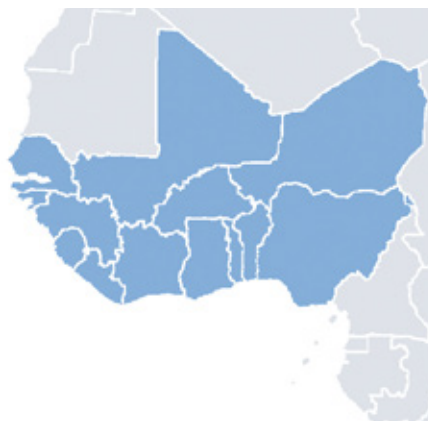
After the Millennium Development Goals, the international community adopted in 2015 the 17 SDGs along with the 169 targets as a reference framework to fight poverty and ensure a fair transition towards sustainable development.

This is a major challenge for west African countries as the impact of poverty in this sub-region is amid the highest in the world.

According to the UN, the west African sub-region refers to the countries that constitute the Economic Community of West African States (ECOWAS): Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Senegal, Sierra Leone and Togo.

During the last two decades, economic growth in this sub-region witnessed a favourable trend namely due to relative political stability, high global demand on west African export products and better macroeconomic management. Despite this performance, it is obvious that a substantial part of the sub-region's population still lives in a poverty which tends to be endemic.

The available socio-economic indicators on the region unequivocally show the graveness of the current situation and provide a clear idea on the long road to SDGs for these countries. As a matter of fact, all west African countries have a poverty rate higher than 40% except Côte d'Ivoire, Cap Verde, Togo, Ghana and Senegal. Although most Countries managed to keep the unemployment rate below 8% during the last two decades, youth unemployment reached worrisome levels much higher than



the total unemployment rate. The high demographic growth level (3%) further complicates the already critical situation of unemployment.

With regards to education, laudable results were achieved in terms of primary (more than 40%) and secondary school attendance. However, there is a significant dropout rate, which is revealed by the wide gap between primary and secondary school attendance.

As far as basic infrastructure is concerned, a severe lack persists namely in the energy, water and sanitation and transport sectors. This situation undermines the populations, by depriving them of basic services, as well as investment which requires a critical level of infrastructure needed to develop economic activity.

As regards to governance, only Senegal and Cap Verde are among the top ten of the 2018 ranking of the Mo Ibrahim Index on good governance in Africa.

Given the above, one may ask two questions: why does west Africa lag behind in terms of economic and social development? And what is the answer of SDGs to this situation?

Regarding the first question, it would be relevant to stress that west African

countries adopted and implemented several economic strategies and policies during the last two decades. These strategies and policies followed the 80s' liberal way favouring the attraction of direct foreign investment (DFI) to exploit natural resources especially mines, while in the mid-90s, they put combating poverty at the centre of their interest.

However, none of these policies and strategies gave enough importance to the creation of added value, and economic activity remained based on raw material export. The weak added value created under these economic models is the main cause of the very modest level of job creation and the low level of revenue of most of the population translated by widespread poverty. Furthermore, they all practically neglected agriculture despite its potential in terms of job creation, combating poverty and economic integration.

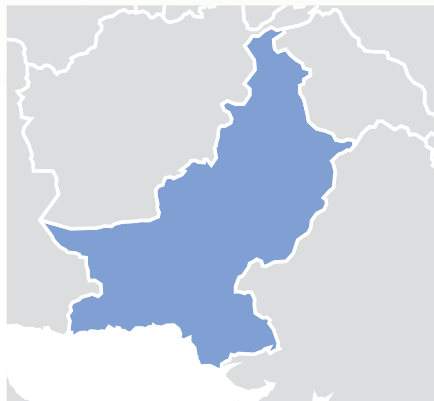
Considering the above, and as an answer to the second question, SDGs must favour a growth which integrates productive sectors wherein the youth, women and marginalised and vulnerable people participate, namely agriculture. SDGs should also support job creating sectors; promote industrialisation and the creation of added value by favouring the development of the private sector, strengthen the ties between the primary and the secondary sectors through agro-industrialisation and value chains development; and ensure a decent life for the population by giving them access to quality basic services.

