

SPECIAL EDITION



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# SDGs DIGEST

By the IsDB Group Community of Practice (CoP) on SDGs

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## CHERISHING OUR PAST CHARTING OUR FUTURE



**All global institutions must unite and collaborate to create a better future for humanity and preserve the global good.** Dr. Muhammad Al Jasser - Chairman, IsDB Group



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### Dear Readers of the SDGs Digest,

Warm greetings from the Global Practice & Partnerships Directorate.

It is indeed a pleasure to bring together the various essays and thought pieces written by the IsDB Senior Management, Professional Colleagues and IsDB's Valued Partners. This special edition documents their impactful journey and contribution towards advancing the 2030 SDGs Agenda, while simultaneously highlighting challenges faced and showcasing stories from the ground that demonstrate hope in building a sustainable future.

In today's interconnected world, global development faces a myriad of challenges that demand urgent attention and innovative solutions. From historical perspectives to contemporary issues, the discourse on global development has been rich with insights that shed light on the complexities of our shared future. As we navigate the intricate web of economic, social, and environmental concerns, it becomes evident that a holistic approach is essential to address the multifaceted challenges we encounter.

Confronting the complexities of global development challenges requires us to foster collaboration, innovation, and solidarity on a global scale. By embracing diverse perspectives, engaging with historical insights, and prioritizing human security and sustainability, we can pave the way for a more equitable, resilient, and sustainable world.

However, the global economy's weakness, rising geopolitical tensions, and the climate crisis have made it more challenging to finance the SDGs. According to the United Nations, almost 40% of the financing needed for the SDGs is currently unavailable. This financing gap is particularly pronounced in low-income and fragile states, which account for one-fifth of the total financing needs.

Addressing this financing gap entails a multi-pronged approach involving several key components. This includes a revitalized dedication to multilateralism, strengthening the global financial architecture, fostering a conducive investment environment to attract private capital, enhancing domestic resource mobilization, increasing government revenue generation efforts, and introducing innovative financing mechanisms to bridge the SDGs financing gap.

This edition of SDGs Digest comprises articles about collective action and forward-thinking solutions, as we continue to steer through the complexities of global development with wisdom, compassion, and a steadfast commitment to building a better world for all.

As we gather at the IsDB's Golden Jubilee and the 2024 Annual Meetings, on behalf of the SDGs CoP, We wish productive engagements to all the Policy Makers and Senior Government officials from IsDB Member Countries, the Senior Officials and Decision Makers from Financing Institutions, the esteemed delegations from the Multilateral Development Banks, UN Agencies, as well as the Private Sector representatives. Your presence and participation will be pivotal as we realize the theme of this year's Annual Meeting: Cherishing our Past and Charting our Future.

Finally, on behalf of the SDGs CoP, We would like to acknowledge and sincerely thank all the esteemed authors for their rich contributions. Your engagement with the CoP continues to keep the sustainable development agenda alive amongst the discourse on global economic development.

Wishing everyone all the best.

Thank you.

#### **Note: The SDGs COP core team is composed of:**

Amir Hamza Syed (leader), Hamdi Ahmedou, Sharjeel Ahmad, Nedzad Ajanovic, Ima Arit Kashim, Bassam Haikal, Khalid Ahmed, Raian Farooq, Rowaa Khouli and Syed Muhammad Abdullah

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*Views expressed by the contributors do not necessarily represent IsDB view or policies. The views should be attributed to the author(s) and not to the IsDB, its Management or its Board of Executive Directors.*

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# Cherishing our Past, Charting our Future: Reflection on the Imperative of Solidarity, and Shared Prosperity



**Dr. Muhammad Al Jasser**  
Chairman, Islamic Development Bank Group

The Islamic Development Bank (IsDB) has navigated a dramatically transformed global development landscape since its inception in 1974. The IsDB has adapted to these changing dynamics by evolving from a single entity into a group comprising six entities focusing on a variety of relevant development solutions for the world. What truly sets the IsDB apart is its unique identity: it is a pioneering South-South institution that fosters collaboration and knowledge exchange and prioritizes solidarity and risk-sharing.

Over the last half-century, the Bank has reflected the spirit of solidarity, cooperation, and collaboration by bringing 57 member countries (MCs) together to help one another in addressing their respective development challenges. About 200 successful partnerships were forged with several international partners, global financial institutions, and civil society organizations. In this regard, the IsDB Group has intensified support for MCs in implementing their ambitious 2030 sustainable development agenda and the United Nations (UN) Paris Agreement. Indeed, achieving the Sustainable Development Goals (SDGs), including the climate agenda, requires IsDB Group to adopt a more proactive approach to position itself as a credible voice and a partner of choice with its original value proposition in line with the expectations and the context of its Member Countries.

To better position itself to support its MCs, IsDB undertook a major strategic realignment exercise. The resulting Realigned Strategy (2023–2025) was followed by an organizational recalibration that led to the creation of a new function called Global Advocacy. This function seeks to position IsDB as a global actor and raise its relevance in global decision-making, leading to greater recognition of IsDB's impact on MCs and Muslim communities

in non-MCs. The function anchors the coordination of SDGs-related activities and the SDGs Community of Practice (SDGs CoP) in the Partnerships, Global Advocacy, and Resource Mobilization (PGARM) Department. The SDGs Digest is a biannual publication released by the SDGs CoP.

That is why IsDB Group has been effectively working with other multilateral development banks (MDBs), leveraging financial markets, and engaging in UN COPs, G20, and other international forums. Since its establishment, the IsDB Group has been working closely with the UN agencies and was granted Observer status in April 2007. Last September, I was pleased to lead the IsDB Group delegation to the UN General Assembly and to speak on its theme of “rebuilding trust and reigniting global solidarity” in various sessions. Another example is IsDB's engagement with the international financial markets, where IsDB Group has mobilized more than USD 46 billion through AAA-rated Sukuk issuances since 2003, including pioneering and leveraging niche instruments by raising over USD 5 billion for green and sustainability-oriented financing (Sukuk).

However, significant challenges remain. Global development financing falls short of what is truly needed, further hindered by the recurrent political, social, and economic crises. The world is halfway through implementing the SDGs, yet progress on over half of the targets is lagging, with nearly a third stagnating or even regressing.

Despite the challenges, a renewed spirit of global development cooperation is emerging. That fuels optimism and enthusiasm for achieving the 2030 Development Agenda and the fair and just climate transition. The road to the SDGs may be arduous, but progress is within reach with unwavering determination and global commitment. However, achieving our goals relies on two key factors: how we make financing more relevant, efficient, and effective and to what extent development finance is innovative and localized to ensure more resilience at local and national levels.

This commitment to resilience was highlighted at the Climate Ambition Summit. As the Climate Chair for MDBs, I emphasized our collective support for UN Secretary-General António Guterres's initiative – “Early Warnings for All.” This

initiative aims to ensure everyone on Earth has access to life-saving early warning systems by 2027. These systems will be crucial in protecting communities from increasingly extreme weather events and disasters.

There is no alternative to forging solidarity and fostering continuous dialogue on the solutions for our shared development challenges. The High-level Dialogue on Financing for Development offers a crucial opportunity to reenergize international commitment to the Addis Ababa Action Agenda. This dialogue can unlock new solutions to align and mobilize resources more effectively for the 2030 Agenda. The Bank, on its part, intends to prioritize and expand access to concessional funds for the least developed member countries (LDMCs) during this annual meeting. The Bank will work hard to allocate more concessional and grant resources to fund such activities to respond to the emerging challenges faced by its LDMCs. Bridging the SDG funding gap while helping countries overcome the formidable current challenges will require joint efforts of MDBs, donor countries, international organizations, private investors, philanthropists, foundations, and civil society.

The IsDB firmly believes that a truly multilateral and collaborative approach is essential to making a difference. **All global institutions must unite and collaborate to create a better future for humanity and preserve the global good.** Going it alone will not deliver the transformative change developing countries need. The IsDB is committed to playing its part in this collective effort.

My most profound appreciation goes to all our professional colleagues, international development partners, UN agencies, private investors, philanthropists, foundations, and civil society organizations. Your contributions to this edition of the SDGs Digest are invaluable. The IsDB Group remains firmly committed to collaborating with all its development partners. Together, we can accelerate the implementation of the SDGs and achieve lasting benefits for our MCs and the communities we serve.

As we approach the IsDB's Golden Jubilee, marking 50 years of development impact, I offer a heartfelt prayer for peace. It is the cornerstone for progress, without which true development and prosperity cannot be achieved.

# Sustainable Development Goals: Charting a Path to Prosperity with Originality and Solidarity



**Dr. Mansur Muhtar**  
Vice President (Operations), IsDB

In commemorating its Golden Jubilee this year, the Islamic Development Bank (IsDB) adopts the theme "Cherishing our Past, Charting our Future: Originality, Solidarity, and Prosperity." This theme encapsulates the foundational principles that have guided IsDB's impactful journey over the past five decades and underscores their enduring relevance in shaping IsDB's future endeavors.

Central to this reflection is how the Bank has endeavored to align these noble principles to the Sustainable Development Goals (SDGs). Since 2015, IsDB has prioritized pursuing these goals, without formally integrating them into its strategic objectives and operational framework. Guided by the core principles highlighted herein, the Bank's strategy realignment for 2023-2025 formally incorporated the SDGs to align with its strategic objectives. This realignment of IsDB's strategic direction focused on boosting recovery from the economic losses inflicted by the pandemic while laying the foundations for tackling poverty, building greater prosperity, and sustaining inclusive and green economic growth.

This integration underscores IsDB's dedication to fostering sustainable development and prosperity in its Member Countries, in line with its core mission and values. Regrettably the world today is facing an intimate threat from the implications of multifaceted challenges. The socio-economic repercussions of COVID-19 and the food security crises induced by the Eastern European conflict. In addition to the already strained climate change situation. These hurt all aspects of human development and will likely lead to widening inequality and deepening poverty.

These global crises have rolled back progress in attaining the Sustainable Development Goals. Of 140 SDG targets, around 12 percent only are on track. Close

to half are moderately or severely off track, and 30% have seen no movement or have regressed below the 2015 baseline<sup>1</sup>. The tighter global financial conditions have further exacerbated the poorest and most vulnerable situation. With the current pace, it's expected that more than 500 million people – nearly 7 percent of the world's population – will be trapped in extreme poverty by 2030<sup>2</sup>.

Under the Originality principle, the IsDB has pioneered the application of Islamic finance principles as a catalyst for achieving the SDGs. Leveraging the principles of Sharia-compliant finance, IsDB has spearheaded initiatives that address socio-economic challenges while adhering to ethical and sustainable practices. By promoting concepts of Islamic finance, IsDB has fostered inclusive growth and equitable development in member countries. Through innovative instruments like Sukuks, IsDB has been a market leader in channeling sharia compliant resources towards infrastructure projects, poverty alleviation programs, and sustainable agriculture, aligning with various SDGs such as no poverty, zero hunger, and decent work and economic growth. Equally important, a healthy and steady pipeline of quality projects focusing on green transformation has allowed the Bank to be a leader in mobilizing cost-effective funds from global capital markets through Green and Sustainable Impact Sukuks targeting ESG and SRI investors. Hence, by harnessing the inherent principles of fairness, transparency, and social responsibility within Islamic finance, IsDB has demonstrated a unique approach to advancing the global agenda for sustainable development.

Solidarity is another fundamental principle driving IsDB's efforts toward sustainable development. In a world increasingly characterized by interconnectedness and interdependence, solidarity is essential for addressing global challenges such as poverty, inequality, and climate change. IsDB's collaborative approach involves working closely with member countries, development partners, and the private sector to leverage resources, expertise, and knowledge towards achieving the SDGs. IsDB flagship Reverse Linkage Program is a key example of solidarity. It is a South-South Triangular mechanism that enables IsDB member countries to exchange their knowledge, expertise, technology, and resources to develop their capacities and

devise solutions for their autonomous development.

Furthermore, solidarity is particularly critical in combating the impacts of climate change. The Islamic Development Bank recognizes the urgent need for climate action and is committed to supporting its member countries in building resilience and transitioning to low-carbon, climate-resilient economies. The IsDB is committed to a climate finance target of 35 percent of total financial commitment by 2025 and to align its sovereign operations with the Paris Agreement by the end of 2023.

Fostering prosperity and improving the well-being of communities across its member countries is at the heart of the IsDB developmental agenda. Therefore, IsDB's development actions are strategically designed to address key areas outlined in the SDGs, such as poverty alleviation, healthcare, education, infrastructure development, and environmental sustainability. By prioritizing these areas, IsDB aims to contribute significantly to achieving the SDGs and promote inclusive growth and prosperity for all its member countries.

As we celebrate IsDB's Golden Jubilee, it is essential to acknowledge the significant strides made towards achieving the SDGs, thanks to the collective efforts of governments, civil society, and international organizations. However, the road ahead remains challenging, with emerging threats such as the various recent conflicts, natural disasters, and the COVID-19 pandemic exacerbating existing vulnerabilities and inequalities. Now more than ever, we must reaffirm our commitment to solidarity and collaboration, ensuring that no one is left behind in pursuing a more prosperous and sustainable future.

In conclusion, the Sustainable Development Goals serve as a roadmap for building a better world, one that enhances the very values that have defined the IsDB's mission over the past 50 years. By harnessing the power of innovation and working together in solidarity, we can overcome the most pressing challenges of our time and create a future where every individual is accorded with an opportunity to thrive. As IsDB looks towards the next fifty years and beyond, let us continue to cherish our past achievements while charting a course toward a more sustainable and inclusive future for all.

<sup>1</sup> <https://hlpf.un.org/sites/default/files/2023-04/SDG%20Progress%20Report%20Special%20Edition.pdf>  
<sup>2</sup> <https://www.worldbank.org/en/publication/poverty-and-shared-prosperity>

# How IsDB Sukuk are Shaping Development in OIC Countries



**Dr. Zamir Iqbal**  
Vice President Finance & CFO, IsDB

The 2020s were touted to be the 'Decade of Action' for the Sustainable Development Goals (SDGs). However, the decade began with a pandemic that inflicted an unprecedented crisis around the world, including Member Countries (MCs) of the Islamic Development Bank (IsDB, the Bank). It upended the many years of positive economic growth of our MCs whereby millions fell below extreme poverty, and this was further exacerbated when the health crisis transformed into a full blown global economic crisis that further hampered the progress towards the SDGs. And as the MCs were gearing for the recovery, they were hit by energy and food crisis due to geo-political developments putting further drag on achieving SDGs.

In the face of such challenges and armed with the top-tier AAA-rating, IsDB continued to utilize Sukuk (Islamic bond) as a catalyst to mobilize funding for its ever-increasing operations envelope. Since its debut Sukuk issuance in 2003, IsDB has leveraged on its AAA-rating and raised more than US\$ 46 billion through 69 Sukuk issuances from the global capital markets for developmental financing in its MCs.

While the Bank was prioritizing helping MCs to continue fighting with Climate related development changes, resource mobilization and financing the SDGs remained a key pillar that underpinned IsDB's Realigned Strategy 2023-2025, including the Strategic Preparedness and Response Program (SPRP) and the Food Security Response Program (FSRP).

This was exemplified by the Bank's debut Sustainability Sukuk issuance at the peak of COVID-19, through which it raised US\$ 1.5 billion in June 2020 from the capital markets. The proceeds were fully earmarked for COVID-19 projects with a focus on creating and enhancing 'access to essential services' and 'SME financing

and employment generation'. This was the first ever AAA-rated Sustainability Sukuk in the global capital markets and a landmark issuance that demonstrated innovation to tackle the impact of the global crisis.

The COVID-19 Sustainability Sukuk was followed by the Bank's second Sustainability Sukuk, which was also its largest Sukuk issuance ever, raising US\$ 2.5 billion in March 2021. From the proceeds, 90% will be deployed towards social projects and 10% will be allocated to green projects.

These issuances came on the heels of the Bank's debut Green Sukuk issuance just before the pandemic in December 2019. Through this path-breaking issuance, which is the only AAA-rated Green Sukuk in the global capital markets to date, the Bank mobilized €1 billion for climate-friendly projects in its MCs.

The groundbreaking success of IsDB's Green Sukuk and Sustainability Sukuk has encouraged several MCs and various stakeholders to further innovate with an orientation towards the SDGs.

A massive funding gap remains, however, to achieve the SDGs. The challenge is two-fold. On one hand, greater awareness is required especially in new markets where Islamic financial instruments such as Sukuk are still in the nascent stages of development or implementation, owing to multiple factors such regulations, market size, players etc. Deeper engagement with such stakeholders needs to be undertaken

to enhance their understanding of Sukuk as a capital market instrument and its alignment with positive universal values such as 'do no harm' to people and planet, and sustainability in the long run.

On the other hand, current Sukuk issuers need to build on the momentum by creating new green and social assets. Further uptake of Green Sukuk and Sustainability Sukuk structures is required to fund projects that have sustainability embedded in their designs. Issuers would do well through such offerings to deepen the thematic Sukuk market segment and attract more ESG-conscious investors as well as those who focus on Socially Responsible Investments (SRIs). This will ultimately help to expand and further promote this segment of the Sukuk market.

The 2030 Development Agenda demands the creation of alternative financing instruments to plug the huge gap in global SDG financing. The success of Green and Sustainability Sukuk issuances demonstrates the massive potential of such instruments for mobilizing resources at scale and around the world.

Emerging themes such as Just Transition, Resilience, Women and Youth, and Peace, offer further alternatives with specific and measurable sector indicators. These themes can be tapped into for future Sukuk issuances to drive more capital towards the SDGs and accelerate the progress to a future where no is left behind.



# Driving Sustainable Trade, Advancing the SDGs



**Eng. Hani Sonbol**  
CEO, ITFC

Since its inception 15 years ago, the International Islamic Trade Finance Corporation (ITFC) has stood as a pillar of progress, championing the cause of trade that is inclusive, resilient, and geared towards sustainable development. Our commitment to leveraging trade as a powerful force for good, that leaves no one behind, is in perfect harmony with the Sustainable Development Goals (SDGs) and the overarching mission of the Islamic Development Bank (IsDB) Group to promote socio-economic growth across member countries.

As the world grapples with unprecedented challenges that threaten the achievement of the SDGs, the role of trade as a catalyst for development has never been more crucial. ITFC, with its unique mandate to promote intra-OIC trade, is at the forefront of this transformative journey, ensuring that trade remains a major enabler of the 2030 development agenda.

## 15 Years of Advancing Trade and Improving Lives

ITFC contributions have been significant, with trade finance approvals surpassing \$75.4 billion and disbursements reaching \$63.5 billion since 2008. Behind every financial transaction, there's a story of transformation and empowerment. ITFC takes pride in its significant contributions to sub-Saharan Africa's agricultural sector. Our pre-export financing programs address critical needs aligned with the SDGs to eradicate poverty and hunger. Since inception, ITFC has approved over USD 3 billion, supporting an estimated 600,000 farmers annually and boosting their incomes. ITFC's reach extends beyond agriculture. During the COVID-19 pandemic, the Corporation played a vital role in global vaccine equity by financing over 33 million vaccine doses for African countries, directly contributing to SDG 3 (Good Health and Well-being). Every year, ITFC financing is instrumental in providing



over 22 million households with access to affordable and nutritious food, enabling reliable energy for more than 13 million households, and closing the trade finance gap for hundreds of MSMEs.

Beyond financing, our value addition lies in our holistic approach to development challenges. This integrated approach, outlined in our 2017 Ten-Year Strategy, has led to a significant expansion of grants-funded trade development interventions. This strategic shift demonstrates our commitment to addressing not only immediate financial needs but also fostering sustainable economic growth and resilience.

ITFC leads multistakeholder programs, such as the Arab Africa Trade Bridges Program and the Aid for Trade Initiatives in Arab States (Phase I and II), focused on critical areas such as building resilient regional supply chains, facilitating trade expansion, and empowering SMEs, women, and youth. Furthermore, through targeted capacity-building programs, we have equipped over 5,000 individuals with the skills they need to thrive, in the areas of Islamic finance, agriculture, and trade development.

## Embedding Development Effectiveness

At the core of our operations is the commitment to development effectiveness. Governed by rigorous policies and validated by external assurance, our impact management system abides by the highest standards and stands as a testament to our commitment to transparency and accountability.

A cornerstone of this strategy is the Development Impact Framework (DIF), ITFC's primary tool for monitoring and evaluating our development effectiveness performance. The DIF is integral to our operations, ensuring that our financing is

aligned with our mission and priorities. Our approach to development effectiveness entails a rigorous process of planning, implementation, and evaluation. This approach ensures that every intervention we finance is designed with a clear focus on making a tangible impact, contributing directly to the SDGs and the strategic objectives of the Corporation.

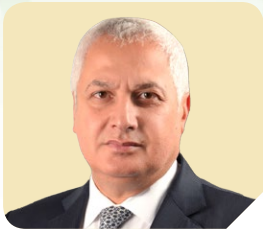
## Charting the Path to Sustainable Trade

Looking ahead, it's imperative and urgent that we establish a solid foundation for sustainable trade. With global supply chains responsible for up to 80% of the economy's carbon emissions, the critical role of trade in reducing emissions and combating climate change is undeniable. In response, ITFC has embarked on a transformative journey towards ESG excellence with the design of a climate change policy and an ambitious Ten-Year Action Plan. Through this plan, ITFC is not only committed to leading by example but also to inspiring change across the global trade finance landscape.

In 2023, ITFC obtained carbon credits from the Regional Voluntary Carbon Market Company (RVCMC) at an unprecedented auction event. This acquisition represents a significant milestone in ITFC's pursuit of its ESG goals, specifically in reaching net zero emissions by offsetting ITFC's carbon footprint.

As we celebrate the Golden Jubilee of the IsDB Group, we are reminded of our rich legacy and the path that lies ahead. Our commitment to fostering solidarity and prosperity through sustainable trade will continue to drive our efforts. By embracing innovative solutions to global challenges and prioritizing sustainability, ITFC is poised to make a lasting impact on member countries, ensuring a prosperous future for all.

# Stocktaking the SDGs - Acknowledging Past Achievements and Shortcomings to Shape the Future Through Meaningful Upscaling



**Oussama Kaissi**  
CEO, ICIEC

As we enter the ninth year since the adoption of the UN's Sustainable Development Goals (SDGs) Agenda in September 2015 aimed at achieving 17 specific goals by 2030, it could not be timelier to take stock of the progress towards the holy grail of meeting those ambitious and perhaps the most challenging development metrics in human history, which officially came into force on 1st January 2016.

Policy adoption, resource mobilisation and allocation, project and program implementation, arms-length audits,

independent performance evaluation, social and financial inclusion and impact measurement are core components of any self-respecting stock taking exercise. In this respect the theme marking the 49th Annual General Meeting of the Islamic Development Bank (IsDB) Group's 50th Golden Jubilee Anniversary which convenes in Riyadh on 29-30 April 2024 - "Cherishing our Past, Charting our Future: Originality, Solidarity, and Prosperity" could not be more relevant.

In the global SDG ecosystem, for every commendable step forward, we have seen two retrogressive steps backwards. The bane of this uncertain playbook includes rising policy deficits, fragmented and ambiguous SDG/ESG taxonomies, competing development agendas, the ideology-driven politics and economics of development, resource gaps, broken funding pledges by the rich nations, and push back on social media in particular by populist bad actors across the political extremes through disinformation and misinformation about the relevance of SDG metrics and efficacy of ESG.

Stocktaking however has to be on the basis of acknowledging past achievements and shortcomings to shape the future through meaningful upscaling. In a world of multiple uncertainties and polycrises – lingering Covid-19 drag, burgeoning sovereign debt, catastrophic climate events, food insecurity due to supply chain disruptions, a cost-of-living crisis driven by fuel and food shortages and rising prices, exaggerated credit risk perceptions of low-and-medium-income-countries (LMICs) by the international rating agencies which form the majority membership of the IsDB Group entities, and therefore cost of finance – charting the IsDB Group's future SDG/ESG paradigm is no mean task.

Given the unique specificities of the Islamic system of financial intermediation, which has faith-driven SDG/ESG considerations embedded in its ethos – the originality and solidarity implicit in the Annual Meetings theme – and the fact that ICIEC is the only multilateral credit and investment risk insurer in the world which operates on Shariah-compliant Takaful (mutual insurance) principles, the IsDB Group is in an ideal position to provide bold ongoing leadership to ensure that no one in its 57 member states is left behind. This future proofing alternative encapsulates financing initiatives in collaboration with international partners, multilateral programs, the multi-billion-dollar pledges made by major IsDB member states such as Saudi Arabia, UAE, Qatar, Türkiye, private sector engagement, and the Arab Coordination Group initiative which has pledged US\$50bn to upscale support for African infrastructure, climate resilience and food security.

The IsDB Group's support in promoting the UN SDG agenda is second to none among its peer multilateral development banks (MDBs). This is embedded in the Group's financing and insurance strategy to support transactions in the above respect.

The importance of export credit and political risk insurance in the global economy, including trade and investment, cannot be overstated. Berne Union Members, which include ICIEC, collectively provide payment risk capital worth US\$2.5 trillion each year, insuring some 13% of the value of total global cross-border trade. As a signatory to the Principles for Responsible Insurance, Shariah-compliant SRI and ESG finance are firmly embedded in ICIEC's due diligence process through linking all new business insured, guarantees and reinsurance with the UN SDG and Paris climate action indicators. ICIEC actively acts as a catalyst for private sector capital mobilization towards achieving the SDGs and Net Zero targets. The Corporation's commitment and resilience is evidenced by the data – business insured in trade and investment reached US\$13.3bn in 2023, and

US\$108.3bn since its inception in 1994, of which US\$51bn facilitated intra-OIC trade. The cumulative figure included US\$86.2bn in export credit insurance and US\$22.1bn in investment insurance in support of its 49 member states.

The IsDB Group is leading from the front through its Strategic Realignment 2023-2025, which was precisely implemented to overcome the setbacks to achieving the SDG as a result of the pandemic. The three overarching objectives of the Strategy are boosting recovery, tackling poverty and building resilience, and driving green economic growth. These objectives will be achieved by focusing the Bank's interventions over the next three years on developing green, resilient, and sustainable infrastructure; and supporting human capital development through projects and capacity building.

The UN Global Sustainable Development Report (GSDR) 2023 is emphatic: In "Times of Crisis," we need "Times of Change". It commends the significant contribution of science and innovation, and evidence-based actions towards SDG transformation, in addition to governance, economy and finance, digitalisation, and individual and collective action. It identifies human well-being and capabilities, sustainable and just economies, sustainable food systems and healthy nutrition, energy decarbonization and universal access, urban and peri-urban development, and global environmental concerns as key transformative shifts needed.

UN and IMF data show that the world needs US\$90 trillion of infrastructure investment by 2030, and US\$5-7 trillion annually to meet the SDG targets by 2030. There is a persistent SDG financing gap of US\$2.5 trillion each year. Sadly, "at the half-way point today," says the GSDR, "the world is not on track to achieve the Goals by 2030. In 2023, the situation is much more worrisome owing to slow implementation and a confluence of crises such as the pandemic, cost-of-living increases, armed conflict and natural disasters, which have wiped out years of progress on some SDGs including eradication of extreme poverty." Other impediments include the perversities of 89m refugees and internally displaced persons; global military expenditure exceeding US\$2 trillion in 2022; government subsidies for the fossil fuel industry totalling US\$7 trillion in 2023; and deficits in governance, institutional capacities, financing and infrastructure in many countries.

For IsDB member states the stakes are particularly high. Future proofing the IsDB Group's SDG playbook must incorporate upscaling of several metrics.

- i) The Playbook will be influenced by the pace of the global economy recovery and GDP growth dynamics.
- ii) Resource mobilisation for key programs including the US\$10.5bn Food Security Response Program (FSRP), to which ICIEC has already surpassed its US\$788m pledge, needs to be markedly expanded. In line with SDG 2 (Zero Hunger), ICIEC has dedicated itself to enhancing food security, supporting US\$1.5bn in agriculture projects since inception.
- iii) Credit insurance and political risk insurance are important tools in addressing the SDG finance gap. The intricate interplay of Water-Energy-Food encapsulates the spectrum of Climate Action challenges, and this is mirrored in the diverse projects ICIEC undertakes. The IsDB has to dramatically upscale the culture and uptake of credit and investment insurance in member states to include new cohorts such as SMEs and rural entrepreneurs.
- iv) There is a mismatch between the estimated US\$3.5 trillion global Islamic finance industry and its engagement with the SDG. Here the IsDB Group can enhance their playmaker role,
- v) Green Sukuk at about US\$20bn in 2022 pales into significance with the US\$1.6 trillion conventional Green Bond issuance.

The year 2023 marks the 50th anniversary of the IsDB and the 30th anniversary of ICIEC. The IsDB has been pivotal in ICIEC's institutional development, providing support for our capital increases and collaborating on various socio-economic development projects. We owe a debt of gratitude to our founding stakeholder IsDB, as well as the steadfast support of our host country, Saudi Arabia, and 49 shareholders, who have been instrumental to our continuing success. Charting the future will be challenging. At ICIEC we remain committed to achieving a high standard of operational and development excellence!



# ICD's SDGs Journey Traversing Our Past to Chart Our Future



**Eng. Hani Sonbol**  
Acting CEO, ICD

There is a collective recognition that a paradigm shift in our thinking about development is necessary to advance towards sustainability. Such a shift is needed because traditional approaches to cooperation and economic policy are believed to have sometimes failed at addressing key global multifaceted issues. Financial institutions, and particularly multilateral development banks (MDBs), play a pivotal role in contributing to this paradigm shift, by scaling up and helping redirect financing towards policies, investments and assets that are necessary to help contribute to the 2030 UN Sustainable Development Goals (SDGs).

