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SDGs DIGEST

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

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EDITORIAL Rami Ahmad Special Envoy on SDGs

Less than two months have passed since the conclusion of the 43rd IsDB Group Annual Meetings in Tunis, where Partnership for sustainable development was at the heart of almost all core activities and side events. The focus was on working together to drive human capital development, innovation and digital transformation. In addition to the regular proceeding of the annual meetings, several notable events took place for the first time adding to the offerings of the IsDB Group; such as the Governors' Round Table, addressing development challenges in our member countries and embracing the value chain approach as one of the features of the new engagement modalities with member countries. Another distinguished event was the launch of the USD 500 IsDB STI Fund (The Transform Fund) that will seek to tackle development challenges with focus on SDGs 2,3,4,6,7 & 9. Several side events focused on smart multi-stakeholders partnerships for the SDGs, digital technologies, fintech, capital markets, youth, women empowerment and several others, all with focus on, and in relevance to, the partnership for sustainable development… Just another testimony to the daunting and comprehensive challenge of achieving the SDGs!

Our last edition of the SDGs Digest was well received with great feedback and interest for future contributions. This is why you will notice that we have almost doubled the number of articles in this edition. Again, and in the spirit of partnership, we are delighted to include a contribution from OECD addressing the potential of blinded finance for the SDGs, and from UNDP addressing the support for parliamentarians to become SDGs catalysts. Our VPF has also contributed a piece on the role of Islamic capital markets in achieving the SDGs. This issue is quite rich with a variety of SDGs related topics touching partnerships, finance, fragility, energy, technical cooperation and regional integration.

I would like to conclude by reminding us of the 'AAAA' approach that we are following to mainstream the SDGs within the IsDB Group: Awareness, Alignment, Advocacy and Adaptation. The SDGs CoP is regularly organizing internal 'open dialogues' attended by staff and management to discuss progress being made and new trends in addressing the real issues with SDGs. As the new structure of the bank is stabilizing, I call upon the SDGs' champions, each in his or her discipline, to step up to the plate to demonstrate the alignment of their work and to advocate for their contribution in achieving the SDGs in concrete terms. By now, I am sure it is an interesting and a vital challenge to work on… **Ramadan Mubarak!**

" What is needed in the realm of achieving the SDGs is focus and relevance. IsDB has chosen selectivity and prioritization to guide its action on the new global agenda, in line with the Bank's goals and aspirations."

Dr. Mohamed Jouini, VP
(Partnerships Development)

IN THIS ISSUE

Role of Islamic Capital Markets in Achieving SDGs

Dr. Zamir Iqbal

Vice President Finance and Chief Financial Officer of the Islamic Development Bank (IDB)

In wake of challenges faced by global financial landscape in today's world, the global financial order could benefit from a new banking and finance paradigm, one that is built on the principles of economic and social justice, risk sharing and direct linkages with real economy and avoidance of excessive speculation. Islamic finance is inherently structured to service this new paradigm as highlighted by the 2017 Global Report on Islamic Finance co-authored by the IDB and World Bank, and could thus help to address the environmental, social and governance (ESG) issues central to sustainable growth and development and support the timely implementation of the Sustainable Development Goals (SDGs) in IDB member countries.

The Islamic finance industry has grown at a double-digit rate and grew to around USD $2.3 trillion in 2016 and is expected to reach somewhere between USD 3 to 4.3 Trillion by 2020. While the Islamic finance industry continues to be dominated by the banking sector assets, which comprise nearly 75% of the overall industry, capital markets at around 20%, remain a critical segment in the industry. Within the Islamic capital market, *Sukuk* are becoming vital instrument used by both sovereigns and corporates for resource mobilization.

The IDB itself has been issuing *Sukuk* since 2003, using the market mobilized funding to complement its own equity. To date, we have raised a total of USD 21 billion through *Sukuk* to finance development projects in our Member Countries. Recent trends in the issuance of *Sukuk* are very optimistic. More specifically, total international *Sukuk* issuances stood at around $95 billion by the end of 2017, after more than $85 billion in 2016. Of this, more than $50 billion worth of *Sukuk* were issued by sovereigns, amounting to 70% of the total in 2017, compared to about 45.5% in 2016.

Although the *Sukuk* market is still in its formative stages and is only fraction of global fixed income market, it has developed at a significant pace and holds good potential for further development. IDB is not the only development institution utilizing *Sukuk* to raise funds for development, other MDBs such as the World Bank and International Finance Corporation (IFC) have tapped Islamic capital markets to mobilize funds. It is worth noting that Global Alliance for Vaccine and Immunization (GAVI), issued a *Sukuk* that raised over US$700 million to help protect tens of millions of children against preventable diseases. This is truly a social impact investment on a grand scale.

There are so many more innovative and creative instruments; from green *Sukuk* to FinTech, Socially Responsible Investments (SRIs) and Ethical Investment funds, that can be utilized to achieve SDGs. With such instruments and the growing development of the Green *Sukuk*, which like Green Bonds exclusively focus on climate-friendly initiatives, investors need not consider financial success and SRI to be mutually exclusive.

Whilst there is much reason for enthusiasm, we must acknowledge there are also challenges ahead. The *Sukuk* industry faces certain major hurdles stemming from (i) liquidity issues and limited active trading; (ii) buy and hold strategy by major investors due to limited supply; (iii) lack of regulatory support in several member countries; and (iv) lack of harmonization in *Sukuk* structures.

On our part, the IDB has initiated a Model *Sukuk* Law and Guidelines project that leverage global best practices and would allow IDB member countries and other jurisdictions a basis for creating a sustainable and enabling legal framework for *Sukuk* issuance and regulation. This would go a long way towards addressing the fundamental need of creating "enabling environments" and "standardized" products as outlined at the Third Annual IDB-World Bank Symposium in Islamic Finance held in Kuala Lumpur, Malaysia in December 2017.

I would like to conclude by emphasizing that *Sukuk* are transparent and versatile financial instruments that have demonstrated the ability to support development needs, in line with the SDGs, in a wide array of countries and sectors. At IDB, we truly believe that properly harnessed, the *Sukuk* has the potential to not only transform the risk and return tradeoff faced by issuers and investors for the better, but also, lift the lives of the billions of people who benefit from the growth and development it drives.