All these measures must be taken while considering environmental aspects so that the targeted development be tenable and sustainable. Preserving the environment is a common cause for all countries, developed and developing ones: "We are all on the same boat!"

THE GREATEST CHALLENGE TO ACHIEVE SDG4: PAKISTAN AS AN EXAMPLE



Mohamed Abida
Manager, Executive Management Support
and Protocol Division, Office of the
President



The most difficult SDG to achieve is SDG4 “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”, particularly meeting the first outcome target 4.1 aiming to ensure that all girls and boys by 2030 complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.

Achieving the 17 Sustainable Development Goals (SDGs) by 2030 is a major challenge for the majority of our Member Countries considering the enormous social and economic difficulties they are facing, including persistent budget deficits, increasing debts and negative consequences of natural disasters, conflicts and extreme poverty. In my view, the most difficult SDG to achieve is SDG4 “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”, particularly meeting the first outcome target 4.1 aiming to ensure that all girls and boys by 2030 complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.

According to UNESCO, the annual financing gap over 2015-2030 for

reaching universal pre-primary, primary and secondary quality education in low and lower middle income countries is estimated at USD 39 billion. The financing gap is a concern for the achievement of all SDGs, but it is more acute for SDG4. Unlike investment in other sectors like infrastructure, agriculture or even public health, investment in Education, especially the primary stage, is a long-term investment where returns are only visible after many years and sometimes after many generations. A clear example of this challenge is the case of Pakistan which has great potential for economic growth thanks to its strategic geographic location, its important natural resources and most importantly its human capital. Pakistan has a number of renewed universities and research centers, and has also talented, vibrant and innovative youths.

Yet, despite the huge potential, Pakistan is facing tough challenges, particularly with regards to social sectors, namely, education and health. A clear indication of these problems is the “shocking” figure of 22.84 million out-of-school children in Pakistan. This figure is alarming, and represents a major concern, not only for SDG4, but also for many other SDGs especially SDG1: No Poverty and SD8: Decent Work and Economic Growth. In 2030, the majority of current out-of-school children will be entering the job market without skills and will most likely be exposed to poverty, unemployment, low-wage jobs in addition to the risk

of extremism, terrorism and human trafficking.

This pressing issue was discussed in various meetings between IsDB Group and the highest authorities in Pakistan, namely, the Prime Minister, the President and the Minister of Education and Vocational Training. There is a clear commitment expressed by the Government to address this issue. IsDB has also offered to leverage its resources and core competencies to support education sector through an ISFD Program, launched in 2017 in partnership with Education Above All Foundation, aiming to advocate educating out-of-school children in selected Member Countries, including Pakistan.

I believe the issue of out-of-school children in Pakistan as access to inclusive and equitable quality education is crucial for the achievement of sustainable development and is a source of innovation to meet the demand of new markets. This requires substantive long-term strategic investment with a high-level political will from policy and decision makers, underpinned by intense involvement and participation from private sector and civil society, as well as substantial support from Donors and Development Finance Institutions.



THE AFRICAN ALLIANCE FOR VOCATIONAL TRAINING WITH MOROCCAN EXPERTISE: SUPPORTING SDGs 4 AND 8



Moncef Soudani
Regional Coordinator,
MENA & Europe, Reverse Linkage Division

The growing youth population with the limited employment opportunities in IsDB member countries calls for new skills to enhance their prospects for productive employment and economic growth in their rapidly changing social and economic environment.

Among the various issues that fuel unemployment in our member countries is the disconnect between the demand for changing job skills required by the market and the supply of skills shifts imparted through existing education systems. In this respect, some of the IsDB member countries are lacking the ability to respond to new changing circumstances and to produce jobs skills that are increasingly in demand.

To reverse such trajectory, there is a need of enhanced investment in, among others, the transfer of know-how, practical skills and exposure to the experience of

other countries through internships and apprenticeships so that Technical and Vocational Education and Training (TVET) lagging behind in most of our member countries can catch up and adapt to rapidly changing environment.