The support of the private sector has been the primary focus of the Islamic Corporation for the Development of the Private Sector (ICD) since its inception in November 1999. As a leading Development Finance Institution (DFI), ICD's core mandate is to promote economic growth through Islamic financing, risk-sharing, and supporting private sector activities while also tasked to contribute towards sustainable development of its Member Countries (MCs) and compliment the efforts of the overall Islamic Development Bank Group (IsDB).

The SDGs are a useful framework to help guide international and even corporate strategy. Moreover, DFIs have a unique role to play in reorienting the economy towards the SDGs by bridging market

failures, mobilizing government institutions, financial markets, private sectors and civil society, and linking global issues with local solutions. Given its mandate, the ICD plays a critical role in contributing to the SDGs.

ICD's inherited DNA is that of sustainability and development. From the period of 2010-2012, ICD began taking serious steps to incorporate sustainability practices into its business model and overall operations. In early 2011, the ICD launched the Monitoring and Evaluation (M&E) Department, shortly thereafter, in November of 2011, ICD Board approved the Development Effectiveness Policy, and in February 2012 the ICD Development Effectiveness Framework was approved.

With the advent of the SDGs in late 2015, the ICD went back to the drawing board and updated its strategy to introduce the **ICD SDGs Theory of Change**. Thus, achieving the SDGs is an important part of the strategic framework of ICD. The ICD updated its results framework in 2017 to ensure that the SDGs agenda is embedded in all of its development work, ranging from the design of its projects to their performance assessment. ICD applies a holistic approach in the sense that it tries to capture all impacted SDGs; directly and indirectly; intended and unintended.

In the context of the SDGs, ICD considers three of these SDGs as particularly important and directly and indirectly targets these through its operations. ICD has pledged to invest in:

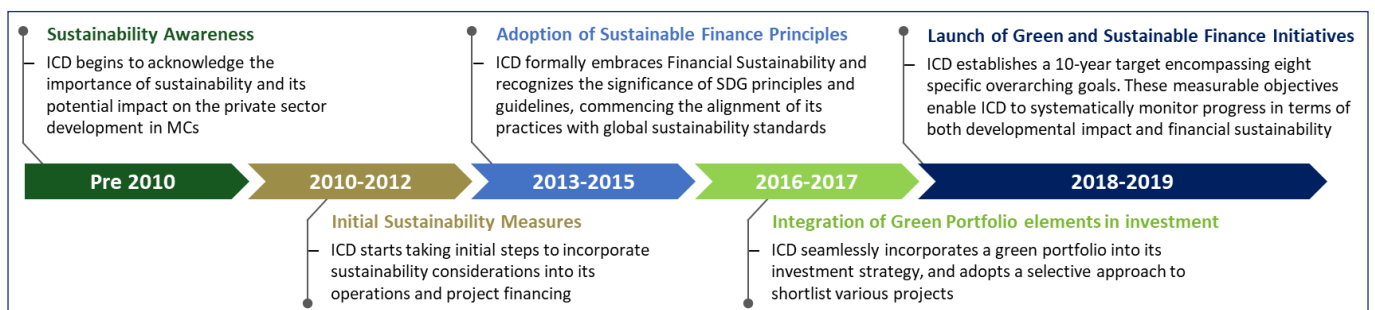
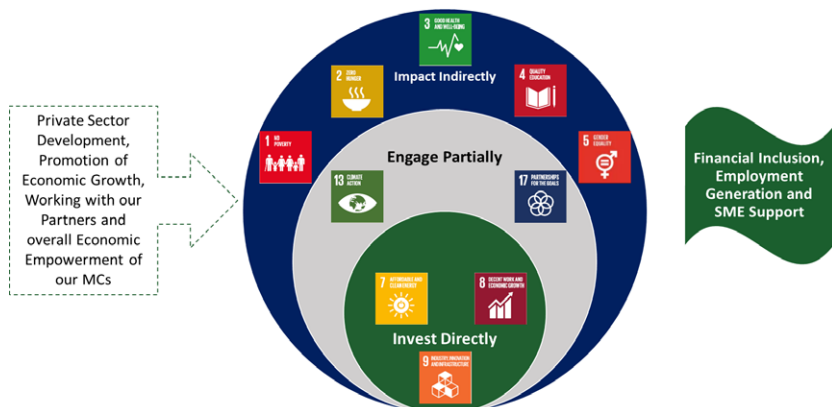
- SDG 7: "Affordable and Clean Energy";
- SDG 8: "Decent Work and Economic Growth"; and
- SDG 9: "Industry, Innovation and Infrastructure".

Moreover, ICD aims at improving the enabling environment and facilitating interaction between key stakeholders by engaging two additional SDGs:

- SDG 13: "Climate Action"; and
- SDG 17: "Partnership for the Goals"

Finally, through its operations, ICD aims to achieve indirect impact on five further SDGs through its financing, investments and related engagements:

- SDG 1: "No Poverty"
- SDG 2: "Zero Hunger"
- SDG 3: "Good Health and Well Being"
- SDG 4: "Quality Education"
- SDG 5: "Gender Equality"



## ICD in Several Leading DFI Networks and Associations

<b>Harmonized Indicators for Private Sector Operations</b>	 HARMONIZED INDICATORS FOR PRIVATE SECTOR OPERATIONS	28 Development Finance Institutions "DFIs" part of HIPSO Whole Group Standardize Development Indicators among leading DFIs Total of 156 common indicators which can be used among members
<b>International Development Finance Club</b>		26 Effective Members USD \$4+ Trillion Assets USD \$800 Billion Annual Commitments
<b>Impact Principles</b>		181 Signatories-40 Countries Global Standard for Managing Investments for Impact (9 Principles) Covered Assets of USD \$516,117 mn
<b>SDGs Global Councils</b>		Established during the 2018 World Government Summit held in Dubai, UAE Unique interdisciplinary network of decision makers advocating SDGS
<b>Global Impact Investing Network</b>		Largest Global Community of Impact Investors USD \$1.164 trillion in AUM YE 2022 Dedicated to Increasing the Scale and Effectiveness of Impact Investing

In continuation of the importance of the SDGs to that of ICD strategy and overall framework, ICD has been involved in and joined a number of leading development association and bodies to help further accelerate ICD's reputation of that of a leading Islamic MDB.

As we look to charter our future, and on an operational level, ICD will continue to define targets and measure contributions to the SDGs in focus and steer investment decisions based on development effectiveness considerations. ICD will do this by the continuous application of a dedicated development effectiveness assessment process implemented in its investment decision

analysis by applying a holistic view on an investment's (i) strategic alignment to ICD's mandate, (ii) contribution to SDGs as well as (iii) ICD's additionality.

These efforts will have a positive impact on ICD's business plan by ensuring overall SDG alignment. This will require development of human capabilities and awareness of the SDGs. On the other hand, challenges abound both internally and externally, yet ICD has a unique set of advantages by ensuring overall SDG alignment and this includes serving the developmental need and agendas of our MCs.

Impact on Business Plan	Human Development	Challenges	Advantages
<ul style="list-style-type: none"> <li>Positive impact</li> <li>Supports ICD 10-year strategy</li> <li>SDG alignment to be infused into the strategy</li> </ul>	<ul style="list-style-type: none"> <li>Internal SDG awareness is a must</li> <li>Long term exercise</li> <li>Adequate and tailored tools and resources to be developed</li> </ul>	<ul style="list-style-type: none"> <li>Resource requirement</li> <li>Ownership by various functions</li> <li>Willingness of clients</li> <li>Awareness amongst clients</li> </ul>	<ul style="list-style-type: none"> <li>Syndication opportunities</li> <li>Risk management</li> <li>Alignment to MC agenda</li> <li>Positive impact on credit rating</li> </ul>

Lastly, ICD will continue its on-going initiatives and overall work to further align financial flows with the SDGs. To this regard, ICD will drive towards effective SDG alignment by:

- Making sure that every facet of ICD activities or operations do not directly or indirectly hinder progress towards the SDGs;
- Financing activities and entities that contribute substantially to meet the 2030 targets;
- Enhancing its partnerships and collaborations with different stakeholders;

- Integrating SDGs reporting into its overall reporting and publications;
- Upgrade its SDG frameworks to ensure alignment with overall IsDB SDG strategy.

As we celebrate the 50th anniversary of the Islamic Development Bank, ICD and its staff, look forward to continuing our support to the Bank's activities regarding the private sector and overall sustainable development. The ICD will soon begin preparations to celebrate its 25th year anniversary and is keen to ensure the next 25 years are worthy of our member countries aspirations while fostering an environment of originality, solidarity and prosperity.



# Enhancing Country Engagement to Drive Sustainable Development Goals (SDGs)



**Anasse Aissami**  
Director General, Country Programs, IsDB

Since 2022, the IsDB Group witnessed a significant resurgence in its commitment to advancing the Sustainable Development Goals (SDGs) through the Member Country Partnership Strategy (MCPS) and the Country Engagement Framework (CEF).

**MCPS Revitalization in 2022:** Following on from the pandemic and a global food security crisis, the IsDB Strategic Realignment 2023-2025 sought to recalibrate our organization and its priorities to the service of our member countries. Immediately upon the first draft of the new IsDB Strategy, it was abundantly clear that the revival of the MCPS stands as a foremost priority for the IsDBG, not only to serve our member countries better at this crucial juncture but also to amplify the mainstreaming of SDGs through the ambit of the MCPS given its stature as an institutional exercise involving all departments and entities of the IsDBG.

**SDGs Mainstreaming in Action:** The SDGs are mainstreamed in all of the Bank country strategies through three cascading layers; (i) at the analytical level, key developmental constraints identified in member countries are mapped to the relevant SDGs targeting them, (ii) at the operational prioritization level, key sectoral/thematic intervention focus areas identified under the country strategies are mapped to their relevant SDGs, and finally, (iii) at the results level, results frameworks within the country strategies have shifted their focus from outputs to outcomes and these outcome goals are mapped to the SDGs.

**Operational Enhancement for SDG Impact:** Building upon the groundwork laid in 2022, the pivot in 2023 centered on infusing practicality into the MCPS framework to directly address the SDGs. Acknowledging input from a wide array of stakeholders and IsDB Management, efforts were directed towards operationalizing and implementing the strategy in a manner

that aligns with SDG targets. This involved finalizing MCPS Templates, Business Processes, and guidelines that steer strategies toward tangible SDG outcomes. The MCPS formulated in 2023 placed increased emphasis on aligning member country development plans with specific SDG targets, ensuring that every action contributes to the broader agenda of sustainable development. Moreover, the introduction of compulsory evaluations of the results frameworks within country strategies by the Independent Evaluation Department (IeVD) was introduced to ensure that SDGs contributions by the Bank's strategies are evaluable. Mandatory Mid-term Reviews (MTRs) were also introduced for MCPSs to conduct mid-way check-ins to monitor the progress of contributions towards the SDGs and implement course corrections, if necessary.

**Strategic Expansion for SDG Alignment:** Expanding the horizon of engagement, the IsDB Group introduced tailored instruments through the Country Engagement Framework (CEF) to ensure strategic engagement & SDGs targeting for member countries in special case situations such as those in fragility/conflict-affected situations. The CEF served as a rapid, operationally focused instrument, swiftly generating pipelines that directly address SDG priorities. Special attention was directed towards non-borrowing countries, with specialized frameworks designed to cater to their unique SDG requirements.

The initiatives undertaken in 2022-2023 provided a solid foundation for SDG advancement through MCPS and CEFs. The completion of multiple MCPS and CEFs exceeded historical institutional averages, each meticulously embedding

elements derived from the IsDB Strategic Realignment 2023-2025, all aimed at driving SDG progress. Between 2022 and 2023, 16 member countries benefited from these SDGs-focused country strategies, spanning 11 MCPSs and 5 CEFs, comprising MCPS Indonesia, MCPS Maldives, MCPS Senegal, MCPS Niger, MCPS Guinea, MCPS Uzbekistan, MCPS Turkmenistan, MCPS Bangladesh, MCPS Kyrgyz Republic, MCPS Benin, MCPS Qatar, CEF Guyana, CEF Pakistan, CEF Tajikistan, CEF Gambia and CEF Azerbaijan.

**Forward Trajectory - Advancing SDGs through MCPS & CEFs:** Looking ahead to 2024 and beyond, the IsDB Group remains steadfast in its commitment to advancing the SDGs through MCPS and CEFs. Plans are currently in progress to develop additional strategies, employing refined processes and guidelines that emphasize SDG impact, lessons learned, and concrete implementation arrangements. The goal is to transform MCPS and CEFs into practical implementation guides, empowering member countries to achieve meaningful progress towards the SDGs. In 2024, the Bank aims to formulate an additional 8 strategic documents comprising 2 MCPSs for Morocco and Cote D'Ivoire, 4 CEFs for Suriname, Türkiye, Mauritania, and Uganda, and 2 MCPS Mid-term Reviews (MTRs) for Maldives and Indonesia.

**Catalyzing SDG Partnerships and Outcomes:** The journey of MCPS and CEF revitalization since 2022 signifies the IsDB Group's unwavering commitment to driving SDG progress. The MCPS and CEF stand as robust instruments poised to catalyze meaningful SDG partnerships and outcomes in the years to come, ensuring a brighter, more sustainable future for all.



# Harnessing Digital Transformation for Inclusive Sustainable Development



**Tarek Elabbady**  
Director General, Corporate Services, IsDB

In today's interconnected world, digital technology has become a driving force behind inclusive development efforts. At the forefront of this transformation is the imperative to connect the unconnected. Inclusive internet and mobile connectivity serve as the bedrock for empowering communities and driving progress across various sectors<sup>1</sup>.

International development organizations, such as Multilateral Development Banks (MDBs), are adapting their strategies to center around "connecting the unconnected". Traditionally focused on financing infrastructure projects like water, energy, and transportation, MDBs are now leveraging digital innovations to foster inclusive digital ecosystems.

Fintech solutions are revolutionizing financial services, particularly in underserved regions where traditional banking infrastructure is lacking. Mobile money platforms, for instance, empower individuals to access financial services, make transactions, and save money

securely, thereby driving financial inclusion and economic empowerment.

E-learning platforms are democratizing education by providing access to quality learning resources regardless of geographical location or socioeconomic status. Through digital education initiatives, MDBs are expanding educational opportunities, enhancing skills development, and promoting lifelong learning.

In the healthcare sector, e-health solutions are transforming service delivery and accessibility. Telemedicine, remote diagnostics, and digital health records enable individuals to receive medical care remotely, improving healthcare outcomes and reducing disparities in access to healthcare services.

Media and sports applications have emerged as powerful tools for social inclusion and community engagement. From promoting cultural exchange to fostering social cohesion and encouraging healthy lifestyles, digital media and sports platforms drive positive social change and foster inclusive communities.

By fostering ecosystems that leverage these digital applications alongside investments in traditional infrastructure projects, MDBs can accelerate inclusive development efforts. Integrated approaches that combine digital and physical infrastructure enhance the resilience, efficiency, and sustainability of development projects, ultimately

improving the lives of millions, especially the underserved, both socially and economically.

The essence of successful digital transformation lies in collaboratively defining digital platforms and infrastructure. Without cohesive efforts in this regard, the value of MDBs' data and knowledge assets risks being marginalized. Therefore, MDBs must proactively engage in collaborative endeavors to ensure that digital ecosystems are inclusive, interoperable, and conducive to achieving shared development objectives.

By embracing digital transformation as a continuum, MDBs can unlock new opportunities for innovation, efficiency, and impact. This approach not only enhances MDBs' own operational effectiveness but also reinforces their role as catalysts for sustainable development worldwide. Through collaborative partnerships and concerted efforts to shape digital ecosystems, MDBs can maximize the value of their data and knowledge assets while driving meaningful progress towards the SDGs.

In conclusion, digital transformation holds immense potential to drive inclusive development by connecting the unconnected and fostering inclusive digital ecosystems. Through innovative digital solutions and integrated approaches, MDBs can catalyze positive change and contribute to the achievement of a more sustainable and equitable future for all.



1. IsDB Digital Inclusion Strategy

# Commentary: Enumerating Intangible Wealth for Ending Poverty Entrapment in Developing Countries



**Dr. Sami Al-Suwailem**  
Acting Director General, IsDB Institute

**W**hat is wealth? While this might be a basic question, it is not a trivial one. In general, wealth is the collection of valuable resources that can be used to generate income. It usually includes financial assets, properties, equities, and so on. It's often understood that we can measure wealth by adding up these assets, but numbers do not add up and aptly quantify wealth.

On the national level, the national income ideally should reflect the normal rate of return on wealth. The long-run real rate of return across a broad range of assets averages about 5% a year. With the available data, however, the rate of return is in the unreasonable range of 18-35%. This indicates that there are missing components of wealth that need to be accounted for to obtain a rate of return within the normal range. These components are called "intangible wealth" or "intangible capital".

Intangible wealth encompasses not only human capital but other non-physical, valuable assets such as institutional capital, social capital, information, Research and Development (R&D), patents & intellectual properties, and the like.

R&D has long been considered by economists as a driver of an economy's economic growth. Similar to expenditures on structures or capital equipment, expenditures on R&D may be viewed as generating future income and products. It provides benefits long into the future, especially with patent protections.

A team led by Nicolas Crouzet and Janice Eberly at Northwestern University estimates the ratio of intangible assets to tangible assets for publicly traded corporations in the US rose from 1975 to 2021. The ratio ranges from 75% in 1975 to about 103% in 2021 (see figure 2 below). These patterns show that standard investment measures on firms' balance sheets fail to capture the growing importance of intangible assets. This results in a downward bias in the recorded book values of invested capital. This bias has grown over time, as evidenced by the dramatic upward trend in market-to-book ratios.

The nature of intangible wealth implies that they are not conducive to debt financing. Debt financing requires collateral that can be easily priced and

liquidated in case of default. However, intangible assets cannot be easily priced or traded. Financing an intangible-intensive business requires alternative forms of financing other than debt.

This brings us to Islamic finance. At its core is partnership or profit and loss sharing. It is not difficult to see that participatory financing is more conducive to businesses with substantial intangible capital.

On the other hand, Islamic finance requires that finance be fully integrated with real economic activities, e.g., trade and production. However, this integration presupposes the existence of an appropriate institutional capital to facilitate the proper implementation of Islamic finance. Hence, intangible capital serves as a bridge for Islamic finance to enhance its contribution to economic progress.

The synergy between Islamic finance and intangible capital, therefore, seems to run in both directions. The Islamic Development Bank is proud to be an institution that capitalizes on the priceless trust of our Member Countries and deploys Islamic financing tools and modalities to bridge the financing gaps for development. This "social capital" is an invaluable asset that we need to capitalize on to leverage our value to our stakeholders.

Figure 1: Capital expenditures and R&D for US firms: 1977–2018.

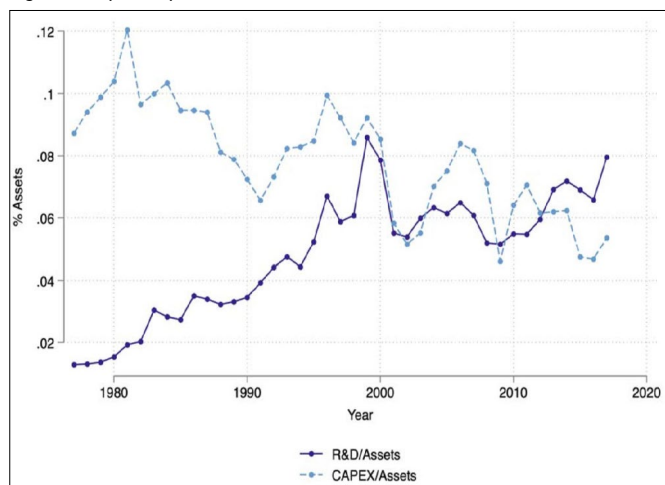


Figure 2: Ratio of Intangible Assets to Tangible Assets for US Public Firms, 1975–2021



Source: Crouzet et al. (2022) "The Economics of Intangible Capital," *Journal of Economic Perspectives*,

# The Vital Role of Concessional Finance in Achieving the SDGs



**Salah Jelassi**  
Director of Partnerships,  
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**Syurkani Ishak Kasim**  
Director of Strategy, Budget,  
and Corporate Performance  
Department, IsDB

When the Sustainable Development Goals (SDGs) were adopted in 2015, the United Nations Conference on Trade and Development (UNCTAD) estimated that USD 2.5 trillion would be required annually to achieve these Goals in developing countries. Since then, due to setbacks caused by the COVID-19 pandemic and political and economic uncertainties, the global economic outlook has deteriorated, forcing UNCTAD to update its estimate to USD 4 trillion per annum. Thus, since the current level of development finance and investments is USD 1.4 trillion, **the annual funding gap is around USD 2.5 trillion**<sup>1</sup>.

The economic outlook, especially due to the COVID-19 pandemic, climate change, trade wars, sanctions, major cross-border conflicts, rampant inflation in food and energy prices, and high debt-to-GDP ratios, has deteriorated on a global scale and has hampered the development of many countries. Despite their global impact, these crises have disproportionately affected fragile, least developed, and developing countries (collectively known as the Global South), including IsDB member countries, 44% of which are least developed member countries (LDMCs). In this respect, **supporting LDMCs has become even more important**.

On the other hand, **LDMCs, due to various reasons such as IMF rules, are not eligible or are partially eligible to receive**

**ordinary finance from international financial institutions (IFIs) including Multilateral Development Banks (MDBs).** Therefore, concessional finance, including grants, has become more crucial in meeting the needs of these countries. Without concessional finance, the least developed countries, and conflict-prone countries in particular struggle to provide the basic services such as food, healthcare, and education. Furthermore, **low-income, and fragile countries are unable to service market-based debt, especially in the current high reference rate environment.**

This exacerbates the need for IsDB to provide higher proportions of concessional resources, beyond its current allocation of 5% of total approvals as concessional loans in addition to contribution from various thematic funds. **With increased levels of concessional finance, IsDB can help its member countries (MCs) achieve the SDGs without taking on excessive levels of debt.**

Summarizing these challenges, the G20 Independent Expert Group (IEG) on Strengthening MDBs highlighted that low-income countries have the largest shortfalls in spending for achieving the SDGs, limited options for domestic resource mobilization, with non-concessional borrowing precluded due to a lack of creditworthiness. In this regard, the G20 IEG stressed that access to concessional funds for the poorest countries must be prioritized and expanded. Furthermore, **the G20 IEG stressed that the MDBs have a key role to play in supporting the poorest countries and called for a tripling of MDB concessional finance to these countries.**

**In light of the above, MDBs, including IsDB, need to raise and allocate more concessional and grant resources to fund such activities to respond to the emerging challenges faced by their MCs as well as the changing compositions of their portfolios.** Bridging the large SDGs funding gap while helping countries to overcome the formidable current challenges outlined above would require joint efforts of donor countries, international organizations, private investors, philanthropists, and foundations, as well as NGOs. Hence, establishing strong partnerships is a key instrument to overcome this issue.



1. <https://unsdg.un.org/resources/unlocking-sdg-financing-findings-early-adopters>

# Navigating the Polycrisis Toward the SDGs



**Areef Suleman**  
Group Chief Economist, IsDB

Combating poverty and promoting sustainable development has become a centerpiece of the global development agenda since the establishment of the Millennium Development Goals (MDGs) in 2000 and, subsequently, the Sustainable Development Goals (SDGs) in 2015. Aligning with this global agenda, the Islamic Development Bank (IsDB) member countries (MCs) have made significant progress in fostering inclusive economic growth, reducing poverty, and improving the living conditions of the population.

## A mixed bag of results

Overall, the economies of IsDB MCs experienced solid growth since 2000. The average real GDP per capita (measured in purchasing power parity) of IsDB MCs has increased by a factor of nearly 1.7 from about US\$ 6,700 in 2000 to more than US\$ 11,000 in 2023 (Table 1). This significant growth performance masks important discrepancies between country groupings. Economies in the Asia, Latin America, and Europe groupings experienced the fastest growth on average, more than doubling their output per capita. The Middle East and North Africa (MENA) region recorded the weakest average growth performance, which must be viewed in light of their higher base. MCs in Sub-Saharan Africa (SSA) and countries facing fragile and conflict-affected situations (FCS) are



lagging, highlighting greater income divergence.

Sustained economic growth in many countries led to a sharp reduction in extreme poverty from 33 percent of the population in 2000 to 15 percent in 2015 in IsDB MCs as a group. From 2015 to 2019, however, overall progress in tackling extreme poverty has stalled, with it regressing in the MENA region and countries in Fragile Situations.

## Two steps forward, one step back?

The recent crises, or 'polycrisis', have reversed some gains made, especially in terms of SDG 1 (No Poverty), with around three years of lost progress in poverty reduction between 2020 and 2022. Trade disruptions and a higher price environment exacerbated macroeconomic imbalances, especially for low-income countries. Over half of the least-developed member countries (LDMCs) are already in debt distress or at high risk thereof. With tighter financial conditions, the debt burden may hamper countries' ability to address socio-economic development challenges.

The IsDB estimated that due to the polycrisis, its member countries could face a potential USD 5.5 trillion loss of real GDP

emanating from lower growth between 2020 and 2025. It is envisaged that economic inequalities and the extent of poverty are likely to face further setbacks, especially among LDMCs.

## Every cloud has a silver lining

Despite heightened challenges, the road to achieving the global development agenda presents several opportunities, especially in the areas of renewable energy to enhance access (especially in rural areas), digital solutions for financial inclusion, and the potential of e-health and e-education to bridge the gap in access to essential social services. These areas significantly impact productivity and human development by improving the living conditions of the most deprived population.

With the limited time remaining for the target completion of SDGs and the multilayered challenges persisting, partnerships and collaborations could play a crucial role by allowing MCs to leverage their strengths and resources toward achieving common objectives. In this context, enhancing South-South cooperation and leveraging Islamic Finance's innovative potential will be critical.

**Table 1. CONSTANT GDP PPP PER CAPITA (US\$)**

Country Grouping	2000	2015	2019	2023	Change 2000 to 2023 %
IsDB	6,711	9,821	10,406	11,072	65
IsDB Asia, Latin America & Europe	6,405	10,297	11,442	13,013	103
IsDB Middle East & North Africa	12,935	16,027	16,243	16,170	25
IsDB Sub-Saharan Africa	2,330	3,718	3,671	3,673	58
IsDB Fragile	3,269	4,734	4,607	4,213	29
IsDB LDMC	2,293	3,260	3,599	3,932	71

Source: International Monetary Fund, World Economic Outlook, 05 October 2023

1. Economic Research & Statistics-IsDB Institute, "Reaching the SDGs: Progress of the IsDB Member Countries", (5th Edition, September 2023).
2. 18 MCs are included in the World Bank List of Fragile & Conflict-Affected Situations as of July 2023: Afghanistan, Burkina Faso, Cameroon, Chad, Comoros, Guinea-Bissau, Iraq, Lebanon, Libya, Mali, Mozambique, Niger, Nigeria, Palestine, Somalia, Sudan, Syria, Yemen.

# Enabling the 2030 Agenda for Sustainable Development in BADEA's Strategy 2030



**Dr. Sidi Ould Tah**  
President, BADEA

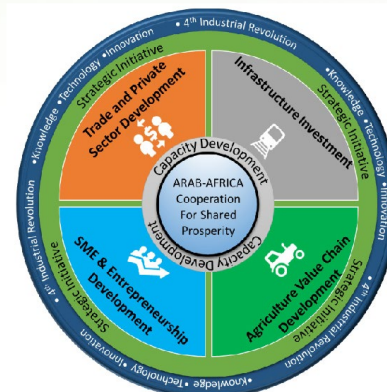
The vision of the Arab Bank for Economic Development in Africa (BADEA) is to be the lead platform for Arab-African Economic Cooperation for Development, following the aspirations of the Sustainable Development Goals (SDGs) and the aspirations of Africa Agenda 2063. BADEA was created to strengthen economic, financial, and technical cooperation between the Arab and African regions and embody Arab-African solidarity based on equality and friendship.

BADEA supports the SDGs in Africa by:

- Ensuring BADEA's results framework aligns with the SDGs.
- Directly financing projects and programs that help African Countries to achieve the SDGs. More than 800 projects have been financed where BADEA's participation exceeded USD 12.5 billion.
- Supporting knowledge, capacity building, and dialogue related to the SDGs. During the past years, about 950 capacity-building operations have been implemented, with a total financing of about USD 260 million.
- Partnering with the Arab Coordination Group, UN Agencies, the private sector, and other MDBs on SDG attainment in Africa.

All the above activities are in line with the BADEA 2030 Strategy, which is aligned with the priority areas of African countries and development partners. It considers four core development focus areas (pillars) and one cross-cutting area, capacity development.

The illustration below is a perspective of BADEA's 2030 Strategy framework, reflecting the Arab-Africa Partnership as the centrepiece of the strategy and knowledge, technology and innovation as the accelerators for transformation.



A recent review of BADEA's operations during 2022 - 2023 found that all BADEA operations contributed to 14 SDGs, as illustrated below. All public sector operations/grants approved contributed to at least one SDG, with a majority (53 percent) contributing to two or more (Figure 3). On average, each project contributes to two SDGs. Private sector and trade finance transactions contributed to at least two SDGs as a majority (83 per cent), with a maximum contribution of 6 SDGs.