IDB LAUNCHES $500M INNOVATION FUND TO FUEL ECONOMIC GROWTH IN DEVELOPING WORLD

3rd April 2018: the IDB has announced the launch of a new $500M fund supporting science, technology and innovation initiatives that will tackle development challenges around the globe.

The Transform Fund will work in line with the Global Agenda of SDGs and aims forward accelerating progress towards achieving greater food security, healthier lives, inclusive and equitable education, sustainable management of water and sanitation, access to affordable and clean energy, and sustainable industrialization across the developing world (i.e SDG2, SDG3, SDG4, SDG6, SDG7 and SDG9 respectively).

The Transform Fund will provide seed money for start-ups and SMEs to develop their ideas and facilitate the commercialization of technology among the 57 IDB's member countries, many of which are developing nations. Innovators, scientists, SMEs private companies, NGOs, Governments and academic institutions are all eligible to apply for funding from Transform via its website.

Transform will run in tandem with IDB's new online hub, ENGAGE which launched recently and is designed to connect innovators in the world's developing communities with market opportunities and funding.

The Fund was launched during IDB Group's Annual Meeting held in Tunisia.

Supporting the Private Sector to achieve the SDGs

Hani Salem Sonbol
The CEO, ITFC

10 سنوات في تعزيز
التجارة من أجل حياة أفضل
10 years in advancing trade and improving lives

Developing the Private Sector Through Trade Financing:

It is well known that growth through international trade builds regional economic co-operation and raises collective development benefits in the form of job creation, poverty alleviation and improved livelihoods. Sadly, accelerating income growth and sustainable employment is a challenge in the developing world, given prevailing demographic and economic trends. The 57 Organisation of Islamic Co-operation (OIC) Member Countries' have a population in excess of 1.2 billion people, with the majority of whom are less than 25 years of age, and with an unemployment rate of 8.8%. As the youth enter into the labour force, the importance in sustaining employment and economic growth will become a rising priority for governments. The magnitude of this development challenge is significant – and it does raise a fundamental question.

In the era of the Sustainable Development Goals (SDGs), how can development finance institutions play a role in addressing this challenge? The answer lies in the development of the private sector by providing access to finance. For most people living in poverty, a decent job is their best chance of escaping to a better future, and on average the private sector provides 90% of jobs in a country. The majority of these jobs in poorer countries are in the informal sector, and are either 'microenterprises' or SMEs.

Furthermore, the benefits of private sector development extend well-beyond job creation – and range from increasing the availability of goods and services for consumption to driving positive social change. A strong economy can re-engage marginalised sections of society, incentivise investments in education and improve political engagement. In short, it can act as a real catalyst for change.

The trigger for this catalyst lies in the provision of finance. Access to finance can stimulate growth within the private sector by enhancing the range of goods and services that an economy produces. This economic diversity has shown to be a good predictor of growth and highlights a strong rationale for trade finance institutions to support the development of the private sector and contribute towards the attainment of the SDGs.

Over the past 10 years, ITFC has approved US$40.2 billion of trade financing to

OIC Member Countries', making the Corporation the leading provider of trade solutions for OIC Member Countries' needs. Within the private sector ITFC has provided US$9.2 billion, of which US$3.6 billion went to SMEs through partner financial intermediaries.

ITFCs development impact can be highlighted through the 230,300 jobs that have been directly supported in 2017, along with the 1,500 youth jobs that have been supported in the private sector. In addition, 9,000 new jobs have contributed towards the SDGs and ITFC estimates approximately 88,000 people were alleviated out of poverty in 2017. Evidently, the impact trade financing on the private sector is significant.

Encouraging Growth & Innovation in SMEs

Alleviating an SME's financing restrictions has shown to drive job creation in developing countries, encourages innovation, entrepreneurship and facilitates growth.

In the long run, the transition from a developing to a modern economy is achieved as the formal sector (including SMEs) begins to grow and displaces informal-sector microenterprises. It is this transitional role which multilateral financial institutions can facilitate as a catalyst for change – by harnessing the power of partnerships.

It is important to recognise the ability of partnerships 'to mobilise additional financial resources for developing countries from multiple sources'. Through partnerships, ITFC can negotiate with multiple sources to raise the amount of financing needed to meet the requirements of private sector enterprises. This creates a level of value-addition that would otherwise not be available. ITFC has significantly contributed towards this Sustainable Development Goal by approving over US$4.0 billion in additional resources mobilized from partners over the last 10 years.

To conclude, the Sustainable Development Goals represent a roadmap for solving the most pressing issues facing the People and the Planet in today's challenging global environment. It is a path towards transformation and sustainable development. In the era of Sustainable Development Goals, financial institutions have a leading role to play in accelerating income growth, alleviating poverty and supporting the betterment of livelihoods across the world. By financing private sector enterprises, financial institutions can act as a catalyst for change – contributing towards economic growth, youth employment and drive positive social transformation.

Harnessing the potential of the private sector to

Achieve the 2030 Agenda

Jorge Moreira da Silva

Director, OECD Development Co-operation Directorate

The 2030 Agenda funding shortfall resulted in a sharpened focus on the potential of the private sector and the role of other development actors – including Official Development Assistance providers and Multilateral Development Banks (MDBs) – to mobilise new private investments. Three years after the Addis Ababa Action Agenda on financing for development was agreed, new private actors populate the development finance landscape, offering an opportunity to use well-targeted blended finance to play a more strategic role in defending global solidarity. More than an opportunity, we have a moral imperative to maximise the full potential of all development finance to help countries most in need achieve sustainable development. At the same time, the incentivising new sources of development finance challenges the ability to maintain the integrity of development finance, ensuring resources are delivered most effectively to where they are most needed, especially as developing country partners face unique, evolving crises related to conflict and climate threats.

Blended Finance has emerged as a promising approach, gaining significant traction in the last year. When effectively applied, blended finance – defined as "the strategic use of development finance for the mobilisation of additional finance towards sustainable development in developing countries" - has the potential to bridge the annual investment gap of USD 2.5 trillion. The OECD DAC Blended Finance Principles for Unlocking Commercial Finance for the Sustainable Development Goals provide guidance for ensuring effective provider engagement in blended finance[1]. The policy principles strive to ensure that blended finance: (1) maximises development outcomes; (2) mobilises additional commercial finance; (3) is in line with local development objectives; (4) strengthens partnerships between developmental and commercial actors; and, (5) delivers value for money.