There is, however, another way to help those countries tap into diverse experiences and acquire solutions to their pressing development challenges faced by youth population. Some of the IsDB member countries, like Morocco which have become leaders in developing comprehensive vocational training programs and curricula based on a market-demand driven approach, can support many countries which may lack the necessary ecosystems for TVET to be effective. The IsDB is now working with Morocco, through the recently launched "African Alliance for Vocational Training" to support fourteen sub-Saharan African countries with the much-needed technical expertise, knowledge and skills through the Bank's Reverse Linkage mechanism, thereby employing South-South and Triangular Cooperation (SSTrC) as a key mechanism to solve SDGs 4 and 8.

Under this alliance, the Moroccan Office of Vocational Training and Labor Promotion (OFPTT) is acting as the provider of expertise to many Sub-Saharan African countries including Benin, Burkina Faso, Cameroon, Chad, Cote d'Ivoire, Djibouti, Gabon, Guinea Bissau, Guinea Conakry, Mali, Mauritania, Niger, Senegal and Togo. The objectives of this Alliance are to: (i) exchange

best practices in the field of vocational training; (ii) share experiences and know-how acquired by the different partners; and (iii) develop and promote vocational training interventions.

The Alliance contributes to improving access and quality to vocational education and technical training for the employability of youth and enhanced sustainability and competitiveness of newly established enterprises. It also contributes to enhancing the institutional framework of the vocational training systems in those countries.

The Bank has, so far, supported the formulation and financing of a US\$ 48 million TVET project in Cote d'Ivoire based on the Moroccan expertise through Reverse Linkage and is also developing a new intervention for Guinea Bissau. Additional interventions for the rest of the beneficiary countries will be developed on a demand-driven approach.

This Alliance falls within the Bank new business model of being "A Bank of Development and a Bank of Developers". The program allows the Bank to be a key facilitator of development, by sharing the expertise available in Morocco to respond to pressing development needs - in fourteen member countries through one comprehensive program that is underpinned by SSTrC. The Alliance also strengthens solidarity-based cooperation among the member countries and allows them to work together to solve common development challenges, in line with SDG 17—partnerships for the goals.



RELEVANCE OF HEALTH IMPACT ASSESSMENTS IN ACHIEVING SDG 3 AND RELATED SDGs; A REFLECTION ON THE ROLE OF SHARIA'H COMPLIANCE



Ima Arit Kashim
Global Health Specialist

Health is centrally positioned within the SDGs, as SDG 3 – which is to “Ensure healthy lives and promote well-being for all ages”. However, achieving this goal means more than just improving health care¹. It involves action in key economic development sectors, like housing and transport, as well as in the settings where people live and work in cities and rural areas.

The long-term goal of any development project or agenda is to achieve social and economic inclusion and prosperity.

health. Taking this further, WHO has advocated Health in all policies (HiAP) as a collaborative strategy that integrates and articulates health considerations into policymaking across sectors to improve the health of all people. HiAP recognizes that health is created by a multitude of factors beyond healthcare and, in many cases, beyond the scope of traditional public health activities. For development to capitalise on opportunities to improve health in other traditional sectors as well as effectively manage any risks to health; it will require knowledge about both the type of health impacts that may occur and the distribution of those impacts on the affected community during implementation of the development project.

This challenge can be overcome by the routine conduct of Health Impact Assessment (HIA) during the project design and preparation phase. HIA is an internationally recognized process (combination of procedures, methods, and tools to assess the potential health impacts) that provides a systematic approach to address the potential health costs and benefits of projects, plans or policies. HIA is applicable across industrial sectors (such as agribusiness, infrastructure, extractive industries). Thus, the conduct of a HIA on all projects to be financed by IsDB will ascertain the attainment of project implementation standards that meet the stringent financial screening criteria of Shariah compliant funds by making sure ‘no harm’ is intended or actioned during the bank’s financing. It will also ascertain cross sectoral collaboration to achieve a common outcome, better stakeholder engagement, partnerships and project sustainability.

Far reaching results will directly impact on: Achieving Affordable and Clean Energy, (SDG 7) Decent Work and Economic Growth (SDG 8) and Sustainable Cities and Communities (SDG 11), Clean Water and Sanitation (SDG 6) and Climate action (SDG 13) and significantly reduce disease threats including heart and lung diseases, cancers, stroke, injuries.



The long-term goal of any development project or agenda is to achieve social and economic inclusion and prosperity. This mantra mirrors the IsDB’s mandate as embodied in the Mission statement of the Bank and its Sharia’h compliant financing nature for development.