The top three SDGs that BADEA operations mainly supported are SDG 17 (Strengthen the means of implementation and revitalize the global partnership for sustainable development) (59.3 per cent of operations contributing); SDG 8 (Decent work and

Economic growth) (33,9 per cent) and followed by SDG 9 (Industry, innovation, and infrastructure) (20.3 per cent). This illustrates BADEA's strong support for economic growth and development through its strategic focus areas reflected in the strategic framework and work in partnership for sustainable development. It is also worth noting that the variety of SDGs that BADEA operations contribute to reflects the diversified and wide-ranging nature of its operations. SDG 4 (Quality Education), SDG 1 (No Poverty), and SDG 10 (Reduce inequalities) constitute critical areas of intervention for the Bank.

In line with its 10-year Strategy and 5-year Plan, BADEA has pressed ahead with investments in high-priority areas. Given Africa's new challenges, we are left with just seven years to achieve the sustainable development goals that would need more ambitious plans for mobilising resources for Africa's development. Despite the challenging context, I remain optimistic about Africa's return to recovery and growth. I call upon Africa's partners worldwide to join efforts together to finance Africa's development. I am sure we can put Africa back on a proper course for sustainable growth and development together.





# Uniting for our Future: UNDP and the Islamic Development Bank Partnership to Promote the SDGs for Solidarity and Prosperity



**Ulrika Modéer**  
Assistant Secretary-General, Assistant  
Administrator and Director of the Bureau of  
External Relations and Advocacy (BERA), UNDP

The latest Human Development Report for 2023/24 unveils a troublesome trend: the global Human Development Index (HDI) is experiencing a partial and uneven recovery. Despite reaching record highs in 2023, indicating progress in Gross National Income (GNI) per capita, education, and life expectancy, these advancements have not been equitably shared. Wealthy nations have seen unparalleled levels of human development, while half of the world's poorest countries have not yet recovered to their pre-2019 levels of progress.

In the face of escalating conflicts and climate-related crises, among other global 'polycrises,' poorer countries are especially hard-hit, grappling with debt and dwindling revenue streams to finance their development goals. In this complex

landscape of global challenges, the path forward demands innovation, resilience, and unity.

Leading the charge towards a greener, more inclusive and sustainable future are the United Nations Development Programme (UNDP) and the Islamic Development Bank (IsDB). Central to our collaborative strategy is the advancement of the Sustainable Development Goals (SDGs)—a worldwide call to action aimed at ending poverty, protecting the environment, and ensuring peace and prosperity by 2030. Through bolstering partnerships with premier international financial institutions, we at the UNDP are broadening access to innovative development financing, with our collaboration with the IsDB being pivotal for achieving the SDGs.

Since 2016, the UNDP and IsDB have joined forces under a partnership framework and a joint action plan, to deliver sustainable solutions that enhance lives and make a global impact.

Through the Youth Digitalization for Employability and Entrepreneurship Program (Y-DEEP), IsDB and UNDP are building more agile national entrepreneurship ecosystems, digital skills and knowledge for the 21st century economy, starting with an initial 35,000 individuals for the workforce across Bangladesh, Indonesia, Pakistan, and Maldives.

And aiming to scale financial resilience and leaving no one behind, UNDP's Insurance and Risk Finance Facility (IRFF), IsDB and IsDB Institute jointly produced the "Insuring a Sustainable Future: Building Climate Resilience Through Takaful" report, highlighting opportunities, challenges and recommendations for Takaful - a Shari'ah-compliant alternative to conventional insurance - to build the financial resilience of at-risk Muslim communities against rising climate risks. This will be followed by a market system analysis of Takaful, outlining key recommendations and actions to enhance its uptake and associated financial resilience. In 2024, UNDP hopes to join force with IsDB and other partners to form the Global Takaful Alliance, a new major public-private initiative seeking to provide the financial resilience of 100 million people in Muslim communities by 2030.

Another key focus of our cooperation is supporting innovation and entrepreneurship. For instance, the TADAMON Platform equips local non-profits with the skills needed for crowdfunding and digital fundraising, enabling them to tackle a wide range of social issues. This initiative has facilitated various projects, from reconstructing homes in Pakistan post-floods and enhancing education in Palestine, to promoting sustainable energy solutions in Lebanon and Morocco. As of 2023, over 600 non-profits have completed crowdfunding training in 34 countries and raised \$12.1 million through digital fundraising and partnerships.

Our partnership exemplifies a dynamic and proactive approach to addressing the complex challenges of our time. By combining resources, expertise, and a shared commitment to the SDGs, we are together making strides toward a more equitable and sustainable future. These efforts underscore the importance of international cooperation and the potential of innovative financing to transform global development landscapes, offering hope for a brighter future for all.

## Youth Delegates During the Youth Co:Lab Summit



Picture Credit: UNDP Youth Co:Lab Youth Co:Lab

# A Sustainable Future Based on Respect and Originality—The IsDB and EAA Partnership



**Fahad Al Sulaiti**  
CEO, Education Above All

Celebrating the Bank's Golden Jubilee brings to mind three key learnings that the Education Above All (EAA) Foundation outlined as it entered this important year. These are Investment, Innovation, and Inclusion, and each one of these is part of the underpinning of our strategic and implementing partnership, which was initiated in 2018.

We know that education is one of the keys to achieving many of the other SDGs. For example, increased levels of education are associated with a reduction in poverty and hunger, better health and work opportunities, with improved nutritional status, advances in gender equality, better social inclusion and reduced disparities; it also drives innovation and fosters climate literacy and environmental awareness. Educated women have fewer, healthier children. And, better educated populations are associated with increased productivity and contribute significantly to improved GDP. For these reasons, the Islamic Development Bank and Education Above All partnered to address one of the pressing constraints to educational development across the globe—out of school children (OOSC) at the primary level.

Together we decided to Invest in OOSC with a total pledge of US \$126.93 million in contributions and an additional US \$100 million as loans. This substantial investment allows for the identification, enrollment, and retention of OOSC in a range of countries. This partnership has greater significance, however. It is also innovative in several ways.

At the financing level, it is significant because it was the first of its kind of co-financing between the Bank and a major

education foundation. Through innovative funding, we have supported innovative programmatic activities. For example, in Mali our joint project has engaged over 12 non-governmental organizations (NGOs) to support the Ministry of Education in finding and enrolling over 500,000 OOSC. Innovations in the programmatic offer ensure the engagement of communities in their children's education to respect local culture and include the addition of Koranic schools in the overall programme.

In the margins of the Bank's Golden Jubilee, we shall be signing a new agreement to support OOSC at the primary level in Kaduna State in Nigeria. This project will enroll 100,000 OOSC and includes a major infrastructure component. The overall estimated cost of the project is over US \$62 million. Another innovative partnership, in addition to the Bank and EAA, other contributors include Kuwait Fund for Arab Economic Development, Global Partnership for Education, Kaduna State Ministry of Education, Save the Children and others.

The underlying premise to this valuable partnership is the importance of



inclusion for sustainable development. The investments and innovations are focused on those who have been left behind and as such this partnership is centrally embedded within the Sustainable Development Goals. Together we shall continue to invest, innovate and include with respect for culture and customs, a commitment to quality education, and a focus on originality where it makes sense to do things differently.



# Approaches to Training and Capacity Building for the SDGs – Collaboration, Training, and Innovation



**Nikhil Seth**  
Executive Director, UNITAR

As a principal training arm of the United Nations, The United Nations Institute for Training and Research (UNITAR) has a long-established history of providing high-quality, tailored training programmes and activities to enhance global decision-making and support country-level action for shaping a better future. With a strategy fully focused on achieving the Sustainable Development Goals (SDGs), there are many evolving challenges that demand innovative learning solutions. For UNITAR, this has meant embracing adaptability in provisioning such solutions, and going forward there will be a need for even more emphasis on collaboration, technology, and innovation to ensure readiness to address dynamic needs and emerging trends effectively.

## Collaboration

Today, over two-thirds of UNITAR learners benefit from collaborative programming, where UNITAR integrates its proficiency in training and adult learning methods with

partners' expertise in specific fields and regional circumstances. This includes a collaboration with the Islamic Development Bank (IsDB), for instance, which is a partnership formed to strengthen capacities in IsDB member countries. As IsDB celebrates its 50 years of anniversary, UNITAR is pleased to also reflect on shared impacts through our partnership with IsDB. Partners, such as IsDB, have been instrumental in the design and implementation of training interventions and UNITAR will continue to collaborate with those who have a deep understanding of the needs of beneficiaries and local contexts.

## Technology

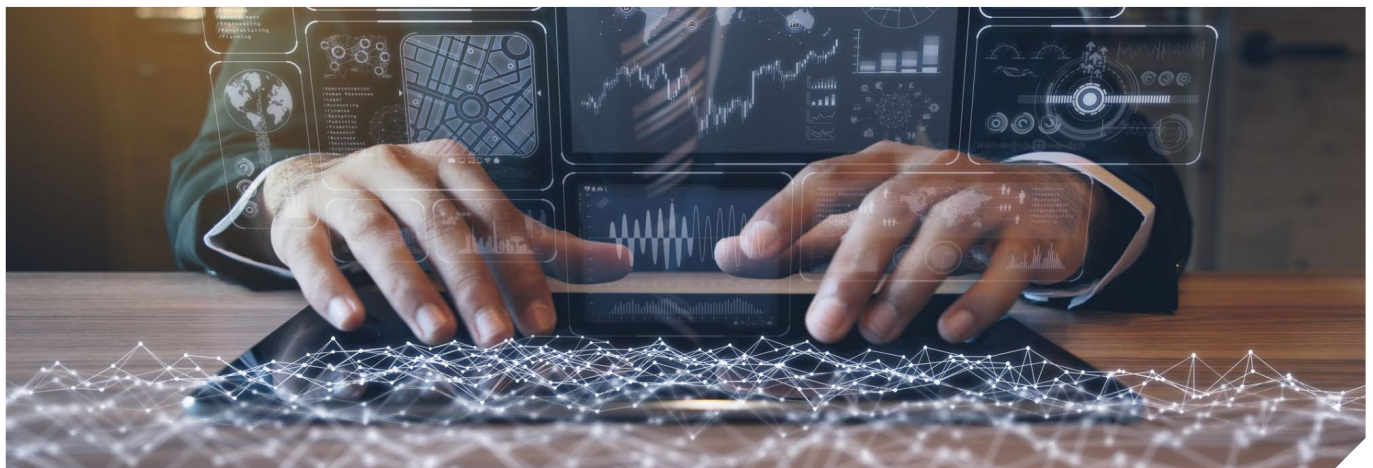
In addition to this collaborative approach, embracing technological advancements to enhance the quality and accessibility of education will remain important, while also paying close attention to needs of developing countries, including countries in special situations. While harnessing technology is important for creating sustainable growth and development and achieving the SDGs, many across the world do not have the means to acquire skills to benefit from rapid technological advances. This digital divide can be addressed through high-quality learning solutions, developed in partnership with organizations and subject matter experts who specialize in digital technologies. For instance, recently with Microsoft, UNITAR

successfully implemented a training program on digital up/reskilling for women and youth in Sub-Saharan Africa, which had a great impact.

## Innovation

It is also important to consider ways to replicate and adapt the content and methodology of programs for other contexts. However, to further the impact and scale of training programs, institutions must have a commitment to innovation that extends beyond replication and adaptation; it must also embrace continuous improvement and forward-thinking strategies to build the next generation of leaders and change agents. While there has been great success in e-courses, micro-learning, and other tools for advancing the SDGs, testing new methodologies will be key to create unique and cutting-edge learning experiences. This is how we will best equip our future leaders with knowledge and practical skills needed to tackle challenges that lie ahead.

This emphasis on collaboration, technology, and innovation will guide UNITAR's approaches, ensuring its effectiveness in addressing dynamic needs and emerging trends. UNITAR welcomes individuals and organizations to actively engage with its activities - through participating in training programs, sharing expertise, or exploring potential collaboration opportunities.



# IsDB is a ‘South-South’ Bank, Addressing Humanity’s Challenges Through 50-Years of Solidarity



**Dima Al-Khatib**  
Director of the UN Office for South South Cooperation (UNOSSC)

**S**outhern-led development finance, like that championed by the Islamic Development Bank (IsDB), provides essential support to developing countries in the implementation of their sustainable development agendas, adapted to their specific domestic conditions.

In this regard, various international agreements call for scaling up financing for development, emphasizing the role of South-South cooperation, in promoting a sustainable future. At the 21st Session of the High-Level Committee on South-South Cooperation; along with the Science, Technology, and Innovation (STI) Summit held in Havana, Cuba, last year; and other intergovernmental forums, Member States stressed the importance of financing for sustainable development.

“Achieving the SDGs requires new, additional, quality, adequate, sustainable, and predictable financing, as well as a bold approach to development finance,” stated the Group of 77 and China in the Outcome Document of their recently held Third South Summit.

Responding to the priorities of the South, IsDB has been providing exactly this kind of innovative development financing since its establishment.

The Bank is a champion of South-South cooperation among its 57 Member Countries – all of whom are from the South. It reaches people across four continents – among its Member Countries and Muslim communities in non-member countries. It impacts the lives of 1 in 5 of the world’s population.

Upholding a principle that lies at the heart of all South-South cooperation, the Bank is not prescriptive, it recognizes that development objectives vary from one country to another, and its work is therefore demand-driven, motivated by understanding the real needs of its Member Countries.

The United Nations Office for South-South Cooperation has been a proud partner of IsDB, in its work toward building prosperity across the Global South and beyond.

As early as the 1980s, the Special Unit for Technical Cooperation among Developing Countries (TCDC), UNOSSC’s predecessor, initiated joint work with IsDB on an innovative program of work supporting senior government officials of IsDB’s Member Countries. This work oriented development practitioners on certain distinct comparative advantages of South-South cooperation over traditional North-South cooperation, notably, its cost-effectiveness; preventing brain drain; and the importance of sharing policies in use in developing countries experiencing similar socio-economic conditions. The emergence of the concept of Technical Cooperation among Islamic Countries (TCIC) soon thereafter, and the introduction of a Technical Cooperation Program (TCP) in IsDB were among the tangible outcomes of this early joint work.

In subsequent years, UNOSSC and IsDB collaborated in assisting IsDB Member Countries in organizing capacities and needs matching exercises with the view to supporting exchanges of experts and sharing of one another’s training facilities, in the spirit of solidarity, and on mutually affordable terms.

Guided by the principles of South-South cooperation and aligned with the spirit of the 2030 Agenda, the IsDB designed the Reverse Linkage technical cooperation mechanism that identifies the existing know-how, expertise, technology and resources within its Member Countries and transfers them to those in need. The IsDB’s support for South-South cooperation is also reflected by its National Ecosystems for South-South Cooperation and Triangular Cooperation, which it developed in collaboration with the South Centre and UNOSSC. IsDB also supports the South-South Cooperation Directors General Forum for Sustainable Development, an important UNOSSC advocacy tool and platform bringing together leaders from cooperation agencies and institutions of national governments and other partners, providing an opportunity to exchange views on South-South and triangular cooperation approaches and methodologies.

To date, UNOSSC-managed South-South Trust Funds – including the United Nations Fund for South-South Cooperation; Pérez-Guerrero Trust Fund for South-South Cooperation; India, Brazil and South Africa Facility for Poverty and Hunger Alleviation;



and India-UN Development Partnership Fund – have been active in all IsDB Member States.

Recently, to address the lack of a mechanism for measuring and evaluating the scale and effectiveness of South-South cooperation efforts, in 2023, IsDB – with inputs from partners including UNOSSC and UNCTAD – developed its South-South Cooperation Index to help track: South-South cooperation-related political will, national strategy, information bases, stakeholder participation, technical cooperation agency profile, financing mechanisms, South-South cooperation interventions, and monitoring mechanisms.

In March, a Global Advocacy Dialogue Series was launched by UNOSSC and IsDB to explore the latest development and partnership trends focusing on the innovative and evolving nature of South-South and triangular cooperation. The first dialogue in the IsDB-UNOSSC series – organized together with the Government of Portugal – introduced the potential for triangular cooperation to accelerate sustainable development, as an important bridge between South-South and North-South cooperation.

With its mandate to advocate for and coordinate South-South and triangular cooperation on a global and United Nations system-wide basis, in moving forward, UNOSSC stands ready to scale up its partnership with IsDB to bridge gaps, locate synergies, and improve livelihoods across the Global South.

# Putting SDG Attainment on Track in the Arab States Region During the Polycrises



**Abdallah Al Dardari**  
Assistant Secretary General, Assistant Administrator and the Director of the Regional Bureau for Arab States, UNDP

Countries in the Arab States region remain trapped in a vicious cycle of low productivity, stagnant human development, and remain off the mark in terms of attainment of Sustainable Development Goals.

Economic growth in the region has been at a low level of three percent over the past decade characterized by low productivity levels and high volatility. This is due to several factors including the prevalence of rentier states, non-diversification of economies, small and largely informal private sector, combined with ineffective governance and weak institutions.

As a result, benefits of prosperity do not flow to many, with women remaining largely outside the economies with the lowest levels of female labor force participation in the world. New opportunities for youth are also not being created fast enough despite emergence of promising new areas such as the digital economy.

The outlook for the region does not look promising unless countries can transform this vicious cycle, into a virtuous one, where growth, combined with greater public expenditures in key social sectors, and SDG positive investments leading to new job rich growth can push the needle towards shared prosperity.

This will also be the best insurance for confronting the polycrisis with greater resilience, and a critical step towards conflict prevention and social coherence. We must act now to tackle structural weaknesses, strengthen institutions, promote robust growth and innovation for opening new opportunities that can extend prosperity to all people, with the SDGs as our compass.

But serious human development challenges are not confined to the Arab States region as UNDP's latest Human Development Report (HDR) 2023-2024, which summarizes

the state of development globally, and the challenges we face today, tells us.

The report shows that global recovery remains unequal following the unprecedented downturn of 5-6 years of development progress being reversed due to the pandemic and losses in the Human Development Index (HDI) across 90 percent of countries.

While all OECD countries have made up the losses since 2019 and the HDI has rebounded and reached a global record in 2023, more than half the Least Developed Countries have not recovered. The overall development trajectory has been lowered and the world continues to lag in the attainment of the Sustainable Development Goals (SDGs), with only 15 percent of targets realized.

Growing inequalities are fueled by our new reality of polycrisis due to a multitude of shocks – pandemics, climate change impacts, natural disasters, economic shocks and conflicts.

But that global human development gridlock is breakable.

And in charting a way forward for international cooperation to help break it and put our common pursuit of the SDGs back on track, the HDR could not have agreed more with themes of the Islamic Development Bank's (IsDB) Golden Jubilee: originality, solidarity, and prosperity.

## Solidarity

The report argue that today's world is more interconnected than ever and shared challenges, including climate change, pandemics, and economic shocks, can only be solved by investing in global public goods and enhancing global cooperation.



National security paradigms need to evolve. We must embrace a shared sense of security, going beyond conventional approaches of arms buildup and erecting barriers. We need to reinforce multilateralism to solve common problems, not only in global arenas but at the regional and national levels to reinforce trust.

## Originality

The report calls for fresh thinking to enable people to feel secure, empowered and in charge of their life. People's voice and engagement in setting shared goals can help stem rising tides of polarization and populism that are eroding trust worldwide.

Public budgets must better target the aims of the SDGs, employing tools that has proven effective such as the Integrated National Financing Frameworks to boost public social expenditure on education, health care, energy, and food security, and expand social protection systems to include the most vulnerable. And, amid worsening conflicts we need heightened levels of innovation, and investment to address the massive needs of recovery and rehabilitation of those displaced by conflict.

## Prosperity

The world today is collectively wealthier than ever before. The report calls for devising concrete avenues to tap the record levels of wealth in the global economy to invest in global public goods to reverse increasing inequalities and achieve shared prosperity for all.

This requires a deliberate transition from funding to financing and greater ambition for leveraging all types of financing – domestic and international, public and private – to meet the volume of resources needed for transformative change—beyond few well-meaning but fragmented projects, which will not make a real difference given the vast needs and complex challenges, especially in post-conflict recovery.

The IsDB has a unique role to play in bringing catalytic financing towards advancing development where it is most needed and will find in UNDP an able and willing partner with feet on the ground in some of the most challenging places. As the IsDB celebrates 50 years, UNDP offers its congratulations and stands ready to strengthen collaboration to deliver on our mutual objectives to advance the attainment of the SDGs, and address recovery in crisis settings ensuring that no place is left behind.

# Agrifood Systems Transformation to achieve SDG2 in the Arab Region



**Dr. AbdulHakim Elwaer**  
Assistant Director General and Regional Representative for the Near East and North Africa, FAO

The Sustainable Development Goal 2 (SDG2) aims to achieve zero hunger by 2030. However, the Arab region is unfortunately on the opposite trajectory. In 2022, hunger in the Arab States reached its highest value since 2000, with the number of undernourished people reaching 59.8 million. Moderate or severe food insecurity affected 170.1 million people, or 36.6 percent of the population, in 2022. The region also continued to suffer from multiple forms of malnutrition.

Achieving SDG2 will remain out of reach unless there is a paradigm shift to address the challenges of hunger and malnutrition; and this means we must transform our agrifood systems.

SDG Target 2.1 and 2.2 foresee the end of hunger and all forms of malnutrition by 2030. Generally, countries in the Arab region do not sufficiently prioritize nutrition and healthy diets in their food and agriculture sectors. There is a need to mainstream nutrition considerations into both food and agricultural policy. Subject to economic and resource feasibility, domestic production of diverse, nutritious, and safe foods should be promoted, and smallholder farmers' capacities to produce these foods need to be strengthened. Food quality, food safety, traceability, and the detection of contaminants need to be strengthened.

Policy interventions should enhance the consumption of nutritious foods by reforming food subsidy policies, raising awareness about healthy diets, fostering consumer protection systems, encouraging appropriate food trade policies and combating food losses and waste and developing more sustainable and healthier urban food systems.

Healthy diets also need to be reflected in trade policy because the region would continue to import more healthy foods and feed to meet its demand. Arab countries need to leverage intra-regional trade and rely more on each other's capacities, especially during food supply chain disruptions. Countries should jointly



pursue trade agreements to support environmentally sustainable, nutritional, safe, and inclusive agrifood systems. The region can also work towards establishing food reserves or buffer stocks, to help stabilize prices and smooth consumption fluctuations.

Countries may also reassess their social protection policies to strengthen the protection of vulnerable households. Social safety nets can be strengthened with cash transfers, labor-intensive employment programmes and health and nutrition interventions, with a particular focus on women and children.

SDG Target 2.3 necessitates doubling the agricultural productivity and incomes of small-scale food producers. Interventions must aim at raising the incomes of farmers through the implementation of policies and the strengthening of institutions that support the development of market-oriented agriculture for smallholders, in particular women, in profitable value chains.

There is considerable scope for governments to support the development of market-oriented commercial agriculture for smallholders, including provisions for farmer organizations, aggregation, and contract farming, as well as incentive policies and the removal of barriers. It also requires investment in infrastructure such as farm-to-market roads and wholesale market infrastructure, as well as the provision of agricultural services to support smallholder intensification and investment – research and extension organized along the value chain, access to viable financial services, insurance, seed capital, and matching grants.

Interventions should also aim to increase living standards and attractive farm

and non-farm job opportunities for youth by encouraging investments in infrastructure and services and facilitating rural entrepreneurship and the establishment of small businesses, including hydroponics, aquaculture, organic farming, protected agriculture, and agritourism.

Innovation is extremely essential to boost productivity in the face of constraints. Government and the private sector need to invest in developing or adapting new technologies. The use of modern biological, agronomic and information technologies will have an important role in increasing agricultural productivity, including through genetic enhancement of productivity and adaptive capacities of species, better water and soil management, and crop husbandry.

Agrifood systems transformation must also be aligned with climate actions, to achieve SDG 2.4. Producing more nutritious food and improving rural incomes should not harm the environment. On the other hand, significant adaptation efforts within agrifood systems are crucial for future food supply and nutrition in the Arab region. Increased collaboration and scaling up finance are needed if we want to achieve the Sustainable Development Goals and the Paris Agreement.

Finally, the region needs upscale capacities and the use of evidence-based policy design and implementation and timely, tailored, and dynamic data and analytics. FAO has enhanced its support to member countries to build these capacities through the initiatives of the regional observatory on food security and nutrition and regional leadership development academy for transformation of agrifood systems.

# Climate Action can Take the Region from Climate Vulnerability to Climate Vitality



**Ruba Jaradat**

Assistant Director-General and Regional Director for Arab States, ILO

COP28 was a milestone moment for many reasons, and experts and commentators were fast to call it historic and the “beginning of the end for fossil fuels”. This may create concerns amongst countries highly dependent on fossil fuels for their electricity supply or government revenues, but the joint ILO and IsDB report shows that the Middle East and North Africa region could in fact gain jobs and economic growth from ambitious decarbonization pathways. In fact, strong industrial and climate development policies would lead to almost 10 million new jobs and accelerate GDP to 7.2 per cent and employment to 5.3 per cent above baseline in less than three decades.

The joint report modelled three different industrial and climate policy scenarios. At one end of the scale, in a global net zero emissions scenario where countries in the MENA region remain passive by-standers in the energy transition, they may face welfare losses. Under such scenario, GDP by 2050 is projected to be 2.2% lower relative to a current policy baseline scenario.

At the other end of the scale, in a scenario in which MENA countries actively drive the

global energy transition by linking industrial policies with climate development policies, GDP would accelerate to 7.2 % and employment to 5.3% above baseline by 2050. Such a resilience scenario also relies on strong just transition policies targeting investment in human capital, social protection, and the skilling and reskilling of workers. This, in turn, translates into millions of new jobs across various economic sectors.

Contrary to common belief, countries with a high dependency on oil and gas would be the biggest winners in a strong industrial policy scenario. This transition not only mitigates the adverse effects of climate change but also offers avenues for economic diversification and resilience, reducing the region's dependence on fossil fuels and enhancing food and water security through innovative, sustainable practices.

However, in the absence of enhanced industrial, climate and just transition policies, these countries may also be the most negatively impacted in terms of GDP and job losses. This simply underlines the need for further planning and investing in social justice and decent work in conjunction with climate technologies to ensure no people nor countries are left behind. Therefore, the ILO is dedicated to work with partners and the constituents in advancing a just transition in the region.

## What Does a Just Transition Look Like?

A just transition involves maximizing the social and economic opportunities of climate action, while minimizing and carefully managing any challenges and is a holistic all of society approach. The ILO *Just Transition Guidelines towards Environmentally Sustainable Economies*

and *Societies for All* (2015) outline 9 policy areas for governments, workers' and employers' organisations to work on just that – managing the green transition in a way as fair and inclusive as possible to everyone concerned, creating decent work opportunities based on social dialogue, labour rights, and gender equality. One policy area is, for example, heat stress, which does not only directly impact people and workers' health but also companies' productivity and profitability. Therefore, we see more and more countries in the region putting forward occupational health and safety policies tackling heat stress at work. If such initiatives are coupled with industrial policies and investments in more sustainable construction and infrastructure, for example, these countries will be well on their way towards creating decent work while addressing climate mitigation and adaptation targets at the same time.

## Financing the Future

Central to realizing this transition is the mobilization of finance towards sustainable development projects. This could include investments in renewable

energy infrastructure, skills training for new green jobs, and support for communities affected by the economic shift away from fossil fuels. Public finance, including international climate funds, can play a pivotal role in supporting infrastructure development, technology transfer, and capacity building. Meanwhile, the private sector, driven by a growing recognition of the economic opportunities presented by green technologies, can contribute through investments in renewable energy projects, green buildings, and sustainable agriculture. However, coupling green requirements with decent work goals has proven challenging, and the ILO and partners have developed several tools and approaches to support financial actors in the just transition finance efforts.

The challenges climate change poses to the MENA region are daunting but not insurmountable. By cherishing our past and charting a future grounded in originality, solidarity, and prosperity, we can embrace climate action not just as a necessity, but as an opportunity to redefine the economic landscape of the Arab States. In short, it is not climate change or climate policies that threaten the region, it's climate inaction which threatens people, planet, and prosperity.



# International Center for Biosaline Agriculture (ICBA) and IsDB: Commemorating 25 Years of Vibrant Synergy



**Dr. Tarifa Alzaabi**  
Director General, ICBA

The establishment of the International Center for Biosaline Agriculture (ICBA) in 1999 is a great example of the visionary leadership and strategic foresight by the Government of the UAE and the Islamic Development Bank (IsDB).

Twenty-five years on, ICBA has evolved into a world-class research center serving the needs of smallholder farmers and other stakeholders around the world, including Member Countries of the Bank. Over the years the center's mandate has expanded to focus on global challenges such as climate change, water scarcity, and natural resource degradation, among others. Since 2015, it has been aligned with the Sustainable Development Goals, with a particular focus on SDG 1 (No Poverty) and SDG 2 (Zero Hunger).

Today the center is in the vanguard of research, development and innovation on climate-resilient crops and resource-efficient technologies that help to produce more food, save more resources, and protect the environment.

To date ICBA has implemented 269 research-for-development projects, directly or indirectly supported by the IsDB, in 52 countries in Central Asia, the Middle East, North Africa, South Asia, the South Caucasus, and sub-Saharan Africa. This work has benefited thousands of people, with the majority of them being smallholder farmers.

Our scientists have developed, tested, and introduced a wide range of solutions suited to local conditions in many countries. These solutions range from salt-, drought- and heat-tolerant crops for food and feed to technologies for using alternative types of water in agriculture and managing soil and water salinity. Under our plant genetic resources program, for instance, we have distributed 8,950 seed samples of 82 salt-, heat- and drought-tolerant crops and wild plants to scientists, farmers, and other stakeholders in 64 countries.

For more than two decades, our center has also supported decisionmakers by providing evidence-based recommendations and formulating strategies for sustainable agricultural development and natural resources management in several countries in the Middle East and North Africa. The center has also given priority to knowledge generation and dissemination. ICBA's research has resulted in the publication of 323 research papers for international peer-reviewed journals.