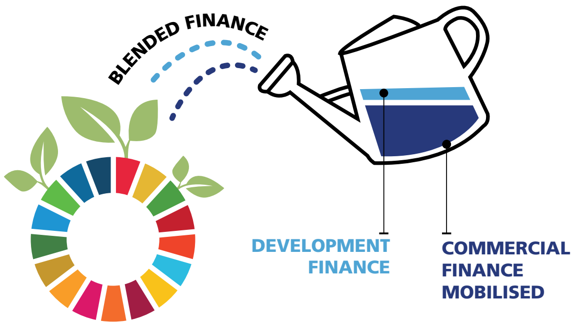
MDBs play a central role in blended finance, acting as an intermediary between government and private funders to crowd-in additional commercial finance. The shareholders of the World Bank Group recently elevated the importance of the MDB's role by increasing the paid-in capital base of IFC by USD 5.5 billion[2]. In particular, the MDBs play a pivotal role in mobilising private players by managing donor facilities that drive additional private capital at the project-level, when deploying concessional capital side-by-side with their own funds. For example, Sustainable Development Goal 6 on clean water and sanitation is an investment priority for about 70% of the facilities surveyed in a recent OECD publication[3].

Take India's Tamil Nadu water and sanitation pooled fund, an innovative blended approach driven by the Government of India and the German development bank KfW. The fund helps municipalities in Tamil Nadu state tap into capital markets to finance local infrastructure projects in the water and sanitation sector. Over the long term, the issuance of bonds under the project framework will broaden and deepen the municipal bond market.[4].

Another ground-breaking blended finance transaction in the health sector is the Elazig Integrated Health Campus project in Turkey, which sets an example for private investment in greenfield infrastructure. The project bonds are rated at investment grade by Moody's, thanks to MIGA political risk insurance and unfunded liquidity facilities by EBRD. This was critical to access EUR 208 million from bond investors such as Japan's Mitsubishi UFJ Financial Group, Italy's Intesa Sanpaolo, Germany's Siemens Financial Services, France's Proparco, and the Industrial and Commercial Bank of China.

However, while these individual cases make it easy to see blending as a silver bullet for the SDGs, there remain huge gaps to fill before the promise of blending for the 2030 Agenda is fulfilled. Only a small share of finance that has been mobilised from the private sector by development finance providers has been in least developed countries (LDCs). The OECD found that only 7% - or 5.5. billion USD of 81.1 billion USD in blended finance over four years – went to LDCs. Further research is required into if and how blending can be successfully implemented in least developed and fragile contexts, which the OECD is undertaking. The OECD is also continuing to develop methodologies for tracking the mobilisation of private finance and providing transparency with disaggregated data to inform better policies on blended finance. Finally, the OECD is examining how blended finance works in the clean water and sanitation sector, to identify best practices and challenges in applying blended finance to specific geographies and water investments, and how this can be better targeted to the poorest country contexts.

There is also a need for better learning about how finance from Islamic



[1]Please see http://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/OECD-Blended-Finance-Principles.pdf

[2]For more information please see http://www.worldbank.org/en/news/press-release/2018/04/21/world-bank-group-shareholders-endorse-transformative-capital-package

[3] For more information, please see OECD (2018), Making Blended Finance Work for the Sustainable Development Goals, OECD Publishing, Paris. http://dx.doi org/10.1787/9789264288768-en

[4] For more information, please see OECD (2018), Making Blended Finance Work for the Sustainable Development Goals, OECD Publishing, Paris. http://dx.doi. org/10.1787/9789264288768-en

Development Bank Group (IsDBG) and its member countries can promote the role of the private sector in development. The upcoming Arab-DAC Dialogue on Development, which will take place in Kuwait in January 2019, will provide an opportunity to discuss how the IsDBG and the OECD could co-operate in the area of blended finance on water and sanitation, in particular.

Our central guiding question should be: how will we use additional private finance for sustainable development to drive coherence, versus fragmentation? There is no time to lose in working together to answer this: will need to double the pace of poverty reduction – from 48 to 96 people a minute – to eliminate poverty by 2030. Three years after Addis, we have an urgent need to coordinate the diverse finance flows and actors by implementing co-ordinated private finance for sustainable development policies.

IDB and UNDP join forces in supporting

Arab Parliaments to become SDGs Catalysts

Olivier Pierre-Louveaux
UNDP, Inclusive Pollical Processes Programme Specialist

Hannah Becker
Inclusive Political Processes Expert

Real progress towards achieving the goals set forward in the 2030 Agenda requires the active engagement of all of government, and of all citizens.

The role for parliament and parliamentarians within the 2030 Agenda was recognized in the UN General Assembly's 2015 resolution, which acknowledges the *"essential role of national parliaments (…) for the effective implementation of our commitments."*

Supporting parliaments to effectively and transparently enact legislation, adopt budgets, and monitor implementation of the SDGs while inviting the participation and input from the public in an inclusive and participatory manner can indeed catalyse the achievement of the Goals. Parliament is one of the institutions which can promote the holistic approach of the SDGs in ways that leverage efforts to advance specific SDGs[1]. In their role as representatives of the people, parliamentarians are in a key position, and have a special responsibility, to open parliaments and engage the public, so government programmes and fiscal policies will benefit the poor and marginalized.

This is the reason why the Islamic Development Bank and the United Nations Development Programme (UNDP) have joined forces in supporting parliamentarians in the Arab region to effectively discharge their mandate in supporting and monitoring the implementation of the SDGs. Early results of this partnership include the production of *Parliament's Role in Implementing the Sustainable Development Goals: A Parliamentary Handbook* (2017), which was developed in cooperation with the Global Organisation of Parliamentarians Against Corruption (GOPAC), and the organization of a Regional Seminar for Arab Parliamentarians on the 2030 Agenda in cooperation with UNESCWA, which gathered MPs from several Arab countries and resulted in the development of an Regional Action Plan to foster the role of parliaments for the 2030 Agenda.