This mantra mirrors the IsDB’s mandate as embodied in the Mission statement of the Bank and its Sharia’h compliant financing nature for development. For everyone to have a fair opportunity to attain his or her full health opportunity, and no one disadvantaged from this potential; ensuring inclusion, access and equity in receiving health services is paramount. These clear moral and ethical dimensions are in consonance with the Shariah.

In 2003, the WHO Director General Lee Jong-wook on the concept of Health for All as an organizing principle; stated that everybody needs and is entitled to the highest possible standard of

¹ <https://www.who.int/sustainable-development/sdg-briefs/en/>

SENEGAL URBAN SECTOR PORTFOLIO REVIEW SHOWS A CONFLUENCE OF SDGs!



Papa Abdoulaye SY
Global Lead Urban Development
Social Infrastructure Global Practice



The Islamic Development Bank's Regional Hub of Dakar, in Senegal, is currently implementing the Bank biggest Urban Sector Portfolio in the Sub-Sahara African region. The first two completed housing projects were implemented in this Hub and the biggest ongoing urban infrastructure project is taking place in this Hub too. Subsequently, in December 2018 the Social Infrastructure Global Practice (SI-GP) decided to carry out a Sector Portfolio Performance Review (SPPR) for the urban projects in Senegal. The SPPR exercise shows a confluence of SDGs 6, 11 and 13 and an alignment of these goals with the country main strategic document PSE (Emerging Senegal Plan).

The "Plan Senegal Emergent" (PSE)

Since 2014, the Government of Senegal has been implementing a new development model, the Emerging Senegal Plan (PSE), which constitutes the reference for economic and social policy, to achieve strong, sustainable and inclusive growth, eradicate poverty and achieve sustainable human development by the horizon of 2035. The strategic

orientations of the PSE are based on three pillars:

- (i) structural transformation of the economy and growth;
- (ii) human capital, social protection and sustainable development and;
- (iii) governance, peace and security.

Review of the Urban Portfolio in Senegal

Senegal urban portfolio is dominated by the water sub-sector (37% with Dakar Water Supply Expansion project, KMS3), followed by the urban infrastructure sub-sector (33% with the Secondary Cities Modernization Program, Promovilles), by the sanitation sub-sector (15.5%), the housing sub-sector (8.5%) and the solid waste sub-sector (6%). In total, water and sanitation projects represent 52.5% of the urban portfolio. This trend is demonstrated not just for Senegal but for the whole regional hub urban portfolio.

Urban Infrastructure and Services are one of the most predominant needs of our MCs in correlation with a rapid urbanization and a sustain demographic growth. Sub-Saharan Africa (SSA) is often regarded as the world's fastest

urbanizing region. Urban areas currently contain 472 million people and will double over the next 25 years. The global share of African urban residents is projected to grow from 11.3 percent in 2010 to 20.2 percent by 2050. SSA's 143 cities generate a combined \$0.5 trillion, totaling 50 percent of the region's gross domestic product (CSIS, April 2018).

Results of the Urban Sector Portfolio Review

The strategic assessment of Senegal Urban Portfolio showed that:

- (i) it is highly likely that when all these projects will be completed, they will, proportionally to their size and impacts, contribute to the achievement of the SDGs 6, 11 and 13.
- (ii) the overall objectives of all these projects are in line with the Pillar 2 of the PSE (which is the strategic development model adopted by the Government of Senegal to achieve emergence by 2035) and with the Agenda 2063 of the African Union.
- (iii) It is noted that despite the fact the portfolio is dominated by water and sanitation projects (covering SDG6), the SDG 11, which is dedicated to urban development, is noticeably present in 3 out of 6 projects and finally;
- (iv) the current portfolio covers not just the capital city Dakar, as it may be expected, but many other regions including Thies, Saint Louis, Kaolack, Fatick, Matam, Tambacounda, Diourbel, and several other big agglomerations like Touba, and Mbour.
- (v) Lastly, it is worth mentioning the confluence of SDGs 6, 11 and 13 since Target 1 of SDG 13 is being reached with the following two projects: Floods Impacts Mitigation and Secondary Cities Modernization; Target 6 of SDG 11 is being achieved with the Municipal Solid Waste Management and the Flood Impacts Mitigation Projects and finally Targets 1, 2, and 3 of SDG 6 are being attained through different projects: Northern Dakar Sanitation Improvement, Dakar Water Supply Expansion, Secondary Cities Modernization and the IsDB-WAEMU water supply and sanitation projects.