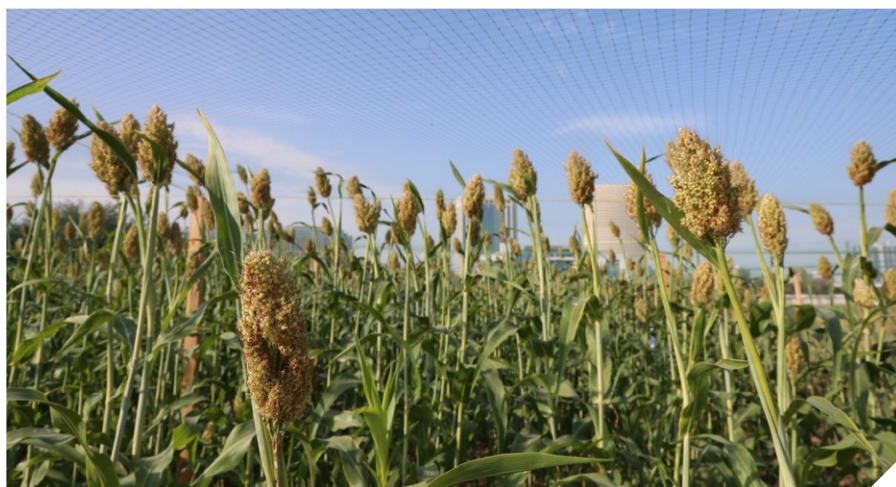
As individual and institutional capacity development is an integral part of ICBA's research and development projects in different regions, the center has developed the capacities of thousands of farmers and other beneficiaries from around 100 countries through various means, including special technical training courses and farmer field schools. As an organization co-founded and supported by the IsDB, we have always made sure to also cater to the needs of a variety of stakeholders in its member countries. Since 2000, our center has organized special technical training courses for some 4,850 people, out of which around 4,400 were specialists, technicians, and farmers from 51 member countries. We have also conducted 36 IsDB-funded special technical training courses for 975 participants from 49 member countries.

In recent years, we have also stepped up our efforts to support women in science and other fields through tailor-made initiatives like the Arab Women Leaders in Agriculture fellowship program and the Women Alliance for Climate Action in Agriculture. Launched at COP28 with a goal of reaching 1 million women globally by 2050, the alliance is designed to facilitate women-led climate action in agriculture through policies, measures, programs, or incentives that empower women and help make agriculture more sustainable, environmentally friendly, and resilient under climate change.

As we continue reaching as large a number of people as possible, including students and researchers, many of our capacity development and awareness programs are also offered through the Emirates Soil Museum.

Building on our past successes, we are now focusing our efforts on aligning ICBA's priorities with the Bank's objectives. We are committed to strengthening our strategic partnership and supporting the Bank's initiatives related to improving food security and nutrition and enhancing the sustainability of agrifood systems in its member countries.

All this work is geared towards one shared goal: building resilience into agrifood systems, improving food security and nutrition, and increasing the livelihoods of rural households that depend on agriculture.





# Global Gateway: Building Partnerships for a Sustainable and Prosperous Future



**Henrik Hololei**  
Hors Classe Adviser at the European Commission's Directorate-General for International Partnerships (DG INTPA), European Commission

Global Gateway is the European Union's values-based offer to partner countries to accelerate their twin green and digital transitions and to support the modernisation of their economies. It builds partnerships to achieve the goals of the 2030 Agenda for Sustainable Development and the Paris Agreement.

## Global Gateway in a nutshell

Global Gateway aims to mobilise up to 300 billion euros in investments between 2021 and 2027 to boost smart, clean, and secure links in the digital, transport, energy, and climate sectors, and to strengthen education, research, and health systems in our partner countries around the world. Investment packages are developed together with European Union partner countries to support them in the construction of hard infrastructure with a comprehensive approach (inter alia: technical assistance, transfer of know-how, regulatory framework) and that encompasses key principles, such as equal partnership, sustainable development or sustainable finance. The European Union wants to establish strong partnerships that generate mutual value, based on common objectives, norms, standards, and trust. This is to create links, not dependencies.

## Global Gateway's contribution to the Sustainable Development Goals

Global Gateway is an effective contribution to strengthen the implementation of the Sustainable Development Goals (SDGs) and revitalise the global partnership (SDG 17) to achieve the SDGs and eradicate poverty, tackle discrimination and inequalities, and leave no one behind.

Global Gateway aims to foster sustainable development by creating enabling circumstances that attract investment in partner countries, while setting clear conditions in line with a human rights-based approach. It aims to leverage multiple sources of funding, including private sector investments, to help narrow the global investment gap. The five Global Gateway investment priorities (digital; climate and energy; transport; health; education and research) support partner countries to achieve the SDGs in their interlinked nature.

## Global Gateway's contribution to the sustainability agenda

Global Gateway is aligned with the Paris Agreement and is the EU's overarching cooperation framework to deliver sustainable investments in partner countries, including in accompanying the transition to sustainable economic development. It seeks to achieve a transformational impact in the climate and energy sectors. Several flagship initiatives are already being deployed in partner countries on climate and energy. For example, one flagship initiative aims to provide access to electricity to at least 100 million people in Africa, deploying at least 50 Gigawatts of renewable electricity generation capacities by 2030. There are also opportunities to work on water, land restoration, and sustainable forest supply



chains as well as to upscale the use of nature-based solutions as infrastructure – or in conjunction with infrastructure – to ensure a positive impact on nature.

## Partnerships to deliver on Global Gateway in IsDB Member Countries

Global Gateway is implemented in two-thirds of the IsDB's Member Countries. This includes 83 Global Gateway flagship projects, which epitomise what the strategy is about.

Example of such initiatives include a renewable energy package in Bangladesh. The EU and EIB are investing 400 million euros for renewable energy projects, which will contribute to boosting access to energy and rural development throughout Bangladesh. The package consists mainly of utility-scale solar photovoltaic and onshore wind projects, and potentially associated battery energy storage systems. In addition, together with Germany, the EU works on policy, the legal framework, and the investment climate to facilitate an inclusive green energy transition.

The EU is also taking major steps in supporting the development of the Trans-Caspian Transport Corridor. At the recent Global Gateway Investors Forum on Sustainable EU-Central Asia Transport Connectivity, the European Commission announced investments of 10 billion euros from organisations participating in the Forum to support transport infrastructure and soft connectivity measures, which will benefit all Central Asian countries. The long-term objective is to make the corridor a multimodal, modern, competitive, sustainable, predictable, smart, and fast route linking Europe and Central Asia in 15 days or less.

The EU and the IsDB are also working together on a Global Gateway project in Central Asia: the Rogun Hydropower Plant in Tajikistan. The EU, jointly with the IsDB, the World Bank, and other Financing Institutions, supports the technical and fiscal reforms needed for the financing of the plant under international standards. Rogun is expected to export 70% of its energy production and is considered a key project for the decarbonisation and energy security of Central Asia.

# Evolving Disaster Relief with IFRC-DREF Insurance



**Nena Stoiljkovic**  
Under Secretary General, Global Relations,  
Humanitarian Diplomacy and Digitalization,  
IFRC

As the world's largest humanitarian network, we're proud of our past. But needs are growing all the time. The number of disasters is going up and their impact worsening, exacerbated by climate change. We need to adapt for the future.

The International Federation of Red Cross and Red Crescent Societies (IFRC) traces its origins to 1919, founded in the aftermath of World War I with a simple goal – to improve the health of people who had suffered during the war.

A hundred years on, we find ourselves on the brink of unprecedented environmental threats.

## The threat of climate change

The frequency of climate-related disasters is growing, surging five-fold since 1970 according to the United Nations. The accelerating climate crisis has also put

increasing pressure on strained public funding, thereby impairing humanitarian funding. The UN says that in 2023, of an estimated humanitarian 'need' of \$57 billion, only just over one third was funded.

The UN's Sustainable Development Goal (SDG) 13 provides a valuable framework to ensure that we move fast in the face of climate risks. At the IFRC, we are already taking measure to accelerate climate change adaptation, impact reduction and early warning through our network of 191 National Societies and local actors.

## Evolving disaster relief

Last year, the IFRC's Disaster Response Emergency Fund (IFRC-DREF) supported 160 operations in 90 countries. These efforts included the response to the Syria and Türkiye earthquake and a mass population movement in Sudan. It also included the devastating floods in Libya, which was supported by a grant from the Islamic Development Bank (IsDB). In this one year, we supported over 14.6 million people in urgent need.

Disaster relief must evolve quickly so humanitarian efforts can succeed, and IFRC-DREF is responding by increasing available funds and using those funds more efficiently. But there's more to do. That's why the IFRC has changed the fundamentals by pioneering how the insurance industry and wider financial sector can power the humanitarian cause.

“Disaster relief must evolve quickly so humanitarian efforts can succeed, and IFRC-DREF is responding by increasing available funds and using those funds more efficiently.”

## IFRC-DREF Insurance

The IFRC continues to respond by being better able to react to and anticipate disasters – while innovating new, more efficient and effective ways of delivering funding.

Borne from the need to act fast in the face of climate change, the IFRC launched IFRC-DREF Insurance – a collaboration between IFRC, Aon and the Centre for Disaster Protection. The concept combines private sector and humanitarian expertise to make donations to the IFRC-DREF work smarter and harder.

Once allocations to emergency relief reach CHF 33 million, IFRC-DREF Insurance is triggered to replenish the funds with up to an additional CHF 20 million. This ensures that humanitarian needs can always be met, delivering greater resilience and flexibility during periods of high demand.

## Building a brighter future

IFRC-DREF Insurance is just one example of the power of cross-sector collaboration, knowledge-sharing and innovation.

The evolving nature of climate disasters demands greater creativity to solve growing financing challenges, mitigate the impact of future hazards, and most importantly – continue life-saving work to protect the most vulnerable.



# The Saudi Green Initiative: Saudi Arabia's Bold Step Towards Environmental Sustainability and Economic Growth



**Eng. Wael A Bushah**  
Managing Director, Environmental Awareness and Capabilities Enhancement, Ministry of Environment, Water and Agriculture, Saudi Arabia

In a landmark move, the Kingdom of Saudi Arabia has unveiled the Saudi Green Initiative (SGI), signaling a resolute commitment to addressing environmental concerns, advancing sustainable development, and fueling economic expansion. Spearheaded by Crown Prince Mohammed bin Salman, this initiative marks a significant stride towards realizing the Sustainable Development Goals (SDGs) while propelling Saudi Arabia towards a more diversified and prosperous future. Through Saudi Green Initiative (SGI) initiative as a part of global community, KSA has shown strong commitment to meet obligations of multilateral environmental agreements (MEAs) (Bonn Challenge, Aichi Biodiversity targets, UNFCCC, UNCCD and UNSDGs).

At the heart of the Saudi Green Initiative lies a multifaceted approach to environmental conservation and climate action. Through ambitious targets and comprehensive strategies, the initiative aims to significantly reduce carbon emissions, protect natural resources, and transition towards a greener economy. By aligning with the SDGs, particularly those related to climate action, clean energy, and environmental sustainability, the SGI reinforces Saudi Arabia's commitment to global efforts in combating climate change and preserving biodiversity.

One of the key pillars of the Saudi Green Initiative is the promotion of renewable energy and the gradual phasing out of fossil fuels. Saudi Arabia, known for its abundant reserves of oil and gas, recognizes the urgent need to diversify its energy sources and reduce dependency on non-renewable resources. By investing



in solar, wind, and other renewable energy technologies, the SGI not only mitigates the environmental impacts of fossil fuel combustion but also creates new opportunities for economic growth and job creation in the renewable energy sector.

Additionally, the Saudi Green Initiative emphasizes the importance of sustainable land use and conservation practices to preserve the kingdom's natural ecosystems and biodiversity. Initiatives aimed at reforestation, desert greening, and wildlife conservation contribute to the protection of biodiversity hotspots and the restoration of degraded landscapes. By safeguarding natural habitats and promoting sustainable agriculture practices, the SGI enhances ecosystem resilience and ensures the long-term sustainability of vital resources such as water and soil.

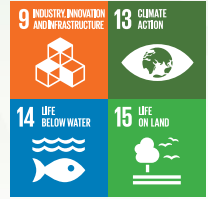
Furthermore, the Saudi Green Initiative recognizes the critical role of innovation and technology in driving sustainable development and economic growth. Investments in research and development, green technologies, and sustainable infrastructure lay the foundation for a knowledge-based economy and stimulate entrepreneurship and innovation. By fostering a conducive environment for green innovation and supporting sustainable startups and enterprises, the SGI catalyzes economic diversification and

promotes the transition to a more resilient and competitive economy.

Moreover, the Saudi Green Initiative is closely linked to broader economic reform efforts outlined in Vision 2030, Saudi Arabia's long-term development strategy. By integrating environmental sustainability into economic planning and policymaking, the SGI contributes to the achievement of Vision 2030 goals, including job creation, non-oil revenue generation, and economic diversification. Sustainable development practices, such as eco-tourism, sustainable agriculture, and green manufacturing, unlock new avenues for economic growth while preserving the kingdom's natural heritage and cultural identity.

In conclusion, the Saudi Green Initiative represents a transformative commitment to environmental stewardship, sustainable development, and economic prosperity in Saudi Arabia. By aligning with the Sustainable Development Goals and embracing innovative solutions, the SGI leads the way for a more sustainable and resilient future for the kingdom and the world. Through strategic investments, bold policies, and collaborative partnerships, the SGI not only delivers on its environmental objectives but also drives inclusive economic growth and prosperity, positioning Saudi Arabia as a global leader in sustainable development.

# Environmental Awareness Towards Sustainable Future



**Alaa Labani**  
Manager, Environmental Awareness, Ministry of Environment, Water and Agriculture, Saudi Arabia

The National Environment Strategy at KSA showed that there is a room for improvement in terms of the public environmental awareness to create the needed sustainable transformation. The strategy focused on the importance of raising awareness in its main themes (wild wildlife, marine and coastal environment, vegetation cover, air quality, climate change, water resources, waste management and meteorology). The motive is to promote the efforts of protecting the environment and its components, as an important element of creating a healthy and sustainable society.

As part of the vision 2030, which aim to create a society who are aware of the environmental challenges at KSA and the importance of preserving these environmental resources sustainably. Communication is crucial with the various elements of society and its institutions to develop their capabilities and to raise their environmental awareness. This is a

cornerstone for creating a more sustainable system which considers fulfilling economic needs and balancing that with the requirements of environmental protection and social justice. The main pillars of the communication strategy were to target the education sector "School and Universities", society, community-based originations, and the industries.

The environmental awareness initiative (Under the Ministry of Environment, Water, Agriculture) was launched on the 5th of June 2022 which coincide with the world environment day to be a remarkable day for the initiative. Since then, the awareness initiative organized several campaigns, events, workshops, and webinars where thousands of people engaged to learn more about the environmental challenges and how to protect the environment. Moreover, the awareness campaign on social media achieved millions of reach, engagements, and impressions.

The environmental awareness programs were designed to suit the relevant sectors, and the topics of the awareness serve that targeted group. For example, the sessions for the education sector covered effective strategies of environmental education and the integration of SDGs in the curriculum of academic programs. While for the private sector, the sessions covered environmental planning, quality management and sustainability. The advocacy programs for the non-profit organizations included projects environmental planning and their role in achieving sustainable development.

Furthermore, to measure the impacts of the awareness programs, a survey was designed, conducted, and analyzed, where the results showed that the participants of the environmental awareness sessions were from various professional backgrounds and different ages. The majority were aged between 26-45 years and holding a bachelor's degree with main interests in the environment and education. 88% of the respondents mentioned that they learned something new about the environment and sustainability during the awareness sessions. While 94% stated that they feel motivated and more positive towards protecting the environment. Consequently, 81% of the survey respondents mentioned that they are planning to be part of or start an environmental initiative.

The extensive efforts made by the environmental awareness initiative promote the environmental sustainability at the kingdom and help to transform the community behaviors towards a more sustainable lifestyle. This positive and sustainable transformation increase the global visibility of the Kingdom to be entitled to host several global environmental events this year including the World Environment Day and the sixteenth session of the Conference of the Parties (COP16) of the United Nations Convention to Combat Desertification (UNCCD).



# Cultivating Resilience: How IFAD and IsDB are Working Together to Empower Rural Communities

*Cherishing our Past, Charting our Future: Originality, Solidarity, and Prosperity*



**Dina Saleh**  
Regional Director of the Near East,  
North Africa and Europe Division  
(NEN), IFAD

*Cherishing our Past, Charting our Future: Originality, Solidarity, and Prosperity* encapsulates the four decades partnership between the International Fund for Agricultural Development (IFAD) and the Islamic Development Bank (IsDB), advancing rural development, community empowerment, and poverty alleviation, contributing to the Sustainable Development Goals (SDGs) and fostering prosperity across the Near East and North Africa, Europe, and Central Asia (NEN) region and beyond.

However, recent trends present a significant challenge. The Arab region is not on track to achieve **SDG 2: Zero Hunger** by 2030. In 2021, an estimated 154.3 million people suffered from moderate or severe food insecurity. Additionally, the region relies heavily on imports, with over 50% of its food consumed coming from external sources. This highlights the urgent need for increased focus on food security within the region<sup>1</sup>.

## A Strong Foundation

Since 1980, IFAD and IsDB have co-financed 12 projects in eight NEN countries totalling over US\$140 million, focusing on irrigation development (60%), and rural infrastructure development (29%), aligning respectively with **SDG 2 and SDG 11: Sustainable Cities and Communities**.

This collaboration extends globally covering three continents and 15 countries, surpassing US\$400 million, focusing on rural infrastructure (**SDG 11, 34%**), agricultural water resources (**SDG6 Clean Water and**

**Sanitation, 27%**), environmental and natural resources management (**SDG15 Life on Land, 11%**), and rural business development (**SDG8, Decent Work and Economic Growth, 9%**). Reinforcing IsDB's commitment to comprehensive rural development, complementing IFAD's mandate.

## Impact and Scaling Up for Prosperity

This partnership was solidified in 2021 with a US\$500 million target, and further strengthened by a recent tripartite agreement with the Food and Agriculture Organization (FAO) signed in September 2023. This agreement leverages past successes to unlock innovative solutions, aims to establish a directory to map affordable, transferrable climate-smart technologies for smallholder farmers in 10 countries in Asia, Africa, Near East and Latin America.

The Multilateral Organisation Performance Assessment Network (MOPAN) endorsed IFAD's approach of building strategic partnerships that address multifaceted challenges faced by rural communities and for scaling sustainable programmes. Moving forward, cultivating and expanding partnerships, especially with multilateral development banks like IsDB, will be crucial for realizing IFAD's ambitions in the upcoming Replenishment (IFAD13)<sup>2</sup>.

IFAD's core mission aligns with the SDGs' focus on poverty reduction, food security, and rural development. Particularly SDG 1 (No Poverty), SDG 2, which are at the core of IFAD's mandate, but also to SDG 5 (Gender

Equality) and SDG 13 (Climate Action), among other interconnected SDGs<sup>3</sup>.

Over the current replenishment period (IFAD12: 2022-present) we have empowered 3.5 million people with income-generating skills, supported 1.3 million rural producers' in organizations, and brought 1.9 million hectares of land under climate-resilient management. Additionally, 27% of women reported consuming a more diverse diet<sup>4</sup>.

## Looking into the Future

Looking ahead, the IFAD13 Business Model and Financial Framework<sup>5</sup> provides a roadmap for the future. Promoting focus on fragility, private sector, and climate and biodiversity financing, while maintaining IFAD's commitment around thematic areas of Climate Action, Gender, Youth and Nutrition. By working hand-in-hand with strong partners like IsDB, IFAD aims to strengthen resilience and transform food systems.

This spirit of collaboration continues. IFAD is proud to lead the food pillar for the Egypt Country Platform for the **Nexus on Water, Food and Energy (NWFE)**. Notably, IsDB is among the key partners co-financing the NWFE food pillar's flagship project, the *Climate-Resilient On-Farm Water Management in the Nile Valley and Delta (CROWN) Project*, targeting vulnerable areas and aiming to boost resilience for 30 million beneficiaries. CROWN exemplifies the transformative power of collaboration, paving the way for a more secure and prosperous future for the region<sup>6</sup>.



- 1 FAO, IFAD, UNICEF, WFP, WHO & UNESCWA. 2023. Near East and North Africa – Regional Overview of Food Security and Nutrition. Cairo. <https://doi.org/10.4060/cc4773en>
- 2 MOPAN. 'MOPAN Assessment Report: International Fund for Agricultural Development (IFAD)'. Paris: Multilateral Organisation Performance Assessment Network (MOPAN), 2024. <https://www.mopanonline.org/assessments/ifad2023/index.htm>.
- 3 IFAD. 'IFAD and the SDGs'. IFAD, n.d. <https://www.ifad.org/en/ifad-and-the-sdgs>.
- 4 IFAD. 'Results Management Framework Dashboard'. Rome: IFAD, 2024. <https://www.ifad.org/en/rmf-dashboard>.
- 5 IFAD. 'Replenishment'. IFAD, n.d. <https://www.ifad.org/en/replenishment>.
- 6 'The First Follow-up Report of the NWFE Program'. Egypt State Information Service (SIS), 21 November 2023. <https://www.sis.gov.eg/Story/190087/The-First-Follow-up-Report-of-the-NWFE-Program?lang=en-us>

# UNOPS and IsDB Synergy – Helping People Build Better Lives



**Emilie Potvin**  
Global Head, Partnerships,  
UNOPS



**Hala Al-Sharifi**  
Head of the Gulf Countries  
Liaison Office, UNOPS

Over the last years, the United Nations Office for Project Services (UNOPS) and the IsDB have been working together to help people build better lives and countries achieve sustainable development.

Around the world, UNOPS implements a wide variety of projects on behalf of IsDB. Together, we have worked to respond to health crises – from improving health infrastructure in Guinea and Liberia during the Ebola crisis, to providing essential health supplies and medical equipment across Africa and Asia during COVID-19. We have worked to advance social and economic development – including developing skills and fostering green job opportunities for young entrepreneurs in Tunisia. We have strengthened the capacity of governments in fragile and conflict-affected contexts to deliver vital public services. And much more.

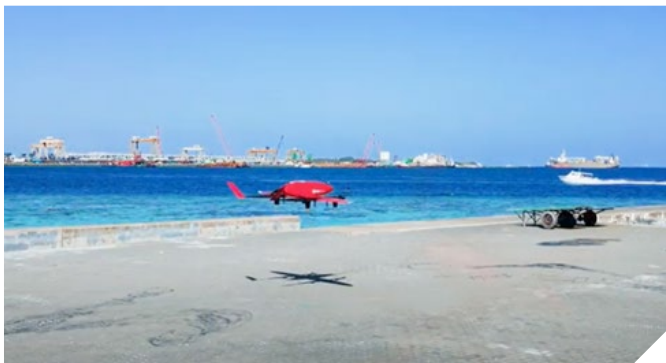
The strong collaboration between UNOPS and IsDB over the years has been underpinned by two pivotal agreements that emphasize our shared vision for supporting IsDB Member Countries to advance the 2030 Agenda and the Sustainable Development Goals (SDGs).

We're committed to maximizing the impact of our work. Our recently-established Mission Hubs bring together a diverse range of knowledge, experience and expertise from across the UNOPS family, to support the UN's six transition pathways needed to fulfill the 2030 Agenda.

With cross-cutting themes including gender equality, social inclusion and climate action, our Mission Hubs aim to enhance our approach to project delivery – and guide our efforts to help partners like the IsDB to effectively tackle key global challenges and accelerate progress towards the SDGs.

Our world is facing a growing number of humanitarian crises and emergencies. The number of violent conflicts are on the rise. We face a triple planetary of climate change, biodiversity loss and pollution. Stark inequalities remain. Getting the SDGs back on track will require strong partnerships and uniting to work in the pursuit of peace, climate action and sustainable development.

As the IsDB celebrates its Golden Jubilee, UNOPS is proud to be part of its journey. Looking ahead, we are committed to building on our work together through new areas of cooperation – to further social and economic development, and build a more sustainable and prosperous future for people and the planet.



**Transforming the medical supply chain logistics in the Maldives:** Medical drones procured under the UNOPS-IsDB project, in support of the Ministry of Health in Maldives, to enhance healthcare accessibility in the country by serving two hospitals on two islands near the capital Male.

# Innovation for the Goals – The Global Islamic Fund for Refugees Under the Spotlight



**Khaled Khalifa**  
Senior Advisor to the High Commissioner and  
Regional Representative to the GCC Countries

As the world settles into 2024, only six years away from the finish line of the 2030 agenda, it seems to be nowhere close to ending poverty, hunger, divisions, conflicts, wars, displacement, natural disasters and many other shocks that continue to disrupt global peace and stability and hinder human prosperity. New crises continue to pile on top of older ones, weighing on each and every one as the international community struggles to cope and respond to multiplying crises with shrinking resources.

In this challenging context, as we zoom out from the overall troubled global scene and into IsDB Member Countries, we see millions of people grappling with the impact and outcome of protracted and/or emerging crises, including in Syria, Yemen, Sudan, Palestine, Bangladesh (Rohingya) and many more. Speaking from UNHCR's perspective, out of the alarming number of the forcibly displaced people

in the world, standing now at more than 114 million and increasing, IsDB Member Countries account for almost 60%. The Syria crisis enters its 14th year this year, Yemen is already at its nine-year, and later this year, the Rohingya refugee situation in Bangladesh will enter its sixth year, all with no visible solution in the very near future.

Against this backdrop, it has become most vital to explore new and innovative thinking to ensure a more sustainable and agile roadmap towards achieving the SDGs and ensuring a better future for all, now more than ever, jointly rather than in parallel. An endeavour that can only be achieved by leaving no one behind. Hence, the obligation to factor in refugees, displaced, and stateless people in the efforts to achieve the 2030 agenda. That's why UNHCR works tirelessly to ensure that the people for whom and with whom it works are included in all SDG-related plans, including economic empowerment focusing on education, livelihood opportunities, health, water, sanitation and hygiene, shelter, climate action, and emergency response. This colossal effort necessitates innovative partnerships within the spirit of the Sustainable Development Goals, building on SDG17 to enhance actions and ensure results on all other SDGs. The ultimate goal would be to enhance the ability to respond to the mounting humanitarian and development needs on the ground and to alleviate the impact of funding shortfalls.

Considering the above, the United Nations High Commissioner for Refugees joined hands with the Islamic Development Bank's (IsDB) poverty alleviation arm, the International Solidarity Fund for Development (ISFD) to launch the Global Islamic Fund for Refugees (GIFR) at the end of 2022. By design, the GIFR is an innovative, sustainable, and Sharia-compliant resource mobilization instrument that utilizes various giving modalities. It also combines Islamic and non-Islamic financial tools, to ensure sustainable funding streams to support humanitarian needs. Contributions to the GIFR will be invested according to the principles of Islamic finance, the proceeds of which will be allocated to programs supporting humanitarian and development needs of the forcibly displaced and their host communities in IsDB member countries.

The GIFR work modality is the foundation for its impact. Contributions into the Fund are invested rather than donated, ensuring continuity and sustainability of proceeds and funding streams and predictability of income to support humanitarian programs and operations across various sectors sustainably, albeit at a not-so-considerable volume at the beginning.

Through their GIFR partnership, UNHCR and IsDB/ISFD take a major step forward in their efforts to diversify funding sources and bolster relief efforts. The initiative highlights the importance of partnerships and collaboration for efficient action within a strengthened and more interlinked humanitarian, development, and peace framework conducive to longer-term development activities. This aligns with the 2030 agenda and the Global Compact on Refugees to ensure that, in a world increasingly shaped by multiple shocks and crises leading to increasing and ongoing forced displacement, the Sustainable Development Goals leave no one behind when it comes to refugees, internally displaced and their host communities.

In this spirit, and through such innovative collaborations, we will continue our whole-of-society approach to explore routes to bolster our ability to protect and expand the reach of our joint efforts to the most vulnerable and contribute through our collective responsibility to achieve the SDGs.



1 Sustainable Development Goals

2 Sustainable Development Goal 17: Revitalize the global partnership for sustainable development

# Navigating Polycrises with Originality, Solidarity and Prosperity: Generation Unlimited and the Islamic Development Bank's Collective Journey



**Urmila Sarkar**  
Deputy Director, Programmes,  
GenU



**Hana Sahatqija**  
Youth Engagement and  
Entrepreneurship Lead, GenU

In an era characterized by unprecedented global challenges, where societies grapple with rising insecurity, inequality, and environmental threats including climate change, the partnership between Generation Unlimited (GenU) and the Islamic Development Bank (IsDB) stands as a beacon of hope and innovation. As we commemorate the IsDB's Golden Jubilee under the theme: "Cherishing Our Past, Charting Our Future: Originality, Solidarity, and Prosperity," and we welcome IsDB's President, Muhammad Sulaiman Al Jasser, as our GenU champion and part of our esteemed Leaders' Network, we reflect on the remarkable journey of collaboration, learning, and shared vision that has defined our partnership.

At the heart of our collective endeavor lies the commitment to empowering the youth. With over 60% of the population in IsDB member countries under the age of 30, the urgency to create inclusive, sustainable opportunities with and for young people is paramount. Anchored in UNICEF, GenU is the world's leading public private youth partnership aimed at skilling and connecting the world's 1.8 billion young people to employment, entrepreneurship, and civic engagement opportunities. This aligns seamlessly with IsDB's mission of fostering economic development and social progress.