Initial success stories of the initiative, at the country level, include Lebanon, where a parliamentary roundtable, which was based on the IsDB-UNDP Handbook, resulted in the development an "2030 Agenda Parliamentary Work Plan" consisting of recommendations identifying good practices and innovative parliamentary mechanisms to shape and monitor the implementation of SDGs. As part of the work plan, a parliamentary SDG Body was created. Moreover, UNDP is currently supporting the parliament to develop a mapping and analysis evaluating all legislative, oversight and representative activities undertaken by the Lebanese Assembly in 2016 and 2017 against all 17 SDGs, as well as an assessment of anti-poverty policies and legal texts to achieve the SDG1 to end poverty.

Looking ahead, future activities of the IsDB-UNDP programme will encompass both national and regional level support. Starting by three pilot countries (Jordan, Tunisia and Somalia), the programme intends to conduct parliamentary SDG capacity assessments, develop parliamentary SDG action plans and strengthen procedures and capacities for SDG implementation and monitoring. Peer-to-peer support, dialogue, exchange and documentation on good practices will also be enhanced at regional level. A side event will be organized during the 2018 High-Level Political Forum on the Parliaments' Role in Implementing the SDGs for Sustainable and Resilient Societies. Then, jointly organized by IsDB, UNDP and ESCWA, a Parliamentary Annual Forum on 2030 Agenda will also take place in October 2019, gathering parliamentarians from all the Arab region. It will provide a platform for Parliamentarians to illustrate how parliaments can catalyze sustained development progress for all.

[1]The Arab Millennium Development Goals Report: Facing Challenges and Looking Beyond 2015, http://www.arabstates.undp.org/content/rbas/en/home/library/MDGs/arab-states.html

Effective and Innovative Partnership for
Conflict Affected Countries and Fragile States is Key to Attaining SDG-16

Abdi Moalin Abdullahi
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The SDG 16 aims at "Promoting peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels". This goal sets ambitious targets of tackling critical development challenges such as, corruption, lack of good governance, combating human trafficking, organized crime amongst others. This implies addressing these critical global development challenges through, peace building, effective governance, institutions and justice, as development enablers and as development outcomes.

Violent conflict, fragility and lack of peace remain critical development challenges, which severely affects over 2 billion people in the World[1]. The negative consequence of the violent conflict, lack access to peace and justice is enormous. Globally, more than 50 million people are displaced by violent conflict and over 370 million children live in conflict-affected areas, meaning that one in six children now live in areas that have been affected by violent conflict[2]. Iraq, Somalia, Syria and Yemen, which are IDB Member Countries (MCs), account for two thirds of the global refugees and internally displaced people. As indicated by the consolidated list of fragile states produced by the World Bank, 18 of the 36 fragile countries are IDB MCs. These countries, which are under resourced, have high levels of poverty and limited opportunities for basic social services, and are hence are very far from achieving the targets in the SDG 16.

Given this huge challenge, no single institution or country can tackle this developmental challenge alone, which necessitates fostering new effective and transformative partnerships to make concerted efforts to find innovative solutions to tackle the root causes of violent conflict and injustice. There is no doubt that current **"Business as Usual"** cannot make any significant changes in the lives of many people affected by this challenge.

The present business model and classical financing instruments of international development financing institutions are not designed to cater for the diverse needs of the fragile and conflict affected countries, as their political risks are deemed high and hence not eligible for financing of Multilateral Development Banks (MDBs). That is why it is necessary and timely to find innovative forms of partnerships and collaborations between all stakeholders to engage with the private sectors such as philanthropists to increase the resources allocated for the conflict affected countries and fragile states.

The role of Civil Society Organizations (CSOs) and Non-Governmental Organizations (NGOs) is critically needed to support the hard-to-reach areas that have been affected by the violent conflict; often these communities are underprivileged or disadvantaged because of the remoteness of the geographical locations. The Bank's recent mechanism to create consortium of international NGOs that contribute matching funds to the IDB-Program for the Education of Syrian Refugees is a concrete example. Through this mechanism, 12 international NGOs have been selected and mobilized additional resources for the program.

In order to realign its 10-Year Strategy to proactively and effectively respond to the diverse needs to its MCs affected by manmade and natural disasters, the Bank has established "Resilience and Social Development Department", which is mandated to carry out among other things; post conflict, fragility, disaster management and resilience. One of the immediate tasks is to develop the Bank's policy and operational strategy to better structure and guide its interventions in conflicted affected and fragile MCs.

Going forward, ensuring **"Leaving No One Behind"** of the SDGs necessitates finding innovative financing mechanism to support the conflict affected and fragile countries as the traditional financing systems are either not sufficient or not applicable for these countries. It is, therefore, imperative that the MDBs such as IsDB take bold steps to introduce innovative financing facilities with development partners, donors and non-traditional actors to mobilize more resources to support conflict affected and fragile MCs.

[1] World Bank 2017
[2] Save the Children Report, 2018

The New Member Country Partnership Strategy: A Commitment to the SDGs

Soule Sow
Economist, Young Professional Program
Country Strategy and Cooperation Department

As an institution of South-South cooperation, IDB can help in achieving most relevant SDGs for each Member Country without losing sight of its overall commitment to all SDGs.

IDB is introducing Global Value Chains (GVC) as a new approach in its Member Country Partnership Strategy (MCPS). IDB's new approach is to focus on targeted interventions, which are more impactful, more coherent, and hence more beneficial to the Member Country (MC). Considering IDB's drive to be proactive, fast, adaptive, and to remain at the frontier of development, the President's 5-year program has placed an emphasis on the use of competitive markets with a network of developers based on a decentralized organization. Therefore, the core driver of the new MCPS is the GVC. Having developed a new analytical tool to find the industry and product champions of our MC, IDB interventions will focus on addressing gaps and bottlenecks in the GVC of the country's product/industry champions.

IDB aims to make the MC's markets work better by: (1) helping the MC identify the market products in which the country has a revealed comparative advantage, (2) analyzing the global value chains in order to boost the chain so that the country can better specialize in these products, and hence (3) promote industrial development and economic growth. Therefore, IDB can greatly contribute to the achievement of SDG8, and SDG-9 for its MCs.