PALM OIL ISSUE IN INDONESIA: PROMOTING ECONOMIC GROWTH OR COMMITMENT TO ACHIEVING THE SDGs



Ali Fallahi
Country Economist,
Regional Hub Indonesia/ CSMI



On April 28, 2019 and during the "Leaders Roundtable Belt and Road Forum (BRF II) for International Cooperation" in Beijing, Indonesia Vice President, "Yusuf Kalla", asked a number of countries to stop their discriminatory treatment to the Palm Oil industry, under the pretext of environmental conservation, arguing that it should be put to an end because it hampers the country's ability to achieve the Sustainable Development Goals (SDGs). He said around 16 million people were involved in the palm oil industry, as farmers or smallholders, meaning the industry made a significant contribution to Indonesia's ability to achieve the UN's SDGs.

Paradoxically, Palm oil industry can be considered positive and negative for implementing SDGs. In other words, it can be an important factor in poverty alleviation and economic growth of Indonesia and on the other hand, it is viewed as a hindrance to the implementation of SDGs. So, here one can raise this question: What should be done if the government of Indonesia wants to remain committed to the implementation of SDGs?

Prior to responding this question, we'd better look at the positive and negative aspects of Palm oil industry in the economy of Indonesia and implementing SDGs in this country.

Importance of palm oil in the economy of Indonesia

Indonesia is today the behemoth in the palm oil sector as the world's top producer and exporter, outstripping Malaysia, which previously held the lead. According to Indonesian Palm Oil Association (Gapki), about 50 million Indonesians depend in their everyday lives on palm oil and its derivatives, be it directly or indirectly, through multiplier effects the sector has created.

Palm oil is a strategic commodity for Indonesia's economic development. The value of Indonesia' palm oil foreign exchange revenues contribution in 2018 is estimated to reach \$20.54 billion. As the largest palm oil producer in the world, Indonesia plays a very significant role

and the global market closely observes Indonesia's palm oil market.

Palm oil has been a key factor in reducing rural poverty in top producing countries like Indonesia. The opening of palm oil plantations in rural and remote areas has helped lift the incomes of populations there. About 40 percent of plantation areas in Indonesia are owned by some two million smallholders, and a report by the European Commission estimated that these smallholders earn up to ten times more than other farmers.

Data from the Investment Coordinating Board (BKPM) shows that the industry employs 5.9 million people via direct employment and up to 50 million in non-direct employment. Bearing in mind that this sector stimulates rural



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areas, we can see its direct multiplier effects. Whenever there is fluctuation in the prices of commodities, especially palm oil, nearly all the nation's economy will be impacted. In Astra group's case, whenever the price of palm oil is down, sales of Honda motorcycles will also fall.

By boosting socio-economic development, palm oil has also helped to reduce inequalities between urban and rural populations. It has provided rural populations better access to healthcare and education, helping to further ensure that they and their children have a better quality of life and standard of living.



According to the Coordinating Economic Minister, palm oil farming allowed a huge number of smallholders to escape poverty and as such way key to Indonesia's ability to achieve the SDGs.

Palm Oil Challenges for the implementation of SDGs

However, the persistent oil palm expansion is associated with environmental problems. The industry has come under scrutiny in recent years from green activists and consumers, who have blamed it for forest loss and fires, as well as exploitation of workers.

Indonesia is the world's biggest producer of palm oil and every year smoke from fires used to clear land for agricultural expansion clouds the skies over large parts of Southeast Asia, raising concerns about public health. A recent Greenpeace report claimed that 25 major palm oil producers supplying the world's largest brands were "known to have destroyed more than 130,000 hectares of forest

and peat land since 2015, an area almost twice the size of Singapore".

Indonesia has faced negative campaigns against the commodity, especially from EU member countries as a second major importer after India. The European Union has accused the palm oil sector of being environmentally unsustainable in the long run. The latest move the EU has taken to discredit palm oil was through a delegated act that, if passed by the EU Parliament, would ban palm oil in the region for good by 2030.