The Youth Development Forum organized by IsDB epitomizes the essence of our joint mission and the partnership that we are developing. This platform not only brings together diverse stakeholders but also highlights the importance of innovation and skill development in empowering young women and men with skills and opportunities. As we progress on the road to the IsDB Golden Jubilee, the Youth Development Forum serves as a critical pathway, showcasing the transformative power of collective action and shared knowledge.

GenU is excited to work together with IsDB on a Joint Plan of Action that encapsulates our shared goals and vision. Focused on bridging gaps in education, skills training, and employment opportunities, our initiatives prioritize digital innovation, climate-smart technologies, and sustainable practices. By fostering green entrepreneurship and ensuring meaningful youth engagement, we are not just preparing the youth for the future; we are equipping them to lead it.



As we look towards the future, our commitment to solidarity and prosperity remains unwavering. The upcoming IsDB Group Annual Meetings in Riyadh will offer an ideal platform to further our mission. Through seminars, forums, and discussions, we will explore innovative solutions to the challenges facing our member countries, driven by the theme of our Bank's Golden Jubilee.

In line with the theme of IsDB's Golden Jubilee, we extend a heartfelt invitation to stakeholders, partners, and the youth to contribute to the joint mission of youth empowerment through sustainable livelihoods. Partners' insights and experiences are invaluable as we continue to navigate the complexities of our time, inspired by our past achievements, and propelled by a shared vision for a future marked by originality, solidarity, and prosperity.

As we extend our gratitude to the partnership network and look forward to your continued engagement, let us remember that our journey together is not just about reflecting on our past successes but about reimagining and reinventing our future. Together, we are charting a course towards a world where every young person has the opportunity to thrive, innovate, and lead.



# Advancing Universal Health Coverage: IsDB and WHO Strategic Framework Agreement (SFA) to Support SDG 3 Achievement in Member Countries



**Mouhamadou Amin Kébé**  
Portfolio Manager, WHO

The constellation of the 17 goals with 169 targets adopted as the United Nations Sustainable Development Goals (SDGs) by all 191 UN member-states provides an unprecedented opportunity for new partnerships, stronger cooperation, and concrete joint work-plans across all development stakeholders. As progress is showing mild half-way through, partnerships towards achieving those goals and targets by the year 2030 are most welcome.

WHO and IsDB committed to intensify partnership, working on their comparative advantage to jointly strengthen countries' health profile. WHO, as the Global Custodian of Public Health, has a central role in SDG 3: Ensure healthy lives and promoting well-being for all at all ages, unfolded through 13 targets covering a wide spectrum of public health imperatives and WHO's work. While SDG3 focuses specifically on health, the other 16 goals are inevitably related to health in a way or another, because of the critical human capital nature of health.

This agenda that was set ten years ago, building on the Millennium Development Goals adds a critical equity dimension beyond quantitative targets – because without improving equity, inequality may increase and jeopardize goals and targets among women, children and the poorest, who are most disadvantaged.

In that spirit, the Islamic Development Bank (IsDB) and the World Health Organization (WHO) jointly elaborated a Strategic Framework Agreement (SFA - June 2020 - April 2022) signed in Doha (November 2022) by the two leaders – Dr Muhammad Al Jasser, President of the IsDB Group and



Dr Tedros, Director-General of WHO. The SFA aims to support countries achieving SDG 3 within a permanent agenda of Universal Health Coverage. The SFA, while starting with few pilot countries, targets all 57 member countries jointly of the IsDB and of WHO in all regions. Most country operations will concentrate in Sub-Saharan Africa and Mediterranean region, where fragility, vulnerability, conflict, and violence-affected communities are growing among countries and communities.

The SFA builds around the following Strategic pillars in support of SDGs at global and country levels.

- 1: Targeting Vulnerable and Poor (V&P) Populations
- 2: Strengthening Primary Health Care (PHC) Delivery and Preventive Care
- 3: Support Domestic Health Financing Initiatives to Achieve UHC
- 4: Innovate Financing for Health Projects and Programmes
- 5: Target Impact Investment in Supporting Other Sectors and Thematic Policies
- 6: Improve IsDB Accountability and Governance for Health

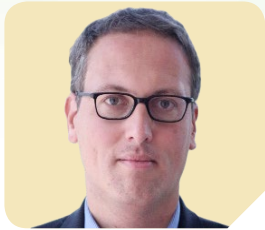
In elaborating and implementing the SFA, WHO and IsDB have come together in few countries through a tripartite agreement - IsDB providing the financing, WHO providing the technical assistance to deliver outcomes and targets at the benefit of the recipient country. In Yemen,

Uzbekistan, Senegal, Sierra Leone, projects are on-going, while ten other countries including Indonesia, Bangladesh, Tajikistan, Mozambique, Djibouti and Turkmenistan are in the pipeline to start by end 2024.

The SFA is a model of cooperation, illustrating IsDB and WHO worldwide operations. It also highlights IsDB's unique value-added in bringing Islamic financing as the fastest growing financing mode in the development finance industry since 2018 (average 11%), with more than US\$ 3000 billion (3 trillion) assets volume in 2023. All Multilateral and International Financial Institutions including World Bank and IMF are hence considering Islamic Finance as relevant approach to expand financing mode in a growing demand context, and therefore to accelerate SDGs achievement.

IsDB expects through the SFA to improve accountability and governance for health as it has been significantly increasing financial performance, with annual net approvals on a 20% increase to reach US\$10.5 billion in 2022, up from US\$8.9 billion in 2021. In the meantime, WHO launched a new financing model (Investment Round) to better support countries achieving SDGs within a permanent agenda of Universal Health Coverage (UHC). The new WHO IR, while fostering member states regular financing targets also multilateral increased financing to WHO work, which comes timely with the SFA implementation to increase finance and technical support towards achieving SDGs within UHC.

# Fostering Collaboration: Unlocking the Potential of European-IsDB Cooperation



**Yannick du Pont**  
Member of the Development Cooperation Committee at the Dutch State Advisory Council on International Affairs & Strategic Advisor for several Economic Development initiatives

The stark reality of our global progress towards achieving the Sustainable Development Goals (SDGs) paints a grim picture: a mere 15% are on track, while 37% are either stagnating or regressing. This concerning trend is exacerbated by widening political disparities between Western nations and the global South. The recent Russia-Ukraine conflict and escalating conflict in Israel/Palestine further intensify this gap, diverting crucial political and financial resources away from regions already grappling with dire challenges, such as Afghanistan, Sudan, and Yemen.

In light of these pressing issues, it has become imperative to accelerate cooperation between European Institution and the IsDB. Collaborative efforts in economic development programming not only optimize scarce resources but also amplify their impact in the short to medium term. Moreover, such cooperation fosters policy dialogues aimed at addressing the root causes of the conflicts plaguing our world today.

Having been engaged in collaborative economic development programming with the Islamic Development Bank (IsDB) since 2018, I've come to appreciate the significant added value the bank brings to the table:

- Firstly, the IsDB has demonstrated the power of resource leveraging. Too often, I've observed parallel programming initiatives that, when combined, could yield far greater impact.
- Secondly, the IsDB's role in conferring legitimacy to programming cannot be

overstated. This legitimacy grants a social and political license to operate in regions where Western actors may lack sufficient access.

- Thirdly, in line with a recent evaluation of Dutch foreign aid to fragile states, interventions must prioritize contextual and cultural sensitivity to truly make an impact. The IsDB is exceptionally well-placed to offer assistance in this regard.
- Lastly, the IsDB possesses the potential to amplify the voices of its member states in Western forums. The ongoing conflict in Israel/Palestine serves as a poignant example of why such amplification is urgently required. Unless we earnestly address the root causes, we'll find ourselves perpetually dealing with its consequences.

What makes these advantages particularly compelling is their alignment with the interests of both IsDB member states and the European Union (EU). This alignment has been duly recognized. In May 2022, the EU unveiled its high-level Strategic Partnership with the Gulf, a commitment reinforced during a ministerial EU-GCC summit in Oman in October 2023. Notably, the Organization of Islamic Cooperation (OIC) and the IsDB were singled out as the EU's most important development partners.

The practical implementation of cooperation presents the greatest challenge. Bridging the gap between the

organizational structures and cultures of the IsDB and the EU pose significant obstacles that often are underestimated. Additionally, operational disparities in programming design, planning, and execution further complicate matters. Addressing these hurdles demands dedication and leadership. However, viable solutions do exist. For instance, establishing liaisons within each other's institutions, identifying concrete trilateral development opportunities (such as second phase of the Lives and Livelihoods Fund or climate funding), expediting EU pillar assessments of IsDB, and potentially forming an integrated, full-time team could be possible steps.

The underlying logic for leveraging development between the EU and the IsDB has always been inherent. Recent geopolitical shifts have only heightened the interest of both Western and IsDB member states in making this collaboration successful. We should seize that opportunity.

In conclusion, reflecting on my three decades of experience predominantly with Western aid agencies, I envision a shift towards a new era where mutual exchange between global oriented professionals across institutions on developmental challenges becomes the norm. Achieving this will require concerted efforts from both sides, but the potential for significantly impacting the lives of those in need, who deserve nothing less, is immense.



# Empowering Sustainable Development: The Role of Capacity Development and Training Services in Shaping Global Partnerships



**Giuseppe Elio Zefola**  
Deputy Director of Training Assistant-Director  
Turin School of Development  
International Training Centre of the ILO

In the pursuit of the Sustainable Development Goals (SDGs) outlined in the 2030 Agenda, capacity development and training services emerge as indispensable tools for fostering inclusive growth, resilience, and sustainable development worldwide. The collaboration between the International Training Centre of the International Labour Organization (ITCILO) and the Islamic Development Bank (IsDB) exemplifies a strategic partnership aimed at advancing the SDGs and realizing the 2030 Agenda. Here is how the joint collaboration and mandate contribute to this global endeavor:

**Targeted Capacity Building:** The SDGs encompass a broad spectrum of goals spanning economic, social, and environmental dimensions. Through tailored training programs, the IsDB and ITCILO can address specific challenges related to poverty alleviation, gender

equality, decent work, climate action, and more. By equipping stakeholders with the necessary skills and knowledge, these programs empower individuals and institutions to actively contribute to SDG implementation at the local, national, and regional levels.

**Agenda 2030:** Achieving the SDGs requires collective action and collaboration among governments, civil society, academia, and the private sector. The ITCILO serves as a platform for **fostering dialogue, networking, and collaboration among diverse stakeholders, facilitating the exchange of ideas, best practices, and innovative solutions.** By bringing together stakeholders from different sectors and backgrounds, the IsDB and ITCILO foster a holistic approach to sustainable development, harnessing the collective expertise and resources needed to address complex challenges.

**Partnerships for the Goals:** The collaboration between the ITCILO and IsDB promotes South-South cooperation, whereby countries in the Global South exchange knowledge, expertise, and resources to support each other's development efforts. By leveraging the experiences and successes of countries with similar socio-economic contexts, capacity development initiatives become more contextually relevant and effective. This exchange of knowledge not only accelerates progress towards the SDGs but also strengthens solidarity and mutual support among nations.

Sustainable development hinges on the ability of nations to build and strengthen their **local capacities.** The ITCILO's emphasis on building the skills and competencies of local trainers and practitioners ensures that capacity development initiatives initiated by the IsDB are not only effective in the short term but also sustainable in the long run. By investing in local talent, countries can drive their own development agenda independently.

**Innovation and technology** play a crucial role in advancing sustainable development and overcoming barriers to progress. The ITCILO's focus on integrating cutting-edge practices and technologies into its training services facilitates the adoption of innovative solutions by stakeholders. By enhancing technological capabilities and promoting digital literacy, the IsDB

and ITCILO empower communities to harness the potential of technology for sustainable development, whether it's through e-learning platforms, digital entrepreneurship, or smart infrastructure solutions.

On the other side, **effective monitoring and evaluation mechanisms** are essential for tracking progress towards the SDGs and identifying areas for improvement. The ITCILO supports capacity development initiatives with robust monitoring frameworks, enabling stakeholders to assess the impact of their interventions and make data-driven decisions. By ensuring accountability and transparency, these mechanisms enhance the efficiency and effectiveness of SDG implementation efforts, ultimately leading to more sustainable outcomes.

Additionally, **good governance of development projects and interventions** is a key dimension of sustainable development. The transfer of good practices and sound management concepts from financing institutions and multilateral development banks to borrowers and grantees through specific capacity development and knowledge management services is of paramount importance to ensure the efficient use of financial resources and the overall effectiveness and impact of development projects. This is particularly true in areas such as project cycle management, project procurement, environmental and social safeguards, financial and contract management, which all contribute to promoting dimensions of the SDGs. This has been a fundamental component of the collaboration between IsDB and ITCILO in their long-standing and mutually beneficial partnership.

In conclusion, the collaboration between the IsDB and ITCILO underscores the importance of capacity development and training services in advancing the SDGs and realizing the vision of the 2030 Agenda. *Through targeted capacity building, multi-stakeholder engagement, South-South cooperation, innovation integration, and monitoring and evaluation, this partnership drives progress towards a more inclusive, equitable, and sustainable future for all. By empowering individuals and institutions with the skills, knowledge, and resources they need, the IsDB and ITCILO contribute to building a world where no one is left behind, and where prosperity is shared by all.*



# New Framework for Disrupting the Climate-Driven Cycle of Agriculture, Food, Health, and Productivity for Female Farmers in Africa



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Programme, WFP



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**Martin Bloem**  
Professor of Environmental  
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## Food, Climate, and Agriculture Context in Africa

The prevalence of hunger and food insecurity remains a pressing issue in Africa, reflecting more profound systemic challenges. In 2022, the continent faced a nearly 20% rate of undernourishment, significantly higher than in other regions. Africa's malnutrition crisis is deeply intertwined with the pervasive effects of climate change. Africa is disproportionately affected by climate change, facing escalating heat burdens, severe droughts, devastating floods, and more. Even so, the continent, responsible for a minimal fraction of global emissions, struggles to secure climate finance and reparations.

As the continent contends with the repercussions of an ever-changing climate, agriculture cannot be ignored. Agriculture is undeniably central to Africa's economy, accounting for 60% of jobs on the continent and 16.5% of Africa's GDP. Finally, it is crucial to recognize the role of women in Africa's agricultural sector, where estimates for women's contribution to the agricultural labor force range from 40% to 80%.

## Complexities between Climate Change, Agriculture, Food, Health, and Productivity – A New Framework

We present a new framework here that illustrates the complex relationship between climate change, agriculture, health, and livelihoods which form a vicious cycle. Climate change increases floods, droughts, and natural disasters, which negatively impact agricultural production. Greenhouse emissions have a dual impact on the world's food supply: while increased carbon dioxide levels may initially boost crop productivity, these elevated CO2 levels and the associated increase in heat also reduces the nutritional quality of staple foods. Overall, the impact of climate change decreases agricultural productivity, food availability, and food quality.

Reduced food availability and quality cause malnutrition, but extreme heat, independent of the food pathway, directly leads to other health implications, which in turn impacts overall human and economic productivity. Micro-economically, climate change deepens

extreme poverty, potentially driving agricultural expansion into natural areas, thus causing habitat loss, and reducing ecosystem services. The dependence of subsistence households on food stock rather than technological investments perpetuates a cycle of shocks, risks, and poverty. This cycle is particularly important within the context of women in agriculture, as ambient heat exposure poses elevated risks to people managing pregnancy and/or caregiving roles.

## Designing Cycle-Breaking Interventions

To address these complex and pressing challenges, this approach recommends analyzing the individual climate, agricultural, food, and health landscape of the community, and works to identify and implement the most impactful cycle-disrupting interventions targeting women in agriculture. To ensure cross-sectoral support, this approach focuses on two pillars of coverage within the lens of female farmers: sustainable livelihoods, and climate-sensitive health & nutrition.

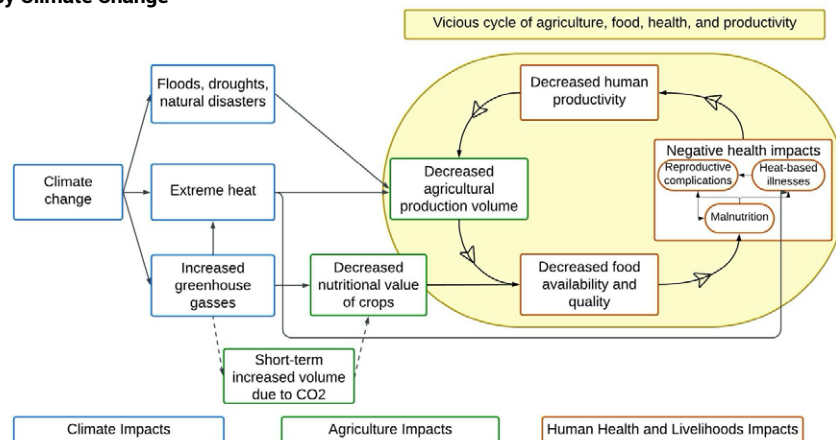
**Sustainable Livelihoods:** The sustainable livelihoods pillar asks a key question within the target community: How can smallholder farming be more sustainable from a climate perspective, including increasing climate

adaptive and resilient practices? These may include but are not limited to the use of drought-resistant seed varieties, water-conserving farming practices, and soil health practices. In order for investments in female farmers to have long-term impacts, efforts must be made to ensure that the enterprise will provide long-term livelihoods support. This necessarily involves implementing protective factors against inevitable climate impacts, such as increasing the availability of climate forecasting and monitoring data and offering climate-specific agricultural insurance schemes so that farming remains a stable source of income and food.

**Climate-Sensitive Health & Nutrition:** The climate-sensitive health & nutrition pillar recognizes that health and nutrition are vital to the well-being and productivity of women in agriculture. Women are not only at greater risk of negative health implications from heat, but are also at greater risk for malnutrition, both of which can have dire reproductive consequences. This pillar focuses on holistic health and nutrition interventions with a climate and gender-sensitive lens and recognizes that good health is a prerequisite for high productivity and successful livelihoods.

To chart a prosperous future for all, we cannot ignore the connections between many of the sustainable development goals that we aim for. When we consider the Sustainable Development Goals of Zero Hunger (SDG 2) Good Health and Well-Being (SDG 3), Gender Equality (SDG 5), and Climate Action (SDG 13) in a vacuum, we miss opportunities to take a holistic, systems-based approach which can generate more impactful and sustainable change. Disrupting the climate-driven cycle of agriculture, food, health, and productivity for female farmers presents an original and new framework for sustainable development interventions in Africa by considering the linkages that connect our goals.

## Linkages between Agriculture, Food, Health, and Productivity form a Vicious Cycle Exacerbated by Climate Change



Mehra, Rael, Bloem, 2024

1 IPCC. (2022). Climate Change 2022: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.  
2 This diagram was submitted to the Frontiers in Sustainable Food Systems Journal, Nutrition and Sustainable Diets section, in February 2024 as part of the paper titled Climate Change, Agricultural Productivity and Health and Nutrition in Africa: Costs and Programmatic Options by Divya Mehra, Trula Rael, and Martin Bloem.

# Building on IsDB Successes with Public Investments to Achieve the SDGs



**Aurélien Pillet**  
Climate & Innovative Finance Lead,  
Globesight

## Leveraging Private Sector Participation in Blended Finance for Climate Resilience

In the face of escalating climate challenges, innovative financing mechanisms are crucial for mobilizing resources to combat climate change. According to the Climate Policy Initiative's estimates, an investment of US\$ 266 trillion is required between now and 2050 to mitigate and adapt to climate change effectively. Blended finance has proven effective in funding climate resilience projects. Drawing from IsDB's expertise in blended finance that targets public investments, there is an opportunity for IsDB to leverage its experience to structure similar vehicles aimed at catalyzing private sector investments at scale. By aligning these efforts with the Sustainable Development Goals (SDGs) and climate objectives, IsDB can play a transformative role in driving private sector engagement in climate resilience.

### The Lives and Livelihoods Fund (LLF)

At the forefront of blended finance initiatives is the Lives and Livelihoods Fund (LLF), a flagship facility housed at the IsDB Group. The US\$ 2.5 billion blended finance vehicle, uniquely leveraging concessional financing, works to lift the poorest out of poverty across 33 IsDB member countries through public investments in primary health and infectious diseases, small-holder farming and rural agriculture, and basic infrastructure. The portfolio of projects approved by the LLF from 2016 to 2021 is already transforming thousands of lives and livelihoods spanning sub-Saharan Africa, the Maghreb, the Middle East, Central Asia, and Asia. Since its creation in 2016, its financing has benefitted over 3 million smallholder farmers to improve their productivity and livelihoods, providing access to quality healthcare for 12.5 million women and children, and is expected to provide

over 7.5 million people with better water and sanitation facilities.

The LLF's investments in Pakistan illustrate the case for blended finance. By pooling public resources with philanthropic contributions, keen to support a national health priority, the LLF actively supported the highly impactful Pakistan Polio Eradication Initiative with US\$160 million in concessional financing. This support strengthened the program's operations, enhanced its surveillance capabilities, facilitated vaccine procurement and social mobilization, and improved its communications, maximizing the impact of the program leading to 99% reduction in polio incidence. The LLF's support has helped ensure that all children under five are immunized, vaccinators are afforded training and support, and communities are made aware of the importance of polio vaccination.

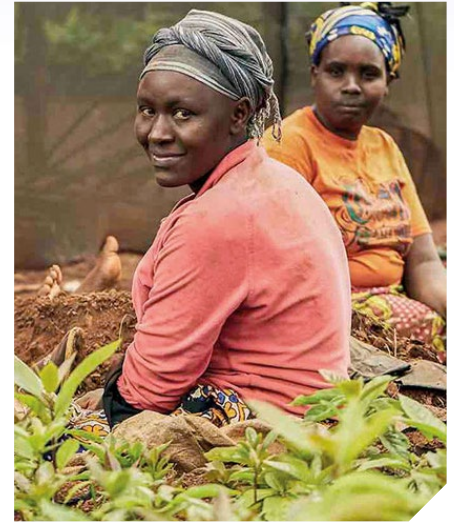
### Linkages with SDGs

The LLF channels public funding towards climate-resilient infrastructure, healthcare systems, sustainable agriculture, and renewable energy projects that address multiple SDGs in target countries. The LLF, through its integrated approach, with its crosscutting focus on climate adaptation and gender equality, delivers solutions that span multiple SDGs across several countries.

### From Public to Private Investments: Unlocking Private Sector Engagement

Building on the LLF success, taking into account public debt constraints in the Global South, as well as the extent of the 15-figure financing gaps to achieve both the SDGs and climate goals, IsDB can pivot towards structuring similar blended finance vehicles targeting private sector investments. By leveraging financial instruments such as grants, junior debt, junior equity, or guarantees, coupled with reputational support and local expertise, IsDB can reduce investment risks and create attractive opportunities for commercial investors. This approach not only unlocks new sources of funding for climate resilience projects but also fosters innovation and entrepreneurship in IsDB member countries.

The transition from public to private sector investments would align closely with IsDB's commitment to the SDGs and climate action. By focusing on sectors such as renewable energy, sustainable agriculture, and climate-smart infrastructure, the IsDB can continue to promote its integrated approach to achieving



impact across the SDGs, including poverty eradication, gender equality, and climate resilience. Specifically, by integrating climate considerations into its investment strategies, IsDB could contribute to global efforts to mitigate the impacts of climate change.

This would require strategic partnerships and innovative financing structures. IsDB could collaborate with multilateral development banks, philanthropic organizations, and private sector entities to design blended finance vehicles tailored to the needs of private investors. By providing technical assistance, capacity building, and financial incentives, IsDB can catalyze private sector engagement in climate resilience projects at scale, driving sustainable development and economic growth.

IsDB is uniquely positioned to drive private sector engagement to climate resilience by leveraging its network of partners and extensive experience and expertise in blended finance. By harnessing the power of public, private, and philanthropic resources, IsDB can structure innovative financing mechanisms that de-risk and mobilize private capital for initiatives aligned with the SDGs and climate goals. As IsDB transitions from public to private sector investments, it can play a transformative role in driving sustainable development and building climate resilience in IsDB member countries and beyond. As the global community intensifies efforts to combat climate change, embracing innovative financing mechanisms is crucial to creating a more sustainable and resilient future for all.

# SDG Goal 17:

## Let Us All March Forward Together



**Ignacio Corlazzoli Hughes**  
Manager in Europe, Asia and the Middle East, Development Bank of Latin America (CAF)

*“Yesterday is but today's memory, and tomorrow is today's dream,”* wrote the Arabic poet, Kahlil Gibran.

There are merely 2,000 days that separate us from 2030. The calendar page marked with the acronym S.D.G. - Sustainable Development Goals, which humanity perceived once so far away, is just around the corner.

At this point, we have several options before us. The first one is to sit down and take inventory of what we have accomplished, congratulate each other, and put the matter aside. The second one, is to regret what will not be possible, seeing the world in terms of post-pandemic and pointing out blame.

The third one is not to stop: act, deepen what we have been doing, adjust what is necessary and continue moving forward without pause. We strongly believe that this last option is the correct one.

There is an infinite time horizon for action on SDGs. Sustainability, human well-being, and environment preservation are goals that can be reached collectively; they are a path that construct a precise roadmap to follow.

In addition to its actions in education, infrastructure, connectivity, institutional strengthening, and improvement of urban settlements, among others, CAF - development bank of Latin America and the Caribbean is allocating \$25 billion USD in green financing until 2026 to accompany its partner states and the private sector in sustainable actions.

CAF's Executive President, Mr. Sergio Diaz-Granados, set clear goals for the Bank



by stating that “We are a green bank, we are the bank of recovery, and we are a blue bank” for Latin America and the Caribbean.

As Development Banks we can contribute significantly from an institutional position, as well as foster actions through the financial sector. We stand at an inflection point, where the decisions we all make today will determine what the future will be tomorrow.

Inspired by H.E. Dr. Muhammad Sulaiman Al Jasser, Chairman of the Islamic Development Bank Group, we believe that “the world needs innovative financing”. We congratulate His Excellency and the IsDB staff for its 50th anniversary. Mabrouk.

The Global South -that both IsDB and CAF embrace- generates new ways of thinking about the environment and addressing the challenges that lie ahead. Interacting with new actors such as the Arab Coordination Group allow us to establish the conditions to achieve this.

Few will remember that the SDGs were born in Latin America, a Colombian proposal to the Rio+20 held in 2012. This year, the world is reverting to Rio de Janeiro for the G20 Summit. It is also worth noting that in October 2024, our region will also be hosting the upcoming COP16 on Biodiversity in Cali, Colombia, and the COP30 on Climate Change in the Brazilian city of Belém do Pará.

As the development bank of Latin America and the Caribbean, we therefore have a moral obligation to promote the comprehensive implementation of the SDGs.

Let's think about where we need to be – not in 2030, but in 2050. Durable long-term solutions need to be developed today. The dialogue and collaboration among all financial institutions in Riyadh could be a renewed inspiration for this challenging path.

As Kahlil Gibran once counseled: “*March on. Don't tarry. To go forward is to move perfection toward. March on, and fear not the thorns, or the sharp stones on life's path.*”

In the spirit of the SDG Goal #17 – Partnerships for the Goals, let us resolve to march forward with those who seek a better future.

“  
Yesterday is but  
today's memory,  
and tomorrow is  
today's dream

Kahlil Gibran.

# ADB and Emerging Partners: Catalyzing Sustainable Development and Poverty Alleviation in Asia and the Pacific



**Batir Mirbabaev**  
Senior Partnership Specialist, Asian  
Development Bank

In an era marked by global challenges, the Asian Development Bank (ADB) has strategically shifted its focus to support developing member countries (DMCs) in achieving a green, resilient, and inclusive recovery. While ADB's financial resources are substantial, their impact is significantly amplified through strategic partnerships with diverse stakeholders. These partnerships allow for resource pooling, risk-sharing, and knowledge exchange from multilateral and bilateral donors for development projects in DMCs.

In 2023, ADB forged robust partnerships with 24 bilateral and multilateral partners for 124 sovereign projects, totaling \$9.5 billion in cofinancing. These collaborations play a pivotal role in promoting economic

growth, poverty reduction, and sustainable development across Asia and the Pacific.

ADB acknowledges the transformative potential of emerging partners, especially those from the Middle East. ADB actively collaborates with these partners, fostering resilience and driving sustainable progress in DMCs. This cooperative approach enhances the impact of development initiatives and serves as a powerful tool for mobilizing concessional finance, which is crucial for developing countries. Here are some notable examples:

- 1. Collaboration between the Islamic Development Bank (IsDB) and ADB* paved the way for closer coordination of activities and cofinancing in the infrastructure sectors such as energy, transport, and rural development. The two institutions have co-financed 25 projects in 10 DMCs. Recently, IsDB provided \$20 million for cofinancing the "Greater Malé Waste-to-Energy Project" in the Maldives, which ameliorates sustainable waste treatment, generates electricity, reduces greenhouse gases, and improves the local environment. IsDB is also an active partner of ADB's Central Asia Regional Economic Cooperation Program.

- 2. Partnership with the OPEC Fund* has been very dynamic, innovative, and diverse over the recent years. This includes critical support to ADB's COVID-19 response programs in Bangladesh with \$70 million and in Pakistan with \$50 million; the establishment of a Trust Fund for Project Preparation; the \$500,000 grant to strengthen the capacity of the Government of Thailand integrating a new bio-circular green economy model into national development strategies; and joining as partner of the Nature Solution Financing Hub, which targets mobilizing \$5 billion for nature-positive projects in Asia and the Pacific.
- 3. Qatar-based Education Above All Foundation (EAA)* is an important partner in promoting equitable access to primary education. EAA and ADB are helping out-of-school children (OOSC) access education by adding more learning centers, bringing more girls and children with special needs to school, and improving school operations and management. EAA's \$40 million grant support to ADB programs in Bangladesh and Pakistan helped bring back more than 1.5 million OOSC to schools.
- 4. Cooperation with the Saudi Fund for Development (SFD)* focuses on joint climate finance, particularly clean energy in Pacific countries, and knowledge exchange in corporate strategy and business process, communications, and project evaluation. SFD is also an important partner in the Nature Solution Financing Hub Initiative, which was launched during the COP28 UN Climate Change Conference in Dubai. Currently, the two institutions are discussing two potential investment projects in the Solomon Islands and Nepal.