In addition, IDB's focus on the most relevant interventions are a practical way to commit to achieving the SDGs as this strategy maximizes the development impact of IDB projects. Once the industry and the product champions are identified, and a comprehensive analysis of market demand, growth potential, value added and sectoral linkages is conducted, the GVC analysis will be used to identify bottlenecks, capacity gaps, and the product's potential in the whole chain from the initial production stage to the export distribution. Therefore, at each stage of the value chain, IDB departments and entities, based on sectoral policies, can help the MC identify interventions that the IDB can undertake to strengthen the chain. The GVC approach identifies the most relevant interventions in the MC.

In the new MCPS approach, IDB will also assist the MC to identify the country's most critical unmet SDGs so to better target them in the Global Value Chain either by sector or by geography. These SDGs can be either determined by the unmet gap between the indicator and the target relative to the 2030 goal and/or by the unmet gap between the indicator and the target relative to peer countries (countries with similar income, structure, or geopolitical background). For a given MC, the new approach highlights the top critical SDGs. The starting point of the approach will be the government's stated SDG priorities. Therefore, when undertaking GVC interventions, it will contribute to the most critical SDGs.

Going forward, IDB can play a strategic role in helping the MC convert its SDGs goals into near-term to medium-term SDGs achievements. Under the new framework of IDB's limited financial envelope and large SDGs' financing gaps, a more targeted intervention for engaging private sector yet adopting inclusive approach towards the SDGs holds great promise.

IDB commitment to SDG 7 - Access to Affordable and Clean Energy

Husain Mugaibel
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Farid Khan
Senior Energy Specialist

Access to reliable and affordable energy is the basic requirement for poverty reduction (SDG-1), modernization as well as economic growth (SDG-8), and industrialization (SDG-9). Energy is an important facilitator for provisioning of modern healthcare facilities (SDG-3), quality education (SDG-4), clean water (SDG-6), and communications and transportation facilities (SDG-9). Moreover, Paris Agreement has increased awareness regarding environmental impact of fossil fuels (without adequate safeguard mechanisms) and has brought renewed attention to the need of developing indigenous renewable energy (RE) resources as well as promoting energy efficiency enhancement (EEE) initiatives.

Accordingly, SDG-7 targets to ensure universal access to affordable, reliable and modern energy services by 2030.

SDG7 is currently not on track for meeting its targets by 2030 (i.e. universal access to electricity as well as clean fuel and technologies for cooking, doubling the rate of improvement for energy efficiency and a substantial increase in the share of renewables in the global energy mix). The financial support needed for achieving the SDG7 is one of the key challenges, requiring establishment of new partnerships and tools for attracting the private sector for the achievement of SDGs. Suitable policies and regulatory framework also need to be created for encouraging the private sector involvement and investment in the sector and enabling accelerated implementation of energy efficiency measures and deployment of renewable energy.

IDB has invested approximately USD 46 billion to support energy sector in its member countries. The IDB's energy sector policy is also fully aligned with SDG-7 and focuses on improving energy access, development of renewable energy and enhancing energy efficiency in member countries.

Energy poverty is most prevalent in rural communities, where access remains a challenge. Therefore, IDB continues to prioritize rural electrification projects to enable the member countries achieve their SDG-7 targets. IDB's rural electrification projects have demonstrated that access to modern electricity sources helps students in rural communities to study longer and improve their grades (SDG-4: Quality Education). Shops in villages can remain open after sunset, attracting more customers and enhancing their profits (SDG-8: Decent Work and Economic Growth). Rural electrification projects also provide the households with the ability to install pumps to easily access clean water (SDG-6). As the burden to carry water and perform other daily household chores is mostly borne by females, access to affordable and clean energy also promote

Gender Equality (SDG-5). The ability to recharge their mobile phones and watch TV helps to enhance the connectivity of remote rural households. Electrification also provides the rural households with access to essential market information to enable them to make better decisions related to their commercial activities and giving them an opportunity to be an integral part of the agricultural value chain activities to help them improve their income (SDG-10: Reduced Inequalities).

In accordance with Paris Agreement IDB has prioritized the development of Renewable Energy Projects as well as promoting Energy Efficiency Enhancement Initiatives in IDB member countries. Examples of projects include supporting construction of mini-hydropower plants in Tajikistan, rehabilitation and modernization of old hydropower plants in Uzbekistan, development of wind and run-of-the-river hydropower plants in Pakistan, supporting private sector investments in wind, solar, geothermal and hydropower plants in Turkey and mini-solar home systems in Bangladesh.

IDB has also launched the "Renewable Energy for Poverty Reduction" (REPoR), and a partnership platform called the "Renewable Energy Alliance for the Poor" (REAP). The initiatives aim to improving the living conditions of rural populations by allowing them to have access to electricity through decentralized hybrid electrification solutions (mini-grids and solar household systems). Projects supporting solar electrification of rural communities are presently under implementation in Burkina Faso, Senegal and Chad.

IDB is also investing heavily in developing power transmission and distribution infrastructure to increase the efficiency of the power system by reducing line losses as well as to enhance access to electricity. In a bid to provide holistic solutions, a US$1.6 billion Power System Expansion and Efficiency Improvement Investment Program is being developed in collaboration with ADB, EIB, and Agence Française de Développement (AFD). The Program will support development of new power generation, transmission and distribution facilities to enable the country to meet its SDG-7 targets.

IDB also prioritizes regional power integration development projects that promote energy trade between IDB member countries. On-going projects include development of power/energy interconnections between central-Asia (Turkmenistan, Tajikistan, Kyrgyz Republic, Uzbekistan) and south Asia (Afghanistan and Pakistan), Turkmenistan, Afghanistan, Pakistan and India Gas Pipeline Project and Saudi-Egypt Electricity Interconnection Project.

IDB's 10-year strategy has prioritized the private sector development as a key focus. The IDB President's Five Year Program (P5P) is also emphasizing the partnership and cooperation with private sector. IDB will take a leading role in creating funds for development initiatives through global and regional partnerships, together with other MDBs and stakeholders. IDB will mobilize the finical and human resources through crowdfunding and crowdsourcing platforms. The cooperation will help in addressing the main challenge being faced by SDG7 in availing the financial support needed, which is estimated at USD 1 trillion annually for achieving the associated targets by 2030.