Palm oil is classified as a "high-risk commodity and harmful" to the environment in regard to deforestation within the delegated Regulation Supplementing Directive 2018/2001, which resulted in palm oil-based fuels being the only commodity dropped from the EU's list of renewable energy. If ratified and implemented, "the EU's plan would affect the lives of around 20 million farmers, both directly and indirectly. The EU accounted for about 15 percent of Indonesia's 2018 palm oil exports, valued at around US\$19 billion, according to Indonesian Palm Oil Association data. Then the challenge, would be to find a new market for Palm Oil if Indonesia faces obstacles in the international market.

Conclusion

Considering the mutual concerns (EU & Government of Indonesia), it is evident that Unilateralism, protectionism or Me-First Policy will lead to nowhere land as it is a zero-sum game while multilateralism could be the best approach as a win-win game for the two sides.

But whatever policy the EU takes, it should involve cooperation programs to empower Indonesia.



SDG7: ENERGY SECTOR PORTFOLIO PERFORMANCE REVIEW: EGYPT AS AN EXAMPLE



Hussaain Mogaibel
Global Lead Energy Specialist
Economic Infrastructure Division

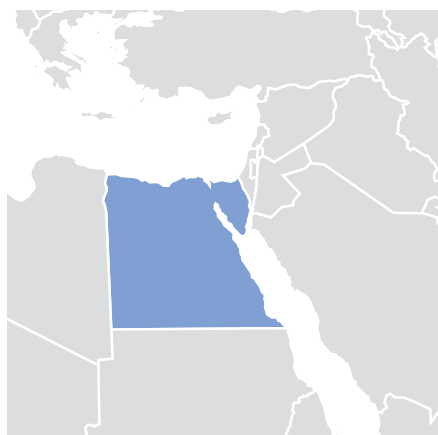


Bandar Alhoweish
Senior Global Energy Specialist
Economic Infrastructure Division

The energy Sector Portfolio Performance Review (SPPR) is meant to review the energy sector in the Country, assess the relevance of IsDB intervention in the sector, and provide recommendations to improve the quality of the active portfolio, and propose the nature of IsDB future intervention. Egypt is one of the largest beneficiaries of the Islamic Development Bank (IsDB) Group. The total financing of IsDB Group for Egypt reached about US\$12.4 billion and the energy sector represents 79.4% (US\$9.8 billion) including trade and private sector finance.

95% of Egypt's energy requirements are fulfilled by oil and natural gas. As with Egypt's status towards achieving the targets of Sustainable Development Goal (SDG.7) "ensure access to affordable, reliable sustainable and modern energy for all", the country has achieved universal access to electricity (target 7.1), 98% of the population has access to clean cooking, and renewable energy represents 6% of the total energy final consumption (target 7.2). As with Energy Efficiency achievement indicator (target 7.3), the country adopted its first National Energy Efficiency Action Plan (NEEAP) in 2012, however, it is still below the global average. The Ministry of Energy and Renewable Energy (MoERE) has set a reduction target of 8% in energy usage by 2022, half of which will be in the industrial sector.

Although the energy sector has suffered from high subsidies and wide supply deficit to fulfil the growing demand for electricity in recent years, the sector now has wide reserve margins in the



generation side. The total installed capacity has increased by 79% from 30GW in mid-2012 to 55GW in mid-2018. In 2014, the Government introduced

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five-year plans to phase out petroleum (oil and gas) and electricity subsidies. The plan entailed gradual price increases for the different subsidized fuel products and electricity. It is being reviewed for phasing out subsidies by 2022. This step is imperative for Egypt to transform the Electricity industry into a market-based competitive sector.

The energy sector portfolio includes 15 projects with a total amount of USD 1.99 billion, representing the highest portion in the Country portfolio (83.3%). In addition, the portfolio includes six Public Private Partnership projects with a total amount of USD 80 million. Out of the 15 projects under the public financing, ten were already completed. The portfolio assessment highlighted various recommendations and suggested actions plans for improving its performance.