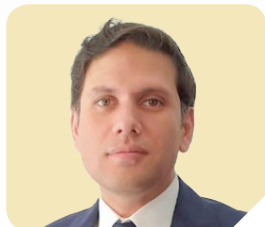
The emerging partnerships enrich ADB's operations and remain an essential part of ADB's Strategy 2030 in improving people's lives and building a prosperous, inclusive, and resilient Asia and the Pacific. Together, we can build a resilient and inclusive region that leaves no one behind.

# Programming to the Nines

## How the IsDB's Lives and Livelihoods Fund is Reaching Nine Sustainable Development Goals with Innovative Programming



**Waleed Addas**  
Manager, Regional Hub Rabat,  
Special & Trust Funds



**Mohammed Umer Mir**  
Lead Project Management  
Specialist, LLF Division,  
Special & Trust Funds



**Munazza Inam Siddiqui**  
Communications Specialist,  
LLF Division

drive change. Our investments are diversifying national economies, promoting domestic food production, and providing jobs for their people, especially women and youth.

### AGRICULTURE – THE BINDING FORCE BETWEEN SDGs

Agricultural productivity in the LLF-supported low- and middle-income countries face myriad of challenges thus undermining inclusive growth, sustainable development, and local livelihoods. At the farmers' level, we're seeing slowdowns in the growth of their on-farm productivity due to soil infertility, lack of local systems such extension services, climate stressors and market access.

LLF's investments, worth US\$ 548 million, in the agricultural sector are addressing not only hunger and malnutrition, but also other challenges including poverty; water and energy use; climate change; and unsustainable production and consumption.

The Fund's agricultural and pastoral development initiatives are based on ensuring the availability and adoption of improved crop cultivars, livestock breeds, fertilizers, and optimizing the use of inputs, information, markets, and improved natural resource management.

We are also piloting agricultural biotechnology in select countries that provide

It's the year 2030. TV news channels and newspapers around the world are at fever pitch for averting a climate catastrophe. World leaders are congratulating their people and each other for making history by achieving 15 per cent cuts of emissions and clocking in a booming global economy with reduced social and gender inequalities and universal health coverage.

We have all agreed to strive and make this future a reality, leading to safety and prosperity of generations to come. We have agreed on the way to get there. What we need now is to bridge the gap between promises and concrete and effective actions.

The special edition of the Sustainable Development Goals Report launched last year (2023) in July is a stark reminder of 'too much to do, too little time to do it'. It also reminds us that no one country or organization or institution has the silver bullet to achieve SDGs or overcome complex development challenges. Hence, strategic partnerships are the order of the day that make inroads into all the SDGs for smooth and timely accomplishment.

The Lives and Livelihoods Fund (LLF) – a first-of-its-kind development initiative in the Middle East – is a creative partnership between IsDB and global development partners including the Abu Dhabi Fund for Development, the Bill & Melinda Gates Foundation, the Islamic Solidarity Fund for Development, King Salman Humanitarian Aid and Relief Centre, and the Qatar Fund for Development. A champion of multilateral cooperation, the Fund is a testimony to the commitment of our partners to the SDGs.

LLF, with USD 1.5 bn investments in 22 developing member countries, is catalyzing nine out of 17 development goals through its thought leadership, interregional programming, and capacity enhancement for country-level uptake.

More concretely, LLF is helping debt-stressed member countries with narrow maneuvering fiscal space to finance development projects, scale-up SDG investment in critical social development initiatives through a blended finance approach. The Fund augments available concessional financing and contributes to bridging the \$2.4T SDG financing gap.

LLF's investments translate into real-time programming in countries that are at the forefront of global crises but are still heeding the call of the Decade of Action. With financial and technical assistance from the Fund, these countries have launched innovative initiatives to help their smallholders, fishermen, doctors, mothers, and nurses

### INTRODUCING BIOGAS TECHNOLOGY FOR RURAL AGRICULTURE AND PASTORAL DEVELOPMENT IN UGANDA



As high stagflation and limited growth opportunities crept into his city life, Nyabongo, 53, had no choice than to call it a day. He moved into his family farmhouse in 2017 where he was beset with a different set of challenges like power failures, gas shortage, inaccessibility to food markets etc. With a growing family, Nyabongo had no end in sight to his economic dilemmas.

It was one day when Nyabongo was introduced to the multidimensional Local Economic Growth Support Project, funded by LLF and co-financed by the Government of Uganda. Since 2019, the

LEGS Project has been training small and medium scale farmers to increase their livestock production, diversify farm produce and develop sustainable sources of clean and renewable energy for domestic and commercial use.

Describing his experience of engaging with the LEGS project, Nyabongo said, "Truly speaking, the LLF project was like the light at the end of the tunnel. LEG's single most important contribution to my farm life is the training on establishing a micro biogas plant, where we recycle biodegradable waste in a bioslurry to be taken back to pastures as manure. This has increased my capacity to grow food at commercial scale, and my family income has increased by 20% in two years. "The biogas plant is attached to the kitchen for a regular supply of gas, which is actually a dream come true for my wife, to provide our family of ten with several warm meals every day," Nyabongo added.



another powerful domain to drive profitable on and off-farm production.

### HEALTH – A SEED INVESTMENT IN HUMAN CAPITAL DEVELOPMENT AND ECONOMIC GROWTH

Positive health outcomes in the low and lower-middle income countries are falling short of targets identified in the SDGs, with many countries behind average compared to global peers. Worldwide, approximately 930 million people are at risk of descending into poverty due to out-of-pocket health spending of 10% or more of their household budget.

With a US\$ 681 mn health portfolio, the Lives and Livelihoods Fund is supporting member countries to drive annual progress towards the ambitious health goals, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality, and affordable essential medicines.

Primary health care, which is widely regarded as the most inclusive, equitable and cost-effective way to achieve sub-SDG 3.8 related to universal health coverage, is the core focus area of LLF's investments and technical assistance.

Similarly, the Fund is directing its investments to support countries build integrated health systems in high return-on-investment areas such as vaccination, HIV and malaria prevention, and child nutrition and maternal health. These are steadily yielding better and long-term health outcomes at lower costs.

### SOCIAL INFRASTRUCTURE, GENDER, CLIMATE CHANGE – REINFORCING SYNERGIES BETWEEN CRITICAL SDGs

Robust, resilient, and all-weather social infrastructure is the mother of all SDGs. From the water we drink to the way food reaches our tables, infrastructure caters to every aspect of life. It has the power to shape human habitat and make our communities, our cities, our homes livable.

LLF is investing US\$ 204 million in basic social infrastructure development to help countries meet shortfall in providing clean water, sanitation, electricity, and other foundational services to their citizens, especially women.

These stories, and many more from our extensive portfolio, give us new impetus to enhance our financial and operational architecture to better support the implementation of the 2030 Agenda for Sustainable Development. LLF investments support over 3 million smallholder farmers to improve their productivity and livelihoods, give access to quality primary healthcare for 12.5 million women and children, and will provide over 7.5 million people with better water and sanitation facilities. We must remember that innovative financing models like the Lives and Livelihoods Fund can lift governments out of vicious debt circle and help them deliver on the SDG commitments.

### HEALTHY MOTHERS = HEALTHY TAJIKISTAN



Saodat was over 30 when her last child was born in a remote village of Khatlon region, Tajikistan. Like the previous two pregnancies, she was seen doing the lion's share of backbreaking work on a nearby farm throughout her third pregnancy.

"My lower body was in constant pain after the birth of my third child. I dismissed the pain as a mere repercussion of strenuous agricultural labor. But as the condition prolonged, I was gripped with fear. My neighbor suggested that I visit a mobile health fair organized by the LLF-funded project, offering free check-ups and consultations.

The visual screening opened my eyes to the gravity of my situation. I had developed a precancerous condition. Subsequent consultations with specialists at these fairs referred me for a colposcopy of the cervix and made requisite treatment available, which was otherwise beyond my access, both financially and logistically."

Saving young mothers and newborn babies from meeting a tragic fate is an everyday battle for doctors in Tajikistan. Some days the battle is won; other days it is lost. A significant factor contributing to these health outcomes is the poor quality of maternal and emergency obstetric care, heightened by the lack of a functioning referral system and means of transport, especially in rural areas.

LLF stepped in with a USD 23 million Improving Maternal, Neonatal, and Child Health Services Project, implemented in partnership with the Ministry of Health & Social Protection of Population and development partners WHO, UNFPA and UNICEF.

UNFPA is organizing a series of health fairs to bolster public awareness on health-related matters. These health fairs are driving a pragmatic and rights-based strategy that helps health practitioners penetrate far-flung areas and cater to the fundamental health needs of the most marginalized women and girls.

### RECYCLING WOMEN EMPOERMENT WITH ROBUST SANITARY INFRASTRUCTURE SUPPORT



As the sun beats down on the port city of Conakry, a marshland of overnight garbage, plastic, and other harmful waste, greets the residents with a pervasive, pungent smell. A group of women effortlessly make their way across the scattered piles to choose and collect discarded material, which they will sell to a recycling company and take a reasonable amount of money back home in the evening.

Because Conakry stretches over a peninsula as wide as seven kilometers, the waterways and underground sewerage systems are at high risk of hazardous contamination. The situation is compounded by a fractured solid waste management, resulting in inadequate waste collection facilities.

The LLF-funded USD 54 million Conakry Sanitation Project marks a decisive turning point in the city's solid waste management history opening doors for 20,000 local women to take charge of their communities' waste management practices in a safe and hygienic environment.

The 28-year-old Aminata Fofana, mother of four, is among the 20,000 women who form the backbone of Conakry Sanitation Project. Growing up in the illegal dump in Fossidet Commune district of Ratoma, she saw her father spending his life as a waste picker at the dump site, which became her source of income also after marriage.

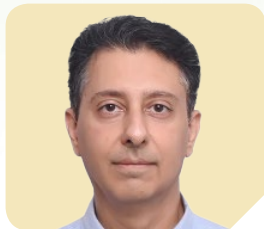
"To support my husband, I joined the site set up as a cleaning officer. Today, I earn a decent living and contribute to the household expenses. My children can go to school now, and I am satisfied."

Conakry has come a long way from unfenced and insecure disposal sites to walled and organized garbage collection structures built by the LLF project to ensure women safety and protection.

# Exploring IsDB's Contribution in Indonesia's Advancement Towards SDG 3



**Amer Bukvic**  
Director, Regional Hub,  
Jakarta



**Dr. Ali Fallahi**  
Country Economist, Regional Hub,  
Jakarta

Indonesia has declared its commitment to implement and achieve the SDGs since September 2015. Indonesia's SDGs have seen significant progress, with the government and various stakeholders actively working towards achieving the targets. Several key trends in Indonesia's progress towards the SDGs include Poverty Alleviation, Environmental Conservation, Economic Growth and Innovation, Social Inclusion, **Health**, and Urban Development. At a global level, the Sustainable Development Report 2023 shows that Indonesia is ranked 75th in the world, a significant increase compared to six years ago when it was ranked 102. Indonesia's SDGs index score increased from 64.2 in 2019 to 70.2 in 2023 (Sustainable Development Report 2023 (sdgindex.org)).

At the national level, the Ministry of National Development Planning/Bappenas reports that the achievement of National SDGs in 2023 shows that 76 percent of SDGs indicators in Indonesia have been achieved and experienced progress, consisting of 60 percent of targets achieved, and 16 percent will be achieved. As per the UNDP website, among the 17 SDGs, SDG3 (Good Health and Well-being) is "Moderately Improving", although challenges remain.

Before the pandemic, the majority of IsDB financing revolved around agriculture, education, and transportation projects but **after the COVID-19 pandemic which started in March 2020, the health sector partnership between Indonesia and IsDB increased significantly.** Amid the pandemic, considering the dire need of the National Referral Hospitals in terms of hospital beds, equipment, and skilled workforce, RH-I developed a USD 293 million (with IsDB financing USD 262 million and GoI contribution of USD 31 million) health sector project including improving the emergency

response capacity of the health sector. As of September 2022, RH-I developed and approved another health project, similar in scope to the SIHREN initiative, which targets improving the Oncology Units of 6 leading National Referral Hospitals with a total value of Euro 230 million. In less than a year, both projects gained implementation status and are actively disbursing. **These achievements paved the way for RH-I not only to be a key partner of the Indonesia Ministry of Health but also to request IsDB's support for the development of the SIHREN Project as the biggest project approved in IsDB for a member country (Euro 803.3 m).**

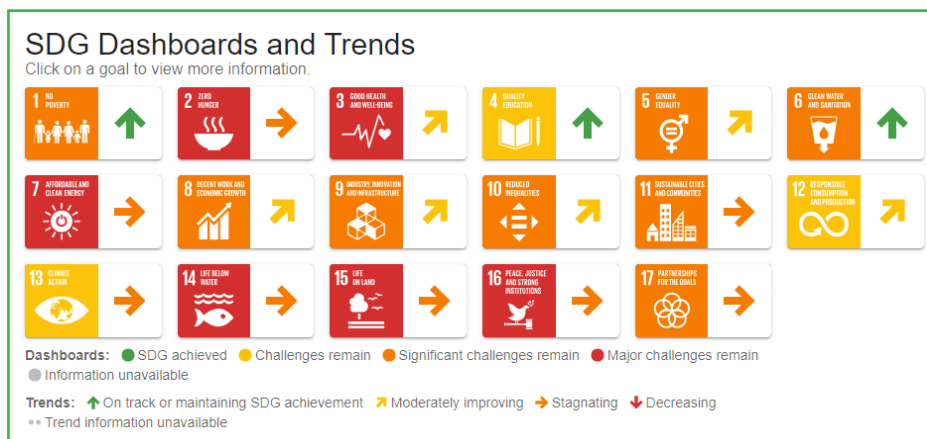
For example, the SIHREN Project's objective is to enhance the physical and service capacity of the health referral system in Indonesia and ensure equal access to quality healthcare services in all districts, cities, and provinces, including addressing health emergencies and pandemics. **SIHREN Project is expected to have a significant impact on the health of women in Indonesia.** It will help to ensure that hospitals can provide essential services during and after disasters, and it will help to protect the health of people in vulnerable communities. The project is expected to result in 400,000 cancer cases being diagnosed and treated earlier. Its target is to decrease to 2% Annual financial burden of cardiovascular disease in Indonesia (IDR) from baseline.

Specifically, it contributes to achieving SDG target 3, which focuses on ensuring a healthy life and promoting well-being. This includes targets 3.4 (reducing premature mortality from non-communicable diseases), 3.4.1 (reducing mortality attributed to specific diseases), and 3.8 (achieving universal health coverage and access to essential healthcare services and medicines).

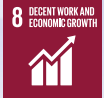
It is worth mentioning that to support the achievement of the Health Sector Transformation Agenda (HSTA), the Ministry of Health (MoH) developed the **Indonesia Health Systems Strengthening Program (HSSP). The HSSP is a partnership between the MoH and four multilateral development banks (MDBs):** the Islamic Development Bank (IsDB), the World Bank (WB), the Asian Infrastructure Investment Bank (AIIB), and the Asian Development Bank (ADB). Once implemented, HSSP will be the biggest Program partnership among MDBs and the biggest Health sector project for any country to date.

In conclusion, the annual achievement of the SDG3 target from 2016 till now has been encouraging. However, given

the existing challenges, Indonesia believes that the 2030 agenda for Sustainable Development Goals will not be achieved without multilateral cooperation & FDI. **The Government of Indonesia expects that 75% of the annual SDG financing gap will be filled through financing from multilateral partners and private sector-led investments.** Through the MPCs, the IsDBG strives to support the country in addressing some key challenges faced in SDG achievement through targeted interventions in alignment with the Policy Response of the Government of Indonesia.



# The World Trade Organization Challenges, IsDBG and the Way Forward



**Nazar Mohamed Eltahir Diab**  
Senior Regional Integration and Trade  
Promotion Economist, CCD

## SDGs Goals linkage to trade

Trade contributes to delivering key Sustainable Development Goals: SDG 1, SDG 2, SDG 3, SDG 5, SDG 8, SDG 9, SDG 10, SDG 14, SDG 17. The WTO is central to achieving SDGs and reports on them annually, see link: [https://www.wto.org/english/thewto\\_e/coher\\_e/sdgs\\_e/sdgs\\_e.htm](https://www.wto.org/english/thewto_e/coher_e/sdgs_e/sdgs_e.htm).

## The IsDB Technical Assistance Program on Global and Regional Integration in Trade (TAP)

The IsDB specialized TAP was launched in 1997, under the Cooperation and Capacity Development Department (CCD) with the prime objective of helping its member countries upgrade their human and institutional capacities to adjust to the multilateral trading system. The aim of the TAP is to provide greater awareness to the MCs on WTO Agreements and their implementation and facilitate the process of their accession to the WTO and their post accession efforts.

## What is the WTO and how it works

In 1995, the General Agreement on Tariffs and Trade (GATT) was superseded by the

The WTO is 'member-driven', with decisions taken by consensus among all member governments.

World Trade Organization (WTO). The WTO is far more powerful than GATT (which came into effect in 1948) due to its institutional underpinning and dispute resolution process. Countries that violate its trade regulations are sued and may ultimately experience reprisal. The multilateral trading system has made a significant contribution to the expansion of the world economy by steadily lowering average tariffs and removing non-tariff barriers.

The WTO has three main functions: monitoring MCs trade policies, providing a forum to negotiate new trade agreements, and arbitrating trade disputes. This is done by assessing trade barriers between countries and solving them through diplomatic negotiation and achieving full, fair trade and a fully globalized economy.

The WTO has 166 MCs with 25 others on observer status. There are 11 IsDB MCs that are not WTO members but are at different accession levels.

Changes in rules come about mainly through multilateral negotiations called "ROUNDS." Each round offers a package approach to trade negotiations, in which many issues are negotiated together and trade-offs between different issues are made. Between the rounds, negotiations on single issues take place.

The WTO recognizes LDCs by the provisions of special and differential treatment and specific capacity development programs as around half of LDCs are IsDB MCs.

## The WTO Challenges

Three major pertinent issues are:

### 1. Developing Country Status

The WTO allows for self-classification, and now two-thirds of the WTO's 166 member states continue to claim "developing country" status, that allows them to take advantage of certain benefits and exemptions to obligations not granted to advanced economies.

Measuring the success of the WTO by the volume of world trade, the results seem excellent in this respect, with world trade up 25% from 2014-2017.

However, economic realities suggest that many of these countries have the capacity to take on fuller obligations

### 2. The WTO's negotiating arm weakening

The difficulty for WTO members to obtain a complete consensus, which is necessary to agree to new agreements, obligations, and rule changes, is the cause of the declining negotiating function.

### 3. The Appellate Body Challenges

It hears appeals regarding decisions by WTO dispute settlement panels. Its rulings are binding on MCs. It is not functioning because appointment of new judges is not successful after the terms of some judges is finalized. Without a functional appellate body to hear cases, the country ruled against in a dispute can bypass a panel's decision just by filing an appeal, which has major implications for the WTO's ability to mediate disputes.

## The 13th WTO Ministerial Conference (MC13)

Trade ministers met in Abu Dhabi from 26 to 29 February 2024 for MC13. The meeting concluded with a Ministerial Declaration setting out a reform agenda. Negotiations yielded some accomplishments, such as the extension of the e-commerce moratorium for a further two years. On the topic of restoring the dispute settlement system, members agreed to aim to identify a long-term solution by the end of 2024.

## Way forward

Plurilateral agreements show a way forward and may help to overcome the impasse based on the consensus principle that allows one member to upend a multilateral agreement. Plurilateral agreements are between a subset of Members aiming to create new rules, secure mutual liberalization of tariffs, create a new process or launch a conversation so they can proceed among themselves provided the benefits arising from any agreements reached are extended to all WTO members.

The WTO, as with all institutions and sets of rules, needs to change in a few respects, particularly but not solely, to keep pace with the evolution of world trade.

The reform scenario sees a resolution to several longstanding thorns in the side of the WTO. The successful conclusion of negotiations for new rules on e-commerce, fisheries subsidies, state-owned enterprises, and industrial subsidies would reassert the WTO's role in the modern global trade system and unlock a new wave of trade liberalization.



# IsDB Regional Cassava Value Chain Program: Building Resilience to Recurring Food Crises and Climate Change in the Member Countries



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Lead Global Rural Development  
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**Food Insecurity in Africa:** The number of food-insecure people in Africa is ever-rising. An estimated 322 million Africans were facing severe food insecurity – 21.5 million more than in 2020, and 58 million more than in 2019 prior to the COVID-19 pandemic.<sup>1</sup> The incessant droughts and other climatic extremes are contributing to low agricultural production, thus increasing the vulnerability of Africa to food insecurity. The low agricultural production and productivity have resulted in over-dependence on food imports, which further exposes the countries to global market fluctuations, thus creating recurrent food crises and increasing poverty.

Following the crisis in the two warring nations (Ukraine-Russia), Africa is currently experiencing a shortage, leading to a spike in the prices of the commodity heavily used in the baking industry. The IsDB supporting its member countries has identified cassava as a good alternative or booster to wheat, rice, and maize because it is a good source of carbohydrates. With the production of maize and rice going down due to climate change, cassava, which is resilient to drought, offers hope amid challenging times.

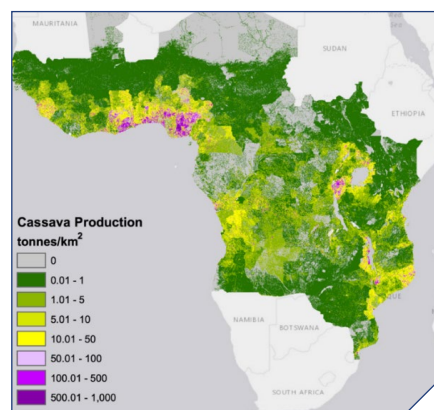
To sustainably escape the recurrent food crises, especially in the African Low-Income Food-Deficit Countries (consisting of 53% of IsDB MCs), there is a need to be self-sufficient and rely less on food/grain import. One way of changing the game is to substitute imported grains/food with indigenous commodities. It is on this premise that the Regional Cassava Value Chain Program was initiated by the IsDB.

**Cassava** holds great promise in improving the food security situation compared with other



cereals, making it an ideal crop for improving livelihoods for resource-vulnerable farmers. It is widely cultivated in Africa, stretching through a wide belt from Madagascar in the Southeast to Senegal and to Cape Verde in the Northwest<sup>2</sup>. Among the major food crops of Africa (including maize, sorghum, millet, beans, potatoes, and bananas), cassava is the least sensitive to climate conditions. It is drought resistant, can grow almost anywhere, and is not easily destroyed by heavy rains<sup>3</sup>.

### Cassava production in Africa<sup>4</sup>



Apart from food, cassava is very versatile, and its derivatives and starch are applicable in many types of products such as foods, confectionery, sweeteners, glues, plywood, textiles, paper, biodegradable products, monosodium glutamate, and drugs<sup>5</sup>. Despite its potential in improving the countries' food security and climate adaptive capacity, cassava's product development is highly unexploited due to the low use of inputs, use of rudimentary technology, large post-harvest losses, minimal processing, and unreliable supply, inconsistency in the quality of products, low producer prices, costly marketing structure and low utilization in the industrial sector.

Cassava productivity in Africa is significantly lower when compared to Asia, thus giving Asia a competitive advantage in global

cassava trade. Addressing the yield gap demands more funding for cassava research and development from all stakeholders, and this can pave the way for the establishment of a sustainable cassava industry in Africa. Cassava has been recognized by member countries as a food security and commercial crop that lends itself to a commodity approach to poverty alleviation, given the close connection between the poverty level in many parts of Africa and the role of cassava in the cropping and food systems in these areas. However, a Global Strategy needs to be considered to recognize and meet the full potential of this crop. This could be achieved through a coalition of stakeholders, including cassava producers and their organizations, Governments, Multilateral/Bilateral Agencies, NGOs, technical and research centers, and the private sector.

### Value-Add of IsDB Regional Cassava Value Chain Program and SDG Achievement

The **IsDB Regional Cassava Value Chain Program** will contribute to food security, enhance economic growth, and improve household incomes through improved production, processing, marketing, and support for private sector participation in the Cassava value chain. Development of the Regional Cassava Value Chain is critical in accelerating the achievement of **SDG 1 (No Poverty); and SDG 2 (Zero Hunger)**, which are important catalysts for the achievement of most of the other Development Goals; particularly, **SDG 3 - Good Health and Well-being, SDG 5 - Gender Equality, SDG 13 - Climate Action**. The program will adopt an all-inclusive approach to address the constraints along the cassava value chains. Program design and business models will be tailored to the country's need, location, and market context, and implementation plans will be developed to enable both women and youth to participate and benefit.



**Offerings from the IsDB Regional Cassava Value Chain Program**

1 WFP, WHO, and UNICEF. "The state of food security and nutrition in the world 2022." (2022).  
 2 <https://www.fao.org/3/a0154e/a0154e02.htm#:~:text=Cassava%20is%20cultivated%20in%20around,Cape%20Verde%20in%20the%20Northwest.>  
 3 <https://reliefweb.int/report/democratic-republic-congo/magic-cassava-adapting-climate-change-democratic-republic-congo>  
 4 <https://www.nature.com/articles/s41597-020-0501-z>  
 5 <https://www.iita.org/cassava/>

# Impact of IsDB Decentralization in Improving Projects Implementation on the Ground: Case of PADEF-EJ Project in Senegal



**Meissa AW**  
Project Management Specialist,  
Regional Hub, Dakar

The Women's Entrepreneurship and Youth Employment Support Project was co-financed by the Islamic Development Bank and the State of Senegal. The project was launched in 2013. Its implementation should facilitate the development of entrepreneurship women through Islamic finance, improving access to basic infrastructure and social services in the Louga region and strengthening the links most conducive to the development of women's entrepreneurship in agricultural and livestock value chains.

The project was enthusiastically welcomed by all its stakeholders, arousing hope among development agents and structures and more particularly among the targets made up of women and young girls because it constitutes a potential development lever contributing to improving their well-being, working conditions, increase their incomes, and also help to reduce poverty to contribute in SDGs.

The support project financed projects for women and young girls; thus, 166



**Beneficiaries of the Mini Dairy of Leona, Louga region, Senegal January 2020**

women's projects have been financed for a total amount worth XOF 200 million (equivalent to USD 341,296). The impact of this financing revealed the increase in the income of beneficiaries in the departments of Dakar, Kolda, Vélingara, Touba, Diourbel, Thiès, Saint-Louis, and Dagana. The testimonials of the beneficiaries of this financing are outlined below:

**Codou Diop, 44** years old, has operated a poultry farming business for a long time. She says: "I received funding that allowed me to expand my business by buying additional chicks and poultry feed." She adds: "It is with the profits from the activity that I was able to invest in catering and today I manage to support my family who remained in the village and took charge of my children's schooling and did some savings."

**Adja Mariètou Ndoye** is active in pastry. The funding allowed her to develop her business considerably. The business now employs 17 people who work full-time to meet the demands of its customers. "Most female employees help their spouses by covering a large part of their household expenses with their salary," she says. "One of my employees took charge of her father's Hajj last year since we contributed 30,000 FCFA each month for the purchase of a draw ticket for the Hajj," she adds.

On the Infrastructure and Services component, notable achievements have been achieved, with the provision of a mini dairy for the women's association to ensure their economic empowerment. It represents the only mini community dairy in the department. It is a point of conservation and sale of milk which benefits the Dairy Cooperative of Léona bringing together all the breeders of the rural community who sell there the milk produced by their cows. It is a beneficial project for an entire community. Indeed, this point of sale which is equipped for them offers them significant commercial opportunities and allows them to lighten the sale which was done in an itinerant way by women.

"We live in very remote villages and it has happened on a few occasions that women, up at 5am to draw milk and be able to sell it tens of kilometers away, have been bitten by a snake. Now, they can afford to get up at 7 a.m., take the time to prepare themselves calmly before taking the cart to sell the milk at the mini dairy," explains Oumar Sadio Ba, President of the "Maison Des Eleveurs".



*Ms. Fatoumata Bâ, manager of the mini-dairy*

# Innovative Financing for Sustainable Urban Mobility Investments



**Atiq Ahmad**  
Lead Global Transport Specialist/  
Economist, ESID

The level of a civilization can be estimated by the size and growth of its cities, an inevitable consequence of the development of human society.

The urban population has surpassed the rural population, with the urbanization rate increasing from 39% to 56% in the past three decades. It is projected to reach approximately 68% by 2050. Interestingly, around half of the global population resides in relatively small settlements of 500,000 inhabitants or less, while one in eight urban dwellers live in mega cities with populations of 10 million or more. In the past, mega cities were predominantly found in higher income countries in the northern hemisphere, but today, large cities are concentrated in the global south.

While rapid urbanization brings about economic opportunities, it also presents challenges such as over-population, resource scarcity, strained infrastructure, inadequate public services, food security concerns, the growth of informal settlements, and complex social issues. Additionally, it poses risks such as arable land shortage, climate change, traffic congestion, environmental pollution, and public health threats. To address these issues and ensure efficient mobility, socioeconomic development, and a high quality of life, it is crucial to establish efficient urban transport systems.