IDB will also continue to play an important role in sharing the knowledge and experience of successful progress toward achievement of the SDG7 of its member countries. In addition to establishing a complex for Partnership Development in the new organizational structure of IDB, the Reverse Linkage Division will play a pivotal role to disseminate successful models, e.g. experience of successful Rural Electrification in Morocco has been shared with IDB member countries in sub-Saharan Africa to guide their efforts to overcome the challenges related to electricity access.

The Islamic Development Bank (IsDB) announces plans to establish the Sustainable Energy for All Middle East Hub at its Headquarters in Jeddah, Saudi Arabia.

The new Hub, which will support access to energy, scaling up of renewable energy, and improve energy efficiency in the Middle East region, is being created through a partnership agreement between IDB and the 'Sustainable Energy for All' (SEforAll) -- a nonprofit International Organization set up by the UN and World Bank. The mandate of SEforALL is to accelerate the achievement of SDG7 --- which calls for universal access to sustainable energy by 2030 --- and the Paris Climate Agreement which calls for reducing greenhouse gas emissions so as to lower global warming to below 2 degree Celsius.

The Hub will enable exchange of ideas and transfer of technology in renewable energy solutions, which have recorded competitive prices and reliability in recent years. It will also work with governments and private sector to boost energy efficiency in the commercial and residential sectors. It is expected that the Hub will raise awareness at national and regional levels about the challenges, constraints, and opportunities available for achieving the three core objectives of SDG7, namely (i) ensuring universal access to modern energy services, (ii)doubling the share of renewable energy in the global energy mix, and (iii) doubling the global rate of improvement in energy efficiency.

The agreement for the new Hub was signed in Lisbon, Portugal during the Sustainable Energy for All Forum held on 2-3 May 2018, which was attended by more than 850 leaders representing government, business, civil society and international organizations.

Achieving the SDGs through

Regional Cooperation and Integration

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To boost IDBG's focus on cooperation among Member Countries in support of the SDGs, the Country Strategy and Cooperation (CSC) Department of IDB is in the final stages of developing a Regional Cooperation and Integration (RCI) Strategy. The vision inspiring this Strategy is that Member Countries should "achieve sustainable and interdependent growth through mutual cooperation." Importantly, this vision is not only in line with the Islamic values of mutual help, community, and solidarity but also with internationally recognized development practice and the global SDGs agenda. The RCI Strategy is based on the following four pillars: (1) enhancing cross-border connectivity; (2) improving investment climate and trade competitiveness; (3) mainstreaming trade and Islamic finance; and (4) facilitating cooperation to provide Regional Public Goods (RPGs).

Multiple targets of the SDGs explicitly recognize the importance of planning and cooperation at the national, regional and international levels. In fact, the SDGs and their associated targets include the following: the promotion of regional economic integration and interconnectivity; strengthening regional development planning (Target 11.a); regional and trans-border infrastructure to support economic development (Target 9.1); increasing the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020 (Target 17.11); and South-South and regional cooperation on access to science, technology and innovation and to enhance knowledge sharing (Target 17.6).

Furthermore, IDBG's RCI strategy is designed to support many of the goals and targets of the SDGs, especially where action at the national level might not be sufficient. The Strategy emphasizes the role of IDBG as an honest broker and catalyst for RCI, as well as a trusted partner for regional cooperation organizations (RCOs) and a facilitator of their interventions, given IDBG's reputation and legitimacy in the eyes of its communities. Clearly, enhancing intra- and inter-regional, cross-border trade (Pillars 1, 2, and 3 of the RCI Strategy) have the promise of delivering export-oriented growth. This growth would serve such SDGs as Goal 8 (Decent Work and Economic Growth) and Goal 9 (Industry, Innovation and Infrastructure). Beyond this, however, Pillar 4 of the RCI Strategy plays a crucial role, as many SDGs involve Regional Public Goods (RPGs), which require collective action. For example, controlling the cross-border spread of communicable diseases (Target 3.3), ending human trafficking and protecting migrant workers (Targets 8.7 and 8.8, respectively) and tackling many environmental challenges (including natural resource sharing, climate change and disaster management) (Goals 12 and 13, especially Targets 12.2 and 13.1) all require collective action at the regional level.

The new RCI Strategy is expected to influence IDBG's future engagement with MCs by encouraging the prioritization of cross-border and regional projects in support of the SDGs. Towards this end, the Strategy contains implementation mechanisms to operationalize its pillars and focus areas. The Strategy also contains a results framework, solidly baselined on the significant RCI component of IDBG's past operations. Ultimately, the RCI Strategy and even the SDG lens are tools to direct IDBG's resources towards maximum development impact for Member Countries and the Ummah.

The 3.2 C Initiative for
Effective Technical Cooperation

The Reverse Linkage Team

In the last two decades, many of the developing countries has accumulated substantial development experience and acquired expertise, knowledge and technology, enabling the vast potential of these advances to be shared with other countries in the Global South. Owing to this accumulated knowledge, coupled with increased prosperity in the developing countries, the volume of South-South Cooperation has increased to such unprecedented levels that it has finally come under the spotlight that it deserves.

In this context, partnerships between the IDB and member countries' Technical Cooperation Agencies (TCAs) were developed. They were operationalized through the joint implementation of technical cooperation activities and later on through Reverse Linkage projects. Thus, new partnerships were forged with member countries' TCAs, including:

- Azerbaijan International Development Agency (AIDA)
- Egyptian Agency of Partnership for Development (EAPD)
- Ministry of National Development Planning of Indonesia (BAPPENAS)
- Moroccan Agency for International Cooperation (AMCI)
- Agency for Technical Assistance and Cooperation (ATCT) – Tunisia
- Turkish Cooperation and Coordination Agency (TiKA).

To capitalize on these partnerships, in May 2016, a roundtable of TCAs from member countries was organized by IsDB at its 41st Annual Meeting in Jakarta in order to strengthen partnerships, enhance complementary relationships and achieve more visible and sustainable results on the ground.

In line with the roundtable theme – Scaling Up and Enhancing Partnerships among IDB Member Countries (MCs) for Tangible Results – and while recognizing the comparative advantages as well as the wealth of knowledge and expertise of IDB MCs, the TCAs reached the conclusion that coming together is the best way to achieve noticeable results on the ground. They particularly acknowledged that coordination, collaboration and cooperation among provider and recipient MCs are fundamental to improving results and impacts in line with the SDGs.