IsDB involvement in the sector served meeting SDG7 targets in particular, target 7.1 "ensure universal access to affordable, reliable and modern energy services by 2030" and target 7.2 "increasing substantially the share of renewable energy in the global energy mix by 2030". IsDB energy portfolio is also in line with IsDB energy policy, the Government priorities and the Country energy sector Strategy. Collectively, IsDB's project financings have resulted in adding generation capacity of 4GW and 174 km of transmission and distribution lines. The IsDB's intervention in the sector increased the reach of electricity to over half million people so far. Once the active portfolio is completely delivered and becomes operational, the number of people benefiting for IsDB's intervention will increase to around 22 million.



ISDB DEVELOPMENT EFFECTIVENESS REPORT (DER) 2018

The DER encapsulates initiatives undertaken by the Bank in implementing its strategic agenda of supporting inclusive development, promoting regional cooperation and integration, encouraging Islamic Finance growth globally, and building partnerships for resource mobilization to support the achievement of SDGs



Amir Ghani Meer
Manager, Operations Quality & Results

The DER 2018 provides an overview on macro-economic performance of member countries (MCs), with highlight on some of the major forces shaping change in global development landscape and development status of our MCs. It highlights great uncertainty arising from the growing specter of protectionism and global economic slowdown and the enormous change in the landscape within which the development of our MCs is taking place.

It is asserted that number of our MCs have crossed the middle-income threshold, while many of Sub-Saharan African MCs experiences increasing concentration of poverty, resulting in constraints in meeting basic human needs. Some MCs, especially in the MENA region where the pace of the

In 2018, IsDB approved projects worth **US\$1.27 billion**



Energy sector accounted for **31%** of the approvals



Transportation **19%**



Health and Agriculture **13%** each



Water, Sanitation and Urban services **9%** each



economic recovery is still sluggish, continue to suffer from fragility and its spillover effects. The Bank is fast adjusting to the rapidly changing world and circumstances facing its MCs in a bid to contribute effectively to the achievement of the SDGs.

The DER encapsulates initiatives undertaken by the Bank in implementing its strategic agenda of supporting inclusive development, promoting regional cooperation and integration, encouraging Islamic Finance growth globally, and building partnerships for resource mobilization to support the achievement of SDGs. It also shares comprehensive efforts undertaken to address women and youth related issues, address fragility and build resilience, support climate friendly development and further enhance technical cooperation and reverse linkage programs. Other activities include improving scholarship program, advancing the development of Muslim communities in non-member countries (NMCs) through Communities Outreach Program, encouraging science, technology and innovation as a key enabler in realizing sustainable development and enhancing engagements with the NGOs and the Civil Society.

Furthermore, the report sheds light on progress towards achieving key objectives of the President's Five-Year Program (P5P) and the aspirations of IsDB Group's 10- Year Strategy (10YS) for MCs' socio-economic development. It presents evidence of IsDB's profound commitment to supporting the achievement of SDGs. It has emphasized that the Bank's support extended in 2018 will contribute to significant development results in our MCs. The results of projects completed in 2018 have also made difference by contributing to socioeconomic development across MCs.

Report also highlights areas for improving operational effectiveness and organizational efficiency of the Bank to enable it to better deliver products and services to MCs and NMCs in addition to being responsiveness to client needs.



A New Model for Supporting Sustainable Development
DEVELOPMENT EFFECTIVENESS REPORT 2018

Annual Meeting Highlights

JEFFREY SACHS URGES ISDB TO SCALE-UP FUNDING FOR LEAST DEVELOPED MEMBER COUNTRIES

Renowned economist and UN Secretary General's Advocate on SDGs, Professor Jeffrey Sachs has called on the Islamic Development Bank (IsDB) to scale-up funding for low-income member countries to achieve SDGs.

Professor Sachs spoke via video message during a side event on Voluntary National Reviews (VNRs) in achieving SDGs during the 44th Annual Meeting of IsDB Group in Marrakech, Morocco.

"IsDB can play a critical role in ending extreme poverty in OIC countries. Most of IsDB member countries are in fragile regions of the world and climate change is threatening these countries. SDG 13, 14 and 15 calls for considering environment as essential factor for human development," says Professor Sachs.