Currently, the progress on sustainable transport targets has been insufficient. Over a billion people still lack access to an all-weather road, and only about half the world's urban population have convenient access to public transport. The road traffic injuries are still the leading cause of death among young people of age 15 to 29 years. The Covid-19 pandemic impact has further impeded the already slow progress. It is estimated that an additional 100 million people were pushed into extreme poverty across the world by 2030.

Developing accessible and affordable transport systems requires cities to ensure financial sustainability and many cities in developing countries

face the obstacle of insufficient urban transport funds. The construction of new transport infrastructure, upgrades to existing systems, regular operations, and maintenance all require significant capital investments. Moreover, the financing gap is widened by the implicit subsidies for private car usage, which contribute to congestion, urban sprawl, accidents, and pollution despite representing a minority of trips.

To bridge this financing gap, cities need to adopt an appropriate mix of conventional and complementary financing instruments. To improve the situation, it is crucial to act. Here are some strategies that can be implemented:

## 1. Assess the Affordability of Users to Pay for the Service:

It is important to accurately determine how much users are willing to pay for sustainable mobility. This can be done through taxes or user charges studies. Additionally, agencies should explore other sources that won't negatively impact public opinion or a city's competitiveness.

## 2. Withdraw or Reduce Implicit Subsidies:

Implicit subsidies can hinder progress towards sustainable transport solutions. By withdrawing or reducing these subsidies, agencies can reallocate the funds towards more sustainable options.

## 3. Tap into the full city revenue potential:

Public-Private Partnerships (PPPs) can be utilized to secure additional financial support. Looking for investment and revenue sources outside of traditional channels can also be beneficial. For example, in Turkey, the Magnalities run various businesses and generate significant revenues. Additionally, commercial site leasing and short-term advertising can provide additional funds in some cities.

## 4. Widen the investor base:

Local banks and institutional investors, such as pension funds and insurance companies, should be considered as potential investors. By expanding the investor base, more resources can be mobilized to improve sustainable transport infrastructure.

## 5. Enhance the efficiency of financing frameworks

by following the recommendation to revolutionize the urban bus sector. Consider implementing two separate PPPs for urban bus services - one for bus fleet provision and maintenance, and another for operations. Boost financing cost-effectiveness with

larger bus acquisitions, while focusing on operation-centered contracts to enhance cost-recovery and drive operational performance improvements.

## 6. Embrace a comprehensive and inclusive approach to investment

by developing a city transport development program that addresses all critical issues. By offering incentives to small holders, you can attract private sector interest and specialized service providers to enhance investment quality and quantity.

## 7. Mainstream a culture of learning

from both internal and external experiences and best practices to elevate the quality of planning, programming, and financing. Leverage evolving technology and digitization for enhanced collaboration and partnerships, which can also contribute to improved project financing.

## 9. Recognize the ongoing importance of financial assistance

in bridging infrastructure gaps, alongside partnerships with the private sector, capital market leveraging, municipal bonds, and land value capture mechanisms. These strategies will play a crucial role in securing the necessary funding for projects.

By implementing these strategies, we can make significant progress towards improving sustainable transport and addressing the challenges we currently face. The innovative Finance mechanisms and able Urban Mobility Investments would support the SDG Goal 11: Sustainable Cities and Communities, Goal 9: Industry, Innovation, and Infrastructure, and Goal 13: Climate Action by promoting sustainable urban mobility, investing in innovative financing mechanisms, and addressing climate change through sustainable development practices.



# Promoting Resilience and Self-Reliance in Afghanistan



**Farid Khan**  
Country Operations Manager,  
Regional Hub, Ankara

In a bid to promote resilience and self-reliance in Afghanistan, IsDB continues to be proactively engaged with various stakeholders, to develop strategic pilot initiatives to address the key challenges of poverty, uneven development, unemployment, food security, as well as accessibility to clean water and quality healthcare services. Since August 2021, 19 pilot initiatives have been approved. Three of these have been fully funded by the IsDB's own limited grant resources. The remaining 16 have been supported by the Organization of Islamic Cooperation (OIC) mandated Afghanistan Humanitarian Trust Fund (AHTF), to which King Salman Humanitarian Aid and Relief Center (KSrelief) and Saudi Fund for Development (SFD) continue to be the major contributors.

The pilot initiatives support nearly all Sustainable Development Goals (SDGs) including SDG-1 (No Poverty), SDG2 (No

Hunger), SDG3 (Good Health and Well Being), SDG4 (Quality Education), SDG5 (Gender Equality), SDG6 (Clean Water), SDG8 (Decent Work), SDG9 (Innovation), SDG10 (Reduced Inequalities), SDG11 (Sustainable Communities) and SDG17 (Partnerships).

The first e-health pilot, focusing on maternal and child healthcare by optimally facilitating doctor to doctor consultations through setting up of Telehealth and online education facilities in six cities has been successfully completed. Six fully equipped telehealth centers have been set up in Kabul, Jalalabad, Kandahar, Herat, Mazar and Khost, creating a transformative positive impact on the medical capacity of up to 1,500 Afghan doctors. The project also facilitated in-person trainings for Afghani doctors in Pakistan with the support of Dow University of Health Sciences, a leading medical University in Pakistan. The project is a glowing example of South-South Cooperation for the deployment of advanced technological solutions being facilitated by the Bank to promote self-reliance in Afghanistan. Based on the successful outcomes of the pilot, a phase-II has recently been approved to expand the geographical coverage of the telehealth services in the country to include 14 additional provinces, including to Parwan, Laghman Kunar, Zabul, Faryab, Takhar, Badakhshan Paktika and others.

Agriculture continues to be the largest sector in Afghanistan and the only viable form of income generation and survival for many in the country. Afghanistan has a historical record of being a leading export country for grapes, raisin, and dry fruits. The agriculture sector of Afghanistan was once a successful competitor in the global market, exhibiting a reputation for high quality produce. There is a significant potential to export locally produced Saffron, Pomegranates, and Pinenuts. Pilot initiatives are being formulated to promote resilience and self-reliance by supporting improved agricultural production, create income generation opportunities in remote villages, and offer financial products to accelerate the self-development of Rural Households in a sustainable manner. Climate resilience of remote rural communities is being enhanced by rehabilitation of small irrigation structures and construction of flood protection walls. The primary focus is to create an enabling environment that facilitates the impoverished members of remote rural communities to be meaningfully employed and grow their own food. The aim is to build capacity of poor rural households to enable them to collectively address their economic challenges instead of being continually dependent on external help.

Access to safe drinking water is a key challenge in Afghanistan. Based on the Humanitarian Needs Overview 2022, 15.1 million people were expected to be in need of safe water in 2022. Limited access to safe drinking water has led to increased health concerns, specifically Acute Water Diarrhea (AWD) and cholera. In addition, it is mostly females, especially young girls, that have to bear the burden to fetch water from distant sources. Cognizant of the importance of accessibility to clean drinking water to promote women empowerment as well as to adequately address associated healthcare challenges, hindering the availability of a productive workforce, several initiatives are under-implementation to provision clean water to households in Farah, Faryab, Helmand, Kabul, Kunduz, Logar, Nangarhar and Paktia provinces.



# IsDB Assistance Empowers Uzbekistan to Transform Rural Living with Affordable Housing and Modern Amenities



**Golam Mortaza**  
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In Uzbekistan, about 63% of the population lives in rural areas. These areas face challenges like high population growth and few job opportunities, causing many people to move to cities. Rural housing often lacks modern amenities and affordable financing options, leading to underinvestment. To address this, the Government of Uzbekistan launched the Housing for Integrated Rural Development Investment Program from 2009 to 2022. IsDB supported this program in two phases, focusing on constructing modern rural housing through financing.

The project's Phase I and Phase II aimed to achieve similar goals - increasing the availability of new, modern, and affordable homes for rural families, enhancing infrastructure networks and facilities including internal and external roads, water, power, and gas supply, and ensuring better services by developing social and market facilities.

The project's objectives are aligned closely with the country's development goals, IsDB's corporate strategies, and Sustainable Development Goal 11.1, focusing on ensuring access to adequate housing and basic services. It had broad coverage, benefiting people across all populated regions of Uzbekistan. IsDB utilized Islamic financing methods, constructing houses and infrastructure under its ownership and later transferring them to the Government

of Uzbekistan on deferred payment terms. Additionally, a participatory commercial bank was involved to provide project beneficiaries access to finance through a Sharia-compliant financing product.

The project achievements have been outstanding, exceeding the targets for constructing houses (16,194 houses compared to 7,504 houses planned in two phases) and necessary infrastructures, and accomplishing remarkable results (Table 1).

The project focused on meeting the needs of beneficiaries, particularly young families seeking affordable housing with the necessary infrastructure and services. All homes provided were in good condition and equipped with electricity, heating, gas, and water connections. A total of 80,970 residents benefited from improved housing and infrastructure, with about 95% of houses owned and occupied by targeted beneficiaries, including moderate- to low-income households, young families, single-headed households, teachers, and health workers. Over 50% of homeowners were women, contributing to achieving SDG 11.1.1.1 in Uzbekistan, with housing provision increasing from 14.9 sq. m. per person in 2014 to 18.7 sq. m. per person in 2022.<sup>1</sup>

The project significantly improved livelihoods, living standards, and job opportunities in rural areas. Beneficiaries now enjoy urban-like comforts in their rural communities, with better infrastructure, utilities, and services. The construction sector experienced growth, creating jobs and boosting efficiency. Most materials used were locally sourced. To meet community needs, various facilities were established, generating a total of 166,670 jobs in Uzbekistan during Phase II. The project was cost-effective, with construction costs per house decreasing due to changes in project scope. Economic analysis showed a high Economic Internal Rate of Return, indicating project viability. Overall, both phases were evaluated as "Highly Successful."



## Major Lessons Learned

- **Empowering end-beneficiaries** to participate in project monitoring and supervision contributes to project success. The end-beneficiaries were empowered to contribute to overseeing and controlling project activities, especially civil works related to individual houses and apartments, which was highly beneficial for mitigating risks of operational failures and unaddressed gaps in expectations.
- **A proficient and seasoned Project Implementation Unit (PIU)**, drawing from successful experiences and capacity enhancements in Phase I, enhances the overall management of project implementation. The PIU embraced a demand-driven approach to modify project design from single to multistoried houses and implemented a digital disbursement and procurement process. This strategic improvement ensured the timely delivery of project outputs without compromising quality standards.
- **Adopting a flexible financing model, characterized by multi-tranche financing, maximizes the efficient use of allocated funds.** Specifically, Phase II of the project leveraged three tranches of Istisna'a financing provided by IsDB, enabling the seamless reallocation of savings from one tranche to the subsequent one. This strategic approach to managing project savings enhanced efficiency and expedited the delivery of completed houses to beneficiaries, ensuring timely access to their new homes.

**Table 1: Outputs Achieved under Phase I and Phase II of the Construction of Modern Rural Housing Project in Uzbekistan**

	Phase I	Phase II	Total
IsDB Disbursement (USD in Million)	94.67	298.11	392.8
Number of Houses Constructed	1,415	14,779	16,194
Water Supply Networks built (km)	40.62	255.19	295.8
Wastewater Networks built (km)	-	57.88	57.88
Access and Internal Roads Constructed (km)	33.8	149.5	183.3
Gas Supply built/ rehabilitated (km)	45.5	166.3	211.8
Power Supply Line built (km)	31.22	166.1	197.3
Number of Social and Market Infrastructures built	-	58	58
Number of Local Wastewater Treatment Plant	-	62	62

Source: IEvD PPER, 2021 & 2023

<sup>1</sup> Source: <https://nsdg.stat.uz/en/databanks/indicator-table?id=11.1.1.1>





# Sustainable Development through Empowering Rural Communities: The Experience of the Millennium Villages Project in Uganda



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Rural development is crucial for Uganda's socio-economic progress, directly impacting poverty reduction and sustainable growth. More than 70% of the population in Uganda live in rural areas, where agriculture is a key economic activity. Investment in rural development can significantly enhance agricultural productivity, critical for food security and poverty alleviation. Improved rural infrastructure, education, and health services not only elevate living standards but also stimulate entrepreneurship and employment generation.

The first phase of the MVP Project in Uganda made notable progress towards the Millennium Development Goals (MDGs) – which were later succeeded by the Sustainable Development Goals (SDGs) – especially in Isingiro District. While it improved food security and basic services in some areas, more work was needed. These achievements need to be continued and expanded. Phase II of the project was to focus on capacity building and supporting business growth to bring lasting economic benefits and improvements to the quality of life in communities and nearby areas. Although agriculture is crucial for rural income, rural development goes beyond farming, including access to education, healthcare, and nutrition.

The Millennium Villages Project Phase II of US \$9.34 million, launched in 2013 with support from the IsDB, aimed to help speed up the progress of MDGs through a set of integrated interventions, reaching over 485,000 people or 100,000 households. The project components included activities for increasing agricultural output and nutrition, supporting business growth and micro-finance, improving access, retention, and quality of education, enhancing health service delivery systems to boost access to basic healthcare, developing infrastructure and promoting innovation, and providing water for households and productive use.

## About MVP

*The Millennium Villages Project (MVP), initiated by the Millennium Promise Alliance, the United Nations Development Programme, and the Earth Institute at Columbia University, was designed as a pilot project to demonstrate how a series of integrated interventions could effectively address Africa's rural development challenges and achieve the Millennium Development Goals by 2015. The MVP aimed to enhance access to clean water, primary education, basic healthcare, and sanitation, alongside introducing scientific advancements like improved seeds and fertilizers. By implementing these measures, the project sought to provide communities in extreme poverty with a sustainable pathway out of the poverty cycle.*

## Key Findings MVP Uganda:

The project successfully trained 10,100 farmers in modern agricultural techniques, resulting in a significant increase in yields: from 0.7 to 3.8 tons per hectare for maize and from 0.5 to 2 tons per hectare for beans. It also established and built the capacity of six microfinance institutions and 10 cooperatives to support business expansion.

In education, the project trained 1,084 teachers, implemented a school feeding program in 22 schools, awarded scholarships to 143 students for secondary education, and constructed three affordable housing units for teachers. Additionally, the healthcare promotion efforts led to an 88 percent measles immunization coverage rate, up from 83%. In terms of infrastructure, the project constructed 345 km of roads and established three gravity flow schemes, benefiting a total of 20,000 households through 1050 connections. However, some targets, such as developing skilled birth attendants and creating access to improved water, fell short of expectations, reducing the overall project achievement to 63 percent.

The Millennium Villages Project took a comprehensive approach to rural development, aiming to create a synergistic ecosystem where interventions across various sectors reinforced each other for sustainable change. By addressing multiple dimensions of poverty simultaneously, the project sought to empower communities and break the cycle of deprivation. This participatory approach ensured interventions were tailored to each village's needs and empowered community members to drive their development. The project also focused on developing community-level institutions to support local businesses, leading to the creation of opportunities like water schemes and microfinance institutions. Decentralizing implementation to local governments helped streamline processes and increase project ownership, reducing bureaucratic hurdles.

## MVP in Uganda vs Other Countries:

Before Uganda, the MVP project was carried out in Mali and Chad. In Uganda, the project's success was attributed to strong stakeholder involvement and community ownership, which helped sustain outcomes beyond the project's duration. Additionally, careful adherence to guidelines and financial management ensured efficiency, completing the project within five years and with minimal cost overrun. However, in contrast, the MVP in Mali faced challenges related to stakeholder coordination and community participation, which affected its performance. As a result, despite ambitious plans across multiple sectors, including health, education, and agriculture, the project's implementation fell short. This lack of buy-in resulted in unrealized activities and inefficient resource utilization, undermining the project's effectiveness. Numerous planned activities, such as irrigation systems and internet connectivity in schools, were not achieved. Moreover, the project incurred high administrative and technical assistance costs, impeding resource utilization and hindering the achievement of objectives. Similarly, the Sustainable Village Project in Chad encountered significant obstacles, primarily due to inadequate stakeholder coordination and community ownership.

The MVP as an innovative project in fighting extreme poverty, demonstrated notable results in improving community well-being. However, challenges related to scalability, sustainability, and long-term impact were faced along with these successes. Despite challenges, projects like MVP represent a change towards comprehensive, community-driven development methods, indicating transformative possibilities in the global struggle against poverty. By applying lessons learned and promoting innovation and collaboration, interventions like MVP can contribute to a fairer and more thriving future for everyone.

# Alternate Financing for No Poverty and Zero Hunger – Special Focus on Zakah and Charitable Funding



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Can we achieve No Poverty (SDG 1) and Zero Hunger (SDG 2) by 2030? Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD) or of the World Food Program (WFP) encouragingly maintain that<sup>1</sup> *“We can end poverty and hunger by 2030. But we will need a new approach that results in much higher level of resources mobilized towards hunger eradication than in a “business-as-usual” scenario. Such an approach combines public investment in social protection with public and private investment in productive sectors – especially in rural areas and, particularly, in agriculture.”*

Poverty (SDG 1) and Hunger (SDG 2) are interrelated in a vicious cycle that affects millions of people around the world. Therefore, addressing poverty and hunger requires a comprehensive and integrated approach that tackles the root causes and the multidimensional aspects of these challenges. Although the above citation by FAO, IFAD/WFP is from 2015, it holds even larger relevance today, as we approach the 2030 finale. We might recall that marginal progress has been made towards achieving SDG 1 and SDG 2 in the past decade, but it has largely been uneven and insufficient. In addition, COVID-19 has reversely impacted both. Therefore, more efforts and resources than “business-as-usual” are needed to accelerate the reduction of poverty and hunger, especially in the regions and countries that are lagging behind, including some of our Member Countries.

A new approach that combines social protection, agricultural development, rural transformation, and resilience building is essential to address the complex and interrelated causes and consequences of these challenges. This calls for strong and resilient synergy and partnerships between public and private investments. Many multilateral institutions, including the UN, are realizing this aspect of synergy between public and private investments. For example, it’s becoming regular to see multilateral institutions running individual fundraisers targeting Muslim investors on social media to donate their Zakah amount for funding acute and critical refugee crises.

The Palestine Refugees Zakah Program by United Nations Relief and Works Agency (UNRWA) *contributes to preserving the dignity of Palestine refugees during the holy month of Ramadan and throughout the year*<sup>2</sup>. UNRWA website states that the *Zakah beneficiaries are Palestine refugees living in poverty and abject poverty; these families meet Zakah-specific eligibility criteria of being “poor and needy.”*<sup>3</sup> In March 2024, Saudi Arabia’s King Salman Humanitarian Aid and Relief Centre (KSRelief) partnered with UNRWA to offer US\$ 40 million in support of the Palestine Refugees Zakah Program by UNRWA<sup>4</sup>. This agreement follows a

previous agreement in November 2023, where KSRelief provided US\$ 15 million to the UNRWA Palestine Refugees Zakah Program.

Refugee Zakat Fund, United Nations High Commissioner for Refugees (UNHCR) is another typical example that has been endorsed by at least 16 global Islamic institutions for effectively collecting and disbursing Zakah. Most of these projects financed by UNRWA Zakat Program and Refugee Zakat Fund, UNHCR go towards financing SDGs 1 and 2 directly or indirectly.

Individual Muslims have always had a strong affinity towards Zakah and charitable funds; however, the potential of Zakah and charitable funding in financing sustainable development has often been underestimated. By its nature itself, Zakah is undisputedly a strong source of financing sustainable development projects, specifically SDG 1 and SDG 2. The vulnerability of the people living in geographically marginal areas contributes to the barriers to achieving SDG 1 and SDG 2. In addition, conflicts, high-impact natural disasters in many parts of the world, and global crises like COVID-19 pose unanticipated impediments to achieving the SDGs. The Zakah fund can be used for programming in such areas of hard-to-reach people, especially the areas affected by climate change impacts, floods, and river erosion.

Zakah fund mobilization is essential as an accountable and central framework to develop a safety net program for the hard-to-reach people, specifically in countries where Zakah is not centrally collected and disbursed by the respective governments. The previously cited examples of UNRWA, KSRelief, and UNHCR are effervescent examples of Zakah fund mobilization as alternate financing approach for SDG 1 and SDG 2. These projects are primarily oriented towards refugee crises; however, the alternate funding approach of Zakah may also be extended to finance regular sustainable development projects in other sectors and thematic areas like poverty, agriculture, food security, and social protection. The projects could be programmed rigorously to ensure the Zakah mode of financing is used strictly for Zakah beneficiaries only as per the Shariah laws. It would be enriching and elevating to see the Islamic Development Bank leading such an initiative by designing a Project Framework that could be used by other multilateral institutions as well.

<sup>1</sup> FAO, IFAD, and WFP. 2015. Achieving Zero Hunger: the critical role of investments in social protection and agriculture. Rome, FAO.

<sup>2</sup> UNRWA website – <https://www.unrwa.org/unrwa-zakah>

<sup>3</sup> Ibid

<sup>4</sup> <https://www.unrwa.org/newsroom/news-releases/king-salman-humanitarian-aid-and-relief-centre-provides-us-40-million-to-support-UNRWA>

# Climate Change Communication: Shortcomings and the Way Forward



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Climate change communication is all about educating, informing, persuading, mobilizing, and solving climate change critical issues. At a profound level, climate change communication is shaped by different experiences, mental and cultural models, and fundamental values and views.

Climate change has a serious long-lasting impact on social, economic development and political stability, no matter where it takes place in the world. Since its occurrence, climate change has affected human-being and environment alike. This has been obviously reflected, specifically, on human stability and their economic and agricultural activities.

A myriad of developing countries had the lion's share in the negative effects of climate change. Accordingly, lots of climate change phenomena took place during the previous decades and led to substantial changes at population and society levels.

This resulted in the occurrence of floods, drought, and desertification for the period of 1970s – to date, and still going on, a matter which led to social, economic,

and political problems. Thus, climate change communication is of paramount importance to address the negative impact of climate change and educate about climate change mitigation and resilience mechanism. That is why conducting research thereon to get to know more about its intricacies is significant to find out about the best ways forward.

In climate change communication, there are a variety of climate change message composers, namely climate change scientists, which transmit different and sometimes opposing messages, through an ever-growing number and complexity of channels, to diverse audiences who have their own pre-existing beliefs, attitudes, and values, and who interpret and construct their own understanding to climate change messages which they receive. Thus, climate change communication occurs within a highly complex, and dynamic set of individuals, organizations, and institutions, with sometimes widely divergent scientific knowledge, politics, and cultures.

Climate change brought about negative impacts in economic, social, and political aspects, causing negative impact such as drought, floods, desertification, decrease in natural resources which causes political, economic, and social instability. Despite the role of media in disseminating information, raising environmental awareness on climate change impact, and making people, society, individuals, decision makers and politicians aware of this, in order to take the right actions in the right time before having these impact aggravated, the environmental awareness method remained passive and invisible.

Observable progress has been made recently in raising climate change awareness and enhancing support for climate policies. There has also been considerable progress in understanding how to communicate climate change effectively. This progress raises questions about the future of climate change communication research and practice. Furthermore, a set of shortcomings which result from climate communicators, researchers and audience are behind making climate change communication ineffective most of the time, yet also more ambitious and meticulous studies are expected to be conducted on climate change communication due to its potentiality in addressing climate change impact.

It is observed that a lot of literature review on climate change communication has not tackled many areas such as:

- Figuring out climate change communication shortcomings, regarding climate change scientists and communicators' role.
- Lack of comparative or peer review studies conducted in order to enable researchers to evaluate climate change communication influence.
- There are no hints on how to communicate climate change and promote sustainable behavior among stakeholders.
- There is no tangible handling for climate change communication shortcomings.

Climate Change Communication related literature review has not touched many areas which address climate change communication shortcomings, in terms of the role of climate change communicators, lack of comparative or peer review studies that enable researchers to caliber climate change communication, lack of hints on how to communicate climate change and promote sustainable behavior among stakeholders and the need for tangible strategy to tackle climate change communication shortcomings.

In summation, climate change communication is trapped between the norms and traditions which govern scientific practice and the need to engage the public which resulted in knowledge gap between theory and practice beside absence of clear-cut climate change communication strategy to address climate change impact as well as poor engagement of both the public and society in processing Climate change communication.



*Responsible climate change communication messages need to be designed for saving the planet for flourishing better environment that stages inspiration for better tomorrow.*

# IsDB's Sustainable Road Project in Kyrgyzstan Sets Example for SDG Achievement



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In a landmark initiative to preserve the natural beauty of Kyrgyzstan's iconic Issyk Kul lake while advancing Sustainable Development Goals (SDGs), the Islamic Development Bank (IsDB) in collaboration with the Arab Coordination Group (ACG) is spearheading the Reconstruction of Issyk Kul ring road project. This ambitious endeavor, financed by Islamic Development Bank (IsDB), the Saudi Fund for Development, Kuwait Fund for Arab Economic Development, and OPEC Fund, aims to reconstruct and upgrade an 80.5 km stretch of road along the historic Silk Road.

At the project's inception, a profound commitment was made to safeguard the pristine environment surrounding Issyk Kul lake, nestled amidst majestic mountains. To mitigate the environmental impact of construction activities, rigorous measures were implemented. Notably, the project's general contractor, China Road and Bridge Corporation, recently has mobilized 100 electric dump trucks to minimize CO2 emissions.

In a strategic move toward sustainability and environmental stewardship, three



charging stations have been commissioned to ensure continuous power supply for the electric dump trucks. Leveraging Kyrgyzstan's abundant clean energy resources, primarily hydropower, these stations guarantee uninterrupted operations.

The decision to employ electric dump trucks not only aligns with sustainability objectives but also presents a multitude of advantages. Lower operating costs, reduced maintenance requirements, and enhanced efficiency due to instant torque and high acceleration of electric motors are among the key benefits. Furthermore, regenerative braking systems capture kinetic energy during deceleration, amplifying efficiency.

Most significantly, the transition to electric trucks heralds immense environmental benefits. With zero harmful exhaust emissions, these vehicles contribute

to cleaner air and reduced greenhouse gas emissions, crucial for preserving the pristine landscape of Issyk Kul Lake. Additionally, the quieter operation of electric motors minimizes noise pollution, fostering a tranquil environment for nearby settlements.

This holistic approach underscores the commitment of project stakeholders to achieving SDGs, particularly:

- Goal 7: Affordable and Clean Energy: Electric dump trucks reduce reliance on fossil fuels, promoting cleaner energy sources and advancing sustainability.
- Goal 11: Sustainable Cities and Communities: By curbing air and noise pollution, electric trucks contribute to healthier and more livable environments for communities.
- Goal 13: Climate Action: Lowering greenhouse gas emissions aids in combating climate change, addressing a pressing global concern.
- Goal 12: Responsible Consumption and Production: Electric trucks exemplify resource efficiency by utilizing potentially renewable electricity, contrasting with finite diesel fuel resources.

The Reconstruction of Issyk Kul ring road project stands as a beacon of sustainable development, intertwining infrastructure enhancement with environmental preservation. As Kyrgyzstan navigates its developmental trajectory, initiatives such as this pave the way for a greener, more resilient future.



# Advancing Safely Managed Sanitation through Citywide Inclusive Sanitation (CWIS) Approach: Bangladesh's Path to SDG 6.2”



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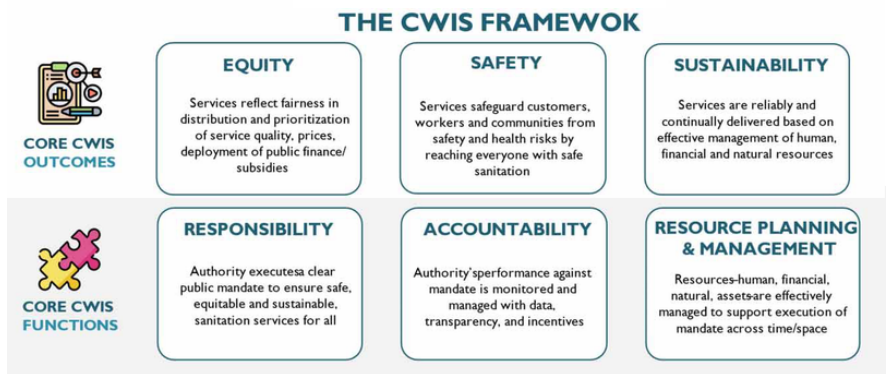
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ESID

Over the years, Bangladesh's WASH sector has made significant strides, with approximately 90% of the urban population now having access to improved household sanitation facilities. Despite widespread access to toilets and a decline in open defecation, the nation faces a formidable challenge in the safe disposal and management of fecal sludge and solid waste. A detailed feasibility study conducted by the Department of Public Health Engineering (DPHE) in ten project towns, revealed that a staggering 83% of untreated fecal sludge is disposed of indiscriminately into the environment. This poses grave environmental, health, and social risks, as contact with fecal matter contributes to diarrheal diseases, a leading cause of child mortality. Moreover, Bangladesh, highly vulnerable to climate-related disasters such

as floods, cyclones, and earthquakes, compounded by its dense population, is predisposed to sanitation challenges.

Meeting SDG 6.2's mandate to achieve universal access to adequate sanitation and hygiene by 2030 demands innovative, cost-effective solutions and integrated strategies. The development of a City-wide Inclusive Sanitation (CWIS) ecosystem in Bangladesh represents a comprehensive approach driven by the imperative to strengthen public health, safeguard the environment, spur economic development, and ensure equitable access to sanitation services amidst rapid urbanization.