Thus, they recommended strengthening their partnership through a new framework of action: the 3.2 C Initiative for Effective Technical Cooperation, structured around three pillars:

- Pillar 1: Convergence and Complementarity
- Pillar 2: Coordination and Collaboration
- Pillar 3: Capitalisation on Knowledge and Communication.

To translate theses pillars into actions, the TCAs agreed to develop a roadmap for enhancing technical cooperation for sustainable development among IDB MCs and to convene an annual dialogue meeting for the member countries' TCAs to follow-up on agreed actions.

Building on that momentum, the first dialogue meeting was held in December 2016 at IDB headquarters in Jeddah. It resulted in setting up a platform of collaboration with a coordination mechanism to be gradually expanded in the future. A second dialogue meeting was held in Tunisia in December 2017 to strengthen this partnership within the framework of the 3.2 C Initiative for Effective Technical Cooperation and to collectively implement the 2017–2020 roadmap structured around the 3.2 C pillars.

From the Jakarta roundtable to the Tunisia meeting, the additional TCAs and partners have joined in, these are:

- Comorian International Cooperation Agency
- Guinean Agency for Technical Cooperation
- Malaysia External Trade Development Corporation
- Nigeria Directorate of Technical Aid Corps
- Palestine International Cooperation Agency
- Senegal Technical Cooperation Department
- Statistical, Economic and Social Research and Training Center for Islamic Countries (SESRIC)

This dialogue among TCRs of IDB MCs opened avenues of collaboration with other countries of the Global South such as Brazil and Argentina.

Three objectives to achieve development and solidarity

The objectives of the 3.2 C Initiative for Effective Technical Cooperation are:

- Setting up a mechanism of coordination towards achieving sustainable development on the ground
- Strengthening existing partnerships among member countries' TCAs and with IDB, and deepening their relations for mutual benefits
- Contributing towards shaping and influencing the global agenda of technical cooperation, as well as South-South and Triangular Cooperation.

The three pillars of success

Derived from the meetings in Jakarta and Jeddah, the Roadmap 2017–2020 of the 3.2 C Initiative for Effective Technical Cooperation is structured around three pillars:

Pillar 1: Convergence and Complementarity (high level/ upstream)

Meaning: Convergence on strategic agenda and complementarity based on comparative advantage.

Purpose: Setting up strategic partnerships and synergy among TCAs, as well as with IDB, and increasing the strategic positioning and engagement of the TCAs for shaping the international agenda and architecture of technical cooperation and South-South and Triangular Cooperation.

Implications: Moving together at the international level and building on each other's strength to ensure that the resources are most efficiently used in pursuit of the joint objectives and results. This will imply harmonising positions at the international level, adopting joint approaches, developing common understanding and vision and conducting joint planning and programming.

Examples:

- Strengthening the capacity of the member countries' governments and national stakeholders to engage in effective technical cooperation and the South-South and Triangular Cooperation
- Conducting joint efforts to develop the capacity of existing and/or newly established agencies
- Developing tools and approaches for fundraising, leveraging and co-financing.

Pillar 2: Coordination and Collaboration (field level/ downstream)

Meaning: Coordination of field operations and collaboration by sharing knowledge and resources.

Purpose: Promoting the implementation of joint operations (programmes and projects) whenever feasible and mutually agreeable among TCAs and with IDB, toward achieving specific goals and enhancing the efficiency of technical cooperation efforts.

Implications: Working together in the field and devoting joint resources (workforce and financial) for selected areas with the aim of maximising the benefits and the impact (tangible benefits/outcome).

Examples:

- Carrying out multi-sector interventions in one country through the implementation of joint integrated operations (multi-sector operations in specific geographical areas)
- Carrying out cross-country interventions through the implementation of joint operations in a specific sector for multiple countries (cross-country or regional operations)
- Reinforcing results-oriented approaches among the TCAs, including the establishment of specific procedures for designing, monitoring and evaluating joint operations and harmonising operational practices and standards.

Pillar 3: Capitalisation on Knowledge and Communication

Meaning: Capitalising on acquired knowledge to improve the work and communicating successful initiatives and projects for branding and visibility purposes.

Purpose: Promoting learning from technical cooperation experiences; the development of partnership initiatives; peer-to-peer learning and knowledge exchange in specific sectors or subsectors.

Implications: Capturing and sharing the knowledge and know-how gained by working together to the purpose of ensuring sustainability, increasing visibility and creating long-term and permanent competitive advantage.

Examples:

- Systematising knowledge-capturing through success stories and other means, and publishing them at the national, regional and global level
- Producing periodic reports on technical cooperation and South-South and Triangular Cooperation initiatives, supported by specific indicators highlighting IsDB member countries' efforts
- Carrying out joint needs and supply assessments in specific sectors or subsectors
- Creating an online portal to share success stories, periodical reports and publications among IsDB member countries' TCAs.

Guiding principles and strategic orientations

The design and implementation of the roadmap 2017–2020 are guided by the internationally recognised South-South and Triangular Cooperation principles, which include:

- Respect of national sovereignty
- National ownership and independence
- Equality
- Non-conditionality
- Non-interference in domestic affairs
- Mutual benefit.

In addition, the activities undertaken under the roadmap should necessarily fit with the following strategic orientations:

- Focusing on the new policy frameworks for member countries to foster cooperation among TCAs, in line with the 2025 Programme of Action, especially Item 9, of the Organization of Islamic Cooperation (OIC); and the SDGs, especially SDG 17 that emphasizes the importance of South-South and Triangular Cooperation
- Building on successful initiatives, such as the SESRIC Capacity Building Programmes and the IsDB Reverse Linkage Mechanism for Technical Cooperation
- Identifying priority sectors and countries where coordinated interventions can be applied and become successful
- Replicating and up-scaling proven developmental solutions and best practices and promoting cross-country interventions to increase the impact of technical cooperation and South-South Cooperation partnerships
- Using the results-based approach for formulating and designing strategic plans of joint intervention, and continually monitoring progress
- Enhancing dialogue and cooperation at global level for better positioning and visibility.

Conclusion

In line with IsDB's 10-Year Strategic Framework and the President's 5-Year Programme, enhancing partnerships and facilitating the share of knowledge and expertise between IsDB member countries are among the top priorities of the Bank in the coming years. In this regard, while strengthening partnerships with existing TCAs in member countries, IsDB is on the lookout to help other member countries to set up their own technical cooperation agencies and to facilitate the sharing of knowledge and expertise with their counterparts. These extensive efforts in enhancing partnerships and facilitating the sharing of knowledge and expertise will help in building national and regional ecosystems for enhancing South-South Cooperation, which has emerged as a complementary mechanism to North-South Cooperation.

Importance of Evaluation in the Era of SDGs

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The preamble of the Sustainable Development Goal's Agenda states, "Eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development." This broader perspective addressing global challenges and encompassing framework would require a systematic and robust monitoring and evaluation (M&E) framework to assess progress made towards implementing the SDGs and make adjustments where necessary.

Against this backdrop, here are five reasons why we should evaluate the SDGs.

1. ***Reporting on progress:*** since the SDGs are time bound, monitoring and evaluation will help in reporting on the progress made while taking into account national realities, capacities and level of development. The major criticism of the MDGs was that they lack the framework of M&E.
2. ***Learning and accountability:*** evaluating SDGs is crucial for learning, mutual accountability, and for generating evidence on what works and what does not work in the implementation process. The evidence generated through M&E will contribute to formulating and revising the strategies of implementing the SDGs, feed into the design of new strategies, interventions and inform policy and decision-making.
3. ***No one left behind principle:*** evaluation in the era of the SDGs is also extremely important to ensure that the core principles of reducing inequalities and "no one is left behind" are integral part of the SDGs.
4. ***Sharing Experiences:*** the SDGs are a global commitment to 17 universally agreed upon goals and 169 targets that represent the road map for sustainable development by 2030. Given the interdependency of the SDGs, it is important to identify whether the progress made in each SDG is dependent on the contribution of other SDGs. For this purpose, country-level evaluations will provide a wealth of information and experiences that can be shared globally. Indeed, the complexity and complementarity nature of the SDG targets require continuous benchmarking and assessment to measure progress made on each goal. Hence, evaluation is necessary to take account of the linkages and potential trade-offs between targets and goals.
5. ***Evidence-based information:*** evaluation plays a crucial role in supporting efficient and effective implementation of SDGs at the country level. Since the key goal of reducing inequalities is to identify groups left behind, country-level evaluations will increase the accessibility of evidencefor decision makers as well as for other stakeholders. By identifying excluded groups and areas that are falling behind, country-level evaluations will inform governments that their social and economic programs have not been effective in delivery inclusion, equity and social justice. One important factor about country-led evaluation is that it inculcates ownership and participation. A country "owned" evaluation based on consultative and transparent processes would involve a broader range of stakeholders in assessing and measuring progress towards achieving the SDGs; both at the national and local levels.

Water Still Remains a Major Challenge in Many Member Countries

How can Development Partners Help?

Since the SDGs is a global partnership, countries, it is crucial that their development partners and other stakeholders should work in a harmonized manner to achieve the SDGs by 2030.

IDB Interventions have Made Lasting Impacts in Education in Member Countries

More specifically, development partners, such as IDB, should support their member countries financially as well as technically to help them achieve the SDGs by 2030. The fact that the implementation and monitoring of SDGs are country-led implies that the national statistical capacity and evaluations systems will play a key role in follow-up and review processes. To make M&E of the SDGs successful, the national governments and their development partners can do the followings:

1. Focus on enhancing the roles and capacities of local and sub-national governments by providing the support and resources they need to fulfill their critical responsibilities.
2. Enhance the capacities of statistical offices to enable them to collect data at all levels (local, regional, sector) and analyze it.
3. Establish evaluation units in concerned line ministries and resource them adequately.
4. Support the technical and administrative capacity development of staffs at various levels of governments.
5. Promote effective citizen participation in decision-making, through more productive state-citizen interactions in national processes, for sustainable and equitable development.
6. To show its commitment to SDGs, IDB should support its member countries through not only financing, but also policy advice and technical assistance. In this respect, IDB may create an SDG Fund to support MC's efforts in translating the SDGs targets into meaningful programs and projects.
7. SDG financing should feature prominently in future MCPS, especially for low-income countries to ensure that "no one is left behind".

Role of Islamic Finance in achieving the SDGs:
How could the Islamic Development Bank Group fill the evidence gap

Ibrahima Thierno Lo

Principal Monitoring and Evaluation, ICD

In the development arena, lot of efforts have been deployed in finding new solutions (financial and non-financial) to address the development challenges. The culmination of these efforts is the SDGs agenda adopted at the global level in September 2015. The new SDGs unlike the previous MDGs, are focusing on solutions owned by countries that can make sustainable improvements in people's lives. However, despite all the ongoing initiatives, nationally or internationally driven, complementing, overlapping or conflicting sometimes, how would we know in the end the best solutions that have really made significant difference in achieving the SDGs?

In the present article, we first highlight the case of Islamic Finance with some unanswered questions on its role in development. Section 2 presents rigorous methodologies that help answer those questions and section 3 concludes on concrete steps being taken at IsDB Group level.

1. **Unanswered questions on the role of Islamic Finance in development : few examples**

   More and more development agencies are relying on building strong empirical evidence as one of their main contributions to the SDGs. In fact, their greatest impact will not be the amount of financing they provide (which is insignificant compared to domestic and private finance) but the evidence they provide in addition, to inform development policy on ways to accelerate the achievement of the SDGs.

   For the IsDB Group, as a premier Islamic multilateral development bank, how are we going to demonstrate that Islamic finance is able to make significant difference in people's lives, with rigorous empirical evidence?

   More specifically, how does the demand for Islamic finance compare to conventional finance and how much does it differ based on the characteristics of the financial product itself? How do the different Islamic finance products affect repayment and long-term utilization of financial services, and ultimately the profits of Financial Institutions? How do Islamic finance products affect the welfare of the recipients? Evidence has shown that classical micro-credit has no significant impact on poverty, can we say the same for Islamic Microfinance?

2. **Rigorous methodologies to answer the