In his remarks, IsDB President, Dr. Bandar Hajjar stated that 30 IsDB member countries have submitted their VNRs where they outlined the progress made in achieving the SDGs, and how



Jeffrey Sachs (inset) speaking via video message during the side event on VNRs in Marrakech

they incorporated the SDGs in their national and sub-national development plans.

The panel discussion on the VNRs moderated by IsDB's Special Envoy on SDGs, Dr. Rami Ahmad had high level panelists such as Niger's minister of national planning, Madame Aichatou Kane, Hala Helmy El-Said, Egypt's National Planning Minister, Dr. Ishrat Hussain, World Bank's Senior Vice President Mahmoud Mohieldin, and Morocco's Aziz Rabah.

TOP GLOBAL EXPERTS ON FOOD SECURITY CALL FOR URGENT MEASURES TO END HUNGER



Leading global experts on agriculture and food security have called on the global community to take urgent measures aimed at ending hunger. The experts made the call in Marrakech during the side event on the role of agricultural value-chain to achieve SDGs at the 44th Annual Meeting of IsDB Group.

"To end hunger, we need the whole ecosystem, the private sector, affordable technology and make it available to small holder farmers," says Gilbert F. Hounbo, President of International Food and Agricultural Development (IFAD).

In her remarks, the Director General of International Centre for Biosaline Agriculture, (ICBA), Dr. Ismahane Elouafi stated that the farmers that remain poor are the small-holder farmers that remain in non-arable lands, and they are poor partly because they are not given the right crops.

Commenting on the effort of governments to ensure food security, the Director General of International Centre for Agricultural Research in the Dry Lands (ICARDA), Aly Abousabaa stated that there is strong political will from countries like Nigeria to invest in agriculture and his organization is working to come-up with super-maturing varieties.

The IsDB Special Envoy on SDGs and moderator of the side event, Dr. Rami Ahmad added that the core issue is to end hunger. He cited the saying of Prophet Muhammad (pbuh) that he is not a believer who sleeps filled, while his neighbor is hungry. Dr. Rami Ahmad further asked why should 2 billion people suffer from obesity while 800 million suffer from hunger?

For Mohammad Jamal Al-Saati, Director of the Office of IsDB President, money is not enough to address the challenges of food security, he then cited the example of some of the success stories of IsDB such as the Reverse Linkage project between Malaysia and Suriname on boosting rice production.

The Director of Agriculture and Acting DG Global Practice at IsDB, Thierno Diallo thanked the participants for honoring the invitation of IsDB and further explained the effort of the Bank in implementing rice value-chain projects in member countries.

Events

How can VNRs shape the road towards achieving the SDGs?", (AM) 5 April 2019



Role of Climate Action in Achieving the SDGs, (AM) 5 April 2019





Events

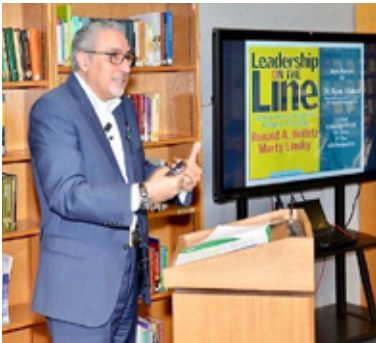
8th Youth Development Forum (2019), Marrakesh, (AM) Morocco, 4 April 2019



Fostering Sustainable Agricultural Value Chains in IsDB Member Countries, Marrakesh, (AM) Morocco, 6 April 2019



Spotlight: "Leadership on the Line" (Book Review session at IsDB Group Library) 21 May 2019



Visit of the UN Deputy Secretary-General, Ms. Amina Mohammed to the IsDB Headquarters, 30 June 2019



IsDB **IsDB Group SDGs Community of Practice Cordially invites you**

The 7th Open Dialogue
 "How can the Achievement of SDG8 and SDG9 Help Member Countries succeed?"

Opening Presentation by
Prof. Dr. Murat Yulek
 Rector, Ostim Technical University, Ankara
 Author of a Book : HOW NATIONS SUCCEED

Followed by
 An Open dialogue among IsDB staff and Management on
 mainstreaming SDG 9 & 8 within IsDB activities

WEDNESDAY
03 July 2019
 Glass Room
 2nd Flr/IsDB HQ
10:30 – 12:00

SUSTAINABLE DEVELOPMENT GOALS