Key initiatives under CWIS implementation framework encompass the formulation and execution of CWIS plans, improving containment for safely managed sanitation, the establishment of an integrated municipal information system (IMIS), capacity building for stakeholders, formulation of sanitation service



## Targeted Results of IISHP project by 2027

- 1.4 million people will have an improved, clean & healthy living environment and access to FSM & SWM services.
- Reduction of under-five child mortality and morbidity rates including 50% reduction in the incidence of cholera
- Soil and Groundwater are protected from the microbiological contamination by:
  - Construction of standard designed on-site containment targeting 77,000 households;
  - Faecal Sludge is safely and properly emptied, transported and treated up to a rate of 512 m3/day;
  - Solid waste generated from the households are properly collected, transported and managed up to a volume of 605 ton/day.
- Demonstrated implementation of sanitation and hygiene guided by CWIS approach and developed CWIS guidelines for 10 cities based on the evidence generated through implementation, which could be referenced to develop National Level CWIS framework and guideline.
- Create sanitation-related jobs and business for at least 1,000 people (33% would be women)



plans, promoting social inclusion, establishing sanitation workers cooperatives, integrating gender equality into project implementation, addressing WASH regulations at the city level, and fostering effective coordination across the CWIS ecosystem.

(Source: Shifting from traditional infrastructure planning to a collaborative approach: lessons from the Freetown sanitation master plan, December 2023)

To bolster its commitment to SDG 6.2, IsDB's Regional Hub in Dhaka, in collaboration with the Economic & Social Infrastructure Department and the Gates Foundation has been supporting DPHE in implementing a pioneering CWIS-aligned project in Bangladesh under the Lives and Livelihoods (LLF) supported Inclusive and Integrated Sanitation and Hygiene Project in ten towns (IISHP) of Bangladesh. This initiative aims to deliver safe and sustainable sanitation services, enhance the living environment, promote health and well-being, and create sanitation-related business opportunities for women, youth, and the urban poor in the project towns.

Thus far, IsDB has allocated approximately USD 155 million towards two ongoing projects in the WASH sector of Bangladesh, advancing the goal of 'clean water and sanitation for all' (SDG 6). Subsequent to the IsDB-financed IISHP project, other Multilateral Development Banks (MDBs) and development agencies have provided additional funding to develop CWIS-aligned projects in Bangladesh, significantly aiding the Government of Bangladesh in achieving SDG 6.2 targets for safely managed sanitation, guided by the CWIS approach.

# IsDB Expanding Water Supply Support to Developing Countries: The Case of Sultanate of Oman



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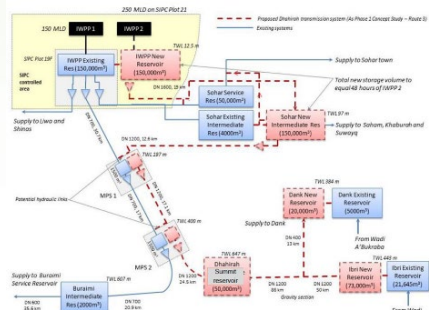
In line with Sultanate of Oman Vision 2040 which focuses on sustainable environment and economic development, by early 2024 IsDB has concluded a large water supply project (Sohar to Ibri Water supply) in Oman to ensure availability and sustainable supply of water for Sohar and Ibri major cities in the country. The project has met its targets in the country through achieving universal and equitable access to safe and affordable supply of water for the population of Sohar and Ibri cities and nearby villages. The project has also achieved the SDG indicator as it has expanded water support to developing countries including water desalination and increased water use efficiency. The project contributed to meeting the SDG Target 6.1: Safe and affordable drinking water and SDG Target 6.4: Increase water-use efficiency and ensure freshwater supplies.

Over years, Oman witnessed a great transformation in water usage as its water consumption for industrial, commercial, municipal and tourism purposes increased threefold. Furthermore, with the increasing population alongside the increasing rate of urbanization, it has become a major challenge for the country.

More specifically, in the Ad-Dhahirah region where the project is located, the current water sources from the wadis (i.e., from ground water) were depleted at an alarming rate. On the other hand, only 43 percent of the population have access to piped water, the remaining mostly rely on water tankers. Due to growing population and increasing economic activities and higher water demand, immediate interventions were undertaken to ensure the water demand is fulfilled with greater accessibility to renewable water sources. In this connection, the Government of Oman requested IsDB to participate in the construction of water supply infrastructure in AD-Dhahirah region.



**Project Master map (pipeline route from Sohar desalination plant on the Oman Sea to Ibri City)**



**Schematic Diagram of the project (site reservoirs and pumping stations)**

Through this project, worth of 350 US\$ million, IsDB financing, the supply of water for Sohar and Ibri cities and other major towns was obtained from seawater through desalination plants using the pumps, reservoirs, and water storage tanks and water distribution networks. The project has provided sustainable water supply to the main towns and villages within the AD-Dhahirah region from the new 250 million liters/day desalination plant, and thereby, ensured safe health and environmental conditions in the targeted areas, where the population is expected to reach 502,000 by the year 2035.

By the end of the project, approximately 217 km of Transmission Mains are laid and operational, 15 Reservoirs, with cumulative capacity of 350,000 m3 for production storage and 93,000 m3 for distribution storage, and 2 balancing tanks of capacity 7,500 m3 are constructed and operational. In addition, 4 Pumping Stations and the necessary electromechanical instruments are operational. This has improved the quantity of water supply to be increased from 42 million liter/day in 2015 to 89 million liter/day in 2024. Moreover, the coverage of water pipe network increases from 43 percent in 2013 to 80 percent in 2024. The Oman Nama Company had the

overall responsibility for project implementation. The Project Management unit (PMU) was composed of dedicated Omani staff who provide project management services and administration during the construction period.

Major outcomes and SDG Goal 6: 230 km Pipeline construction has been completed. The transmission system was operated utilizing all storage tanks. Currently, the transmission pipeline is working to transmit



**Pumping Stations on the pipeline route**



**Water reservoirs at Ibri city**

water to Ibri from Sohar. As for Storage Tank Works, all steel tanks were completed and operated. All 4 Substations have been energized and feeding power to the respective Pump Stations. All pumps' stations are in operation. Surge Vessels and Surge Towers at Sohar compounds have been commissioned and are in operation. Common Discharge Tanks have been commissioned and are in operation. The Chlorination system in Sohar, Dhank and Ibri compounds has been commissioned and in all in operation.

Instrumentation and Control System with All Scada works, and control system have been completed and in operation.

In conclusion, the objectives of providing the Dhahirah Region with water from the Sohar region have been achieved through the development of the necessary transmission system. Moreover, the strategic objective of constructing a water transmission system from Sohar to Ad Dhahirah Governorate, designed to ensure a sustainable water supply for the Governorate of Ad Dhahirah until 2040 and spanning a total distance of 230 km, has been successfully achieved. The project's completion addresses the critical issue of the rapidly depleting yield from the two wellfields that historically supplied the Dhahirah region, securing the long-term sustainability of water levels required for the area. Overall the project has contributed startegial and at a large scale in the water sector resilience in Sultanate of Oman, contributing practically in achiving the SDG goals. In particular, in Oman as a member country, IsDB made major contribution to SDG: Safe and affordable drinking water and increase water-use efficiency and ensure freshwater supplies. The impact in water use efficiency and water availability to local population is antipated to show increase in rates during the coming years.



**Water reservoirs at Sohar Desalination Plant**

# Enhancing Support for Member Country Greening Initiatives



**Dr. Bradley Hiller**  
Lead Climate Change Specialist, RCA

In December 2024, the Kingdom of Saudi Arabia (KSA) will host the 16th Conference of Parties (COP16) of the United Nations Convention to Combat Desertification (UNCCD). COP16 will be the largest-ever meeting of UNCCD's 197 Parties, the first to be held in the Middle East region, and the largest multilateral conference ever hosted by KSA. 2024 also marks the 30th anniversary of the UNCCD, which is one of the three major environmental treaties known as the Rio Conventions, alongside climate change and biodiversity.

COP16 comes to the Middle East region at a critical time. Drylands, which refer to arid, semi-arid, and dry sub-humid regions, cover more than 45% of the world's land area and are home to one-in-three people globally<sup>1</sup>. However, up to 35% of the world's

drylands are already degraded, threatening the health and wellbeing of ~1 billion people in over 100 countries<sup>2</sup>. This figure is rising.

KSA, IsDB's host country, has been a global leader in greening initiatives in recent years. The Saudi Green Initiative (SGI), launched in 2021, unites environmental protection, energy transition and sustainability programs with the overarching aims of offsetting and reducing emissions, increasing afforestation and land restoration, and protecting the Kingdom's land and sea. To date, SGI has activated more than 80 initiatives<sup>3</sup>. KSA also launched the Middle East Green Initiative (MGI) in 2021 – a first-of-its-kind regional alliance – with a 10-year commitment of US\$2.5 billion. MGI aims to deliver the largest reforestation program in the world and significantly contribute to achieving emissions reduction targets under the Paris Agreement, as well as spurring economic diversification, job creation, and private sector investment<sup>4</sup>.

During its proud 50-year history, IsDB has supported its 57 Member Countries and Muslim communities globally via an evolving suite of green initiatives, from boosting water, food, and energy security through to a more recent focus on climate

adaptation and mitigation support. Today, IsDB has comprehensive systems in place to support greening initiatives, from a Climate Change Policy and Climate Change Action Plan through to mobilizing climate finance for Member Countries and the issuance of more than \$5 billion in green and sustainability sukuk (Islamic equivalent of bonds).

IsDB stands ready to support KSA and the UNCCD in the lead-up to COP16. As part of this bespoke support, IsDB is working with partners to help advance knowledge on two key topics, namely Just Land Transition for Drylands and Sustainable Finance Models for Drylands. Under IsDB's Just Transition Conceptual Framework, all system transitions, including those in drylands, should be country-driven, just, fair, and inclusive, leaving no one behind. Furthermore, new thinking is required to mobilize financing at scale at the nexus of land degradation, climate change, biodiversity, and sustainable human development.

In the spirit of the Golden Jubilee theme of cherishing our past and charting our future, IsDB looks forward to continued engagement with its longstanding partners in KSA and at the UNCCD to make COP16 a seminal moment for future greening support for Member Countries.



Source: Middle East Green Initiative (<https://www.greeninitiatives.gov.sa/about-mgi/>)

1 UNCCD. 2017. Global land outlook. UNCCD, Bonn, Germany, First ed.  
2 IUCN. 2017. Drylands and Land Degradation. Issues Brief. Gland, Switzerland.  
3 Kingdom of Saudi Arabia. SGI Initiatives. 2024. <https://www.greeninitiatives.gov.sa/sgi-initiatives/>.  
4 Kingdom of Saudi Arabia. MGI: powering regional climate action. 2024. <https://www.greeninitiatives.gov.sa/about-mgi/>.

# Strategic Planning and Budgeting as Catalyst to Achieving Sustainable Development Goals



**Musa Bojang**  
Manager, SBCP

IsDB continues to mainstream operational strategies, policies, framework and tools to reinforce measures to achieve the desired SDG goals. Member Countries and in particular the private sector often respond towards achievement of SCGs in border perspective through various development agenda. These include: health, poverty, education, security, environment, governance, and economic development which are addressed through national policy development, medium to long term planning, budgeting, and accountability frameworks etc. The actions taken may be either explicitly linked to SDGs in one way or other or in some cases such linkages may not be clearly explicit. However, it is worth putting efforts to archive the fundamental SDG goals as we approach the milestone date of 2030.

## The Opportunity for Accelerating the Achievement of SDGs Through Integrated planning and Budgeting

In 2024, IsDB, through integrated work programming and budgeting allocated ID1.2 million ( approx. USD 1 million) to support programs/ initiatives designed to accelerate SDGs attainment. These programs/initiatives include among others: **i) Partnership & Official Co-financing Program** to follow up on the implementation of cooperation and co-financing arrangements with development partners, **ii) Operationalization of IsDB's alignment of its operations with the objectives of the Paris Agreement** in coordination with other stakeholder departments, **iii) The Development and roll-out of IsDB's Environmental and Social Safeguards program and practices**

to address environmental and social impacts and risks to IsDB's operations, **iv) Implementation of Climate Action Plan 2020-2025 and Advocacy at COP29** program designed to oversee the implementation of the Climate Change Action Plan, including partnership development and strengthening, mainstreaming of climate change in IsDB operations and climate-aligned pipeline, **v) Scaling up of existing NGO Empowerment and Tadamon programs under the Civil Society Practice** to accelerate partnership and resource mobilization efforts for Poverty Reduction and Tadamon Accelerator for Food Response Program in addition to enhance civil society engagements in country engagement programs and projects, **vi) Enhancement of IsDB's agenda of community development and participation** through CSOs and NGOs to enhance civil society engagement participation in country engagement programs and projects, **vii) Enhance the effectiveness of IsDB response in Emergency, Conflict, and Vulnerable Countries** by developing relevant capacities and mainstreaming tools to operationalize the 5-year action plans and targets of the emergency,

conflict, and resilience for mainstreaming in MCPS programs and projects; **(viii) Enhance the IsDB Sukuk Program and Structure** to explore and incorporate new features to the existing Sukuk MTN Program and continue mobilizing resources to support MC developmental agenda, **xi) IsDB's Culture Refresh Program** to transform various initiatives designed to invigorate and reinforce the organizational culture within the bank, **x) Capital Management and Optimization Initiative** is a G20 initiative targeting MDB's Capital Adequacy Frameworks which could lead to an expansion of MDB's financing capacity through a more effective use of their Capital, **ix) Philanthropy & Third Sector Program** will enable the Bank to continue to spearhead/coordinate its engagement with philanthropic organizations and non-official donors to mobilize additional grant resources for grant-making facilities as well as for blending purposes for project implementation in MCs.

The annual integrated planning and budgeting should continue to support and provide funding for attainment of SDG goals in addition to accelerate the attainment of MC development agenda.





# Driving Toward Stronger Societies by 2030: ISFD's \$1.91 Billion Innovative Initiatives for Economic Empowerment and Poverty Alleviation in 2024-2025



**Mohamed Maher Mannai,**  
Lead Program Management Specialist, ISFD

Poverty today is most commonly defined by economists as a direct interpretation of hard facts and figures based on income level and access to human necessities. However, poverty is a multifaceted and a multilayered issue going far beyond numbers crunched in economic models. The world has indeed succeeded in lifting nearly one billion people out of chronic poverty over the last two decades, which is good news. However, the big picture and the reality is much murkier: huge wealth transfers incurred during the same period resulting in a great wealth disparity as the poorest 20% of the world's population is using a mere 1.3% of global resources in contrast to the richest 20% using 86% of the world's resources. Poverty alleviation efforts focused on improving these indicators. What happens if the ruler's scale was a bit tilted or was completely wrong? Poverty is far more complex and dynamic in nature. One definition of poverty alleviation is to address poverty in all of its social, economic and cultural dimensions simultaneously: income level, housing, access to financial services, health, education and social justice.

Backed by numbers, Microfinance has proved its efficiency in reducing poverty. However, after nearly four decades of activity, the broad picture indicates that microloans do not eventually lead to the poor getting out of poverty. In fact, facts indicate that microloans are more beneficial to borrowers living above the poverty line than to borrowers living below the poverty line. Clients with more income are willing to take the risk, such as investing in new technologies that will

most likely increase income flows. Poor borrowers, on the other hand, tend to take out conservative loans that protect their subsistence. The vast majority of poor clients are caught in subsistence activities. The poor obtaining a microloan will eventually become a poor in debt with the only concern of protecting the newly created business, therefore, he/she will be trapped in an endless cycle of debt. Amartya Sen, the Nobel Prize-winning economist, eloquently argues that development can be seen as a "process of expanding the real freedoms that people enjoy." These freedoms can be achieved by focusing on the productivity and the economic sustainability of the activities of the vulnerable groups. Poverty alleviation starts therefore with comprehensive Economic Inclusion.

The Islamic Solidarity Fund for Development (ISFD) Economic Empowerment approach is an innovative mechanism playing a critical role today in freeing poor people suffering from unemployment, low income and fragile socio-economic conditions in many of our Member Countries and changing their lives. The Economic Empowerment Approach will act as a catalyst and facilitator for our Implementing partners to act as Market Developers. The Theory of Change through the Economic Empowerment Approach starts by engineering innovative interventions and proposing investment opportunities, access to finance, sustainable access to markets, supporting basic infrastructure, strong partnerships with the public sector, private sector & Civil Society and capacity building. A solid and sustainable Ecosystem is built in collaboration with development partners around the end-beneficiary for its Economic Inclusion in the long term. The objective is to transform the Poor from mere recipients of financing to real Business Partners. Historically, Palestine, Tunisia, Benin and Sudan were among these countries targeted by ISFD-IsDB Economic Empowerment interventions. In Palestine, for example, the Deprived Families Economic Empowerment Program (DEEP) has succeeded in financing more

than 13,000 projects and created 26,000 jobs and helped 5000 families to overcome poverty.

This transformation will go from Financial Inclusion to Economic Inclusion while positioning the 2030 Sustainable Development Goals (SDGs) Agenda at the heart of its interventions. Namely, the SDG1 (End Poverty), SDG2 (Zero Hunger), SDG5 (Gender Equality), SDG8 (Economic Development and decent jobs), SDG10 (Reduce Inequality) and SDG17 (Partnerships).

With the transfer of the Economic Empowerment Department (EED) team to (ISFD) this innovative approach will be expanded to include other country focused as well as regional poverty alleviation and empowerment initiatives. In fact, the ISFD Poverty alleviation and Empowerment team is making significant progress toward Launching and operationalizing seven poverty reduction flagship initiatives with an overall size of USD \$1.91 billion in 2024-2025, where ISFD planned contribution is USD\$ 195 million, targeting 10x significant resource mobilization leverage effect for ISFD funding. These initiatives include five country-specific initiatives (the MSMEs Fund in Libya, Economic Empowerment Fund in Palestine, Youth & Women Entrepreneurship Program in Tunisia, MSMEs Guarantee Facility in Morocco, and the Economic Empowerment fund for Uzbekistan) alongside two regional initiatives (Africa and Arab) and alongside two regional initiatives (Harvesting the Opportunities for Poverty Eradication (HOPE) finance Program for smallholder farmers, Cooperatives and MSMEs in Africa, and ISFD-UN Women Employment Program in Arab region).

ISFD, the poverty alleviation arm of the IsDB Group, was established with the mandate of leading, supervising and institutionalizing innovative poverty reduction programs with a vision of empowering end-beneficiaries in our member countries, including women and youth, by tailoring financial and empowerment systems to uplift the poor and serve the smallholder farmers and MSMEs!

# Building a World Class Global Advocacy Approach at IsDB



**Amir Hamza Syed**  
Associate Manager, Global  
Advocacy, PGARM



**Nedžad Ajanović**  
Lead Global Advocacy Specialist,  
PGARM



**Margareta Drzeniek Hanouz**  
Managing Partner,  
Horizon Group



**Andras Szorenyi**  
Senior Policy Advisor,  
Horizon Group

We observe an increasingly **complex global context** witnessed in a shift in north-south power relations, especially in financial terms. The capacity as well as the willingness of traditional development donor countries and Multilateral Development Banks (MDBs) is put in question, while new actors take central stage with or without well-established goals.

Against this background, many development actors are recalibrating their strategic objectives and, along with it, their advocacy approach. Thought leadership on development policy and thematic content strategies have become the crucial tools for more sophisticated advocacy strategies, requiring well-coordinated high-level political communication and broad engagement campaigns. Properly positioning IsDB within a shifting landscape of advocacy-involved development actors based on IsDB's unique institutional and strategic specificities is key.

In response to this changing context, the IsDB is in the process of establishing an institution-wide approach to Global Advocacy in line with the Bank's Realigned Strategy. To this end, IsDB partnered with Horizon Group, a Geneva-based insights agency, which brings experience with amplification, global diplomacy and impact through research to the table.

What is Global Advocacy? In the course of the project we defined it as any activity aimed at creating intellectual visibility with the ultimate aim of inspiring other organizations and individuals to support and buy into the Bank's agenda. This could lead to better quality and more partnerships, facilitate fundraising by making the bank more visible to key donors and overall help to align efforts towards those impact areas that matter to the Bank.

The IsDB can bring its unique agenda to the international community. Its explicit South-South focus, its deep knowledge of Islamic Finance, the trust of hard-to-reach communities and flexibility in conditions are all key pillars of its global advocacy approach.

To ensure highest impact of the IsDB's global advocacy efforts, the approach under development is uniquely tailored to the needs of the Bank and builds on learnings from leading MDBs and international organizations through extensive research and benchmarking. We also ran extensive consultations and a survey with key internal stakeholders during a mission in February 2024 to ensure that the approach meets the needs of IsDB staff.

The objective is to move towards a more unified and decentralized and dynamic

approach to global advocacy at the IsDB. Current decentralized efforts aim to be further harmonized and amplified via high-level leadership, such as through advocacy guidance documentation and structured internal coordination processes. We also seek to strike the right balance between global positioning, regional partnerships and local implementation when developing IsDB Global Advocacy strategy.

The project will also result in a set of standard operating procedures and detailed practical guidance on how to identify topics, coordinate efforts and messages across different units of bank to ensure that the new global advocacy approach is implemented successfully and delivers the desired impact for IsDB's beneficiaries and accelerated progress towards SDGs in member countries.



IsDB President, Dr. Muhammad Al Jasser, and UN Secretary General, H.E. Antonio Guterres, in Rome, Italy in July 2023.

## IsDB Global Advocacy at the UNHQ: 2024 Financing for Development (FfD) Forum and the SDGs Investment Fair



Department of Economic and Social Affairs

IsDB will be actively engaged at this year's Financing for Development Forum (FfD Forum) and the SDG Investment Fair and its Workshops to be held from 23 to 25 April 2024 in New York. An IsDB delegation led by Dr. Zamir Iqbal Vice President, Finance (Chief Financial Officer) will be speaking at the High-Level Opening Panel of the 2024 Sustainable Development Goals (SDG) Investment Fair as well as participate as a panelist at the panel discussion on Domestic and international private business and finance.

At the midpoint of implementation of the SDGs, more than half of the SDG targets have seen weak or insufficient progress while nearly a third are stalled or reversing. Decisive actions are urgently needed to scale up affordable long-term financing to invest in the SDGs. The 2024 Forum will convene Member States and multilateral Organizations to address the challenges and priorities for financing sustainable development. The Conference is expected to commit to concrete deliverables on financing for sustainable development, as well as to update the policy framework on financing for sustainable development to reflect the current global realities.

The SDG Investment Fair connects investors, projects, governments, development finance institutions, and the UN SDG investment

ecosystem to find solutions to mobilize private investment for the SDGs. Since its launch in 2018, 23 countries have participated and over 130 projects have been presented, amounting to over \$50 billion in SDG-aligned investment opportunities.

The IsDB delegation will also participate in the workshop as trainers to strengthen developing countries' capacities to mobilize private investment and finance their SDG projects. Planners and government officials in developing countries in charge of investment project preparation and investment facilitation have also expressed the need to better understand the landscape of private financiers and development banks, to more effectively access all available opportunities to mobilize resource and pre-investment support to realize their projects at the stage of pre-investment closure.

In this regard, the Global Advocacy team of the PGARM Department, led the technical discussions and coordinated closely with the colleagues from UN Department of Economic and Social Affairs (DESA) counterparts to ensure that one of the IsDB's key niche areas namely Islamic Finance and Sukuk are now featured in the events' agendas as SDGs oriented financing to improve awareness for their audience.

## Global Advocacy Dialogue Series: IsDB's Joint Initiative with UNOSSC

South-South cooperation has emerged as an important development cooperation modality for many of today's largest development challenges and should be seen as a critical complement to North-South Cooperation. The Islamic Development Bank (IsDB) and the United Nations Office for South-South Cooperation (UNOSSC) signed a Memorandum of Understanding (MoU) in September 2023 during the United Nations General Assembly in New York.

A Global Advocacy Dialogue Series was launched on 6 March 2024 by the Bank and UNOSSC to explore the latest development and partnership trends, focusing on the innovative and evolving nature of South-South and triangular cooperation. A number of DAC members – including Canada, Czechia, Japan, Germany, Hungary and Portugal – have integrated triangular cooperation into their existing frameworks and collaboration agendas.

The first dialogue in the IsDB-UNOSSC series – organized together with the Government of Portugal – introduced the potential for triangular cooperation to accelerate sustainable development, as an important bridge between South-South and North-South cooperation.

Delivering his opening remarks, **Dr. Mansur Muhtar**, Vice President of Operations, IsDB said, "The current Global Advocacy Dialogue Series is a timely initiative that casts light on South-South and triangular cooperation for sustainable development as one of the most important topics." He added that "IsDB as a South-South Multilateral Development Bank with a pivotal role to play in furthering the global advocacy agenda on South-South and triangular cooperation."

Noting that advocacy is essential to move toward a common understanding triangular cooperation, Dr. Issa Faye, Director General, Global Practice and Partnerships, IsDB stated, "We, at the Islamic Development Bank, believe in the power of South-South

and triangular cooperation, and we have been a global advocate for it since 1983."

Panelists from Germany, Portugal, and Republic of Korea discussed definitions and funding mechanisms of triangular cooperation and shared existing good practices and models.

Experts highlighted policy recommendations emerging from two recent studies: the Joint OECD-IsDB Report Global Perspectives on Triangular Cooperation; and the UNOSSC study, Triangular Cooperation with the Arab Region: Policies, Perspectives and Practices of Development Assistance Committee (DAC) Members.

Partners also provided initial inputs toward the shaping of a new Triangular Cooperation Window within the United Nations Fund for South-South Cooperation, managed by UNOSSC.

The dialogue was attended by over 130 participants, representing various partners and stakeholders.



# After 50 years in Development, Is the Glass Half-full or Half-empty?



**Dr. Rami Ahmad,**  
Senior Advisor to the President, IsDB

Our beloved institution, the Islamic Development Bank, is celebrating its 50th anniversary this year. An impressive journey for a South-South organization, to say the least. IsDB does not have the notion of 'Donors' and 'Recipients.' It is a manifestation of a solidarity set-up among developing countries, from the south, for the south, and by the south. The Bank has significantly grown and has become one of the twelve major MDBs in the world. Since inception, the IsDB Group has extended about USD 182 billion in funding for over 12,000 operations in 57 member countries.

The Bank has evolved and frequently adapted with strategic shifts and initiatives over the decades to cope with the dynamics of the ever-changing global economy and the challenges it brings to our developing countries. We strived to **'stand within our purpose'** and always tried to be relevant to our member countries.

Starting from the development needs of our member countries, the IsDB Group has been committed to the **2030 Agenda for sustainable development.** Most of our operations were clearly aligned with the global development agenda and its SDGs, sparing no effort in raising awareness, ensuring alignment, and enhancing advocacy for the SDGs. However, one cannot help but feel disappointed to realize that midway

towards achieving the goals, many of our member countries are off-track on most targets with few exceptions. One could argue that the multiple political and economic crises that have been hitting the world are the reason, rendering less funds to developing countries, inflation, debt burden, etc.

While there's truth to this argument, one wonders what efforts we have exerted to make our countries more agile and to help them in building resilience to deal with crises as they erupt. With the exceptions of few islands of hope among our member countries, we are still dependent on support and solutions coming from the 'developed world.'

The valid counterargument could also be that IsDB is still limited in its financial and human resources, compared to the paramount challenges facing our member countries. After all, the Quranic verse goes **﴿لَا يُكَلِّفُ اللَّهُ نَفْسًا إِدْرًا وُسْعَهَا﴾** "Allah does not burden any human being with a responsibility heavier than he/she can bear" (2:286).

I take that; however, in order to **'cherish the past and charter the future,'** we genuinely need to have an honest look

at ourselves in the mirror. Economic and political crises are not likely to disappear, continuing to aggravate fragility and reversing development gains here and there. The recent example is the catastrophe in Gaza. Aside from the political and painful humanitarian aspects, it is a disgrace for the entire global community to see years of development work (infrastructure, SMEs, health, education, etc.) go down the drain in few weeks while the world is shamelessly helpless.

So yes, circumstances could be beyond us and beyond the collective capacity of the MDBs to attain the aspirations of our countries, the SDGs at least. Nevertheless, we cannot but focus on building our capacity to embrace ambiguity and be creative and adaptive to do what is possible and what is effective. Building on the legacy of the last 50 years, we need to nurture a critical mass of professionals and leaders who take the mandate of this institution to heart and leave no stone unturned to unleash our great potential. Only then, we can continue this blessed journey of this unique organization and hopefully fill up the other half of the glass!



Cherishing our Past Charting our Future:  
Originality, Solidarity and Prosperity

### Midway Momentum: Cherishing IsDB at 50; Charting a Course for Augmenting SDGs Financing

SDGs Community of Practices Annual Flagship Event

IsDB Annual Meetings Riyadh 2024 Side Event




Welcoming Remarks

**Keynote Speaker**



**N. E. Ahmed Adesina**  
President, African Development Bank

**Panelists**



**H. E. Sri Mulyani Indrawati**  
Minister of Finance, Indonesia



**H. E. Hala El-Said**  
Minister of Planning & Economic Development, Egypt



**H. E. Wale Edun**  
Minister of Finance and Coordinating Minister of Economy, Nigeria



**H. E. Tefros Adhamon Ghebreyesus**  
Director-General of the World Health Organization



**Dr. Mahmood Mohieldin**  
UN Special Envoy on Financing the 2030 Agenda



**H. E. Dr. Muhammad Sulaiman Al Jasser**  
President, Islamic Development Bank



**Dr. Rami Ahmad**  
Senior Advisor to the President, IsDB

**Moderated By**

**CONTACT**  
sdgscoop@isdb.org

**DATE & TIME**  
Sunday, April 28, 2024  
02:00 PM to 04:00 PM

**VENUE**  
King Faisal Conference Center,  
General Assembly Room,  
InterContinental Riyadh,  
Kingdom of Saudi Arabia

**Kick-starting reforms and scaling up long-term affordable financing for the SDGs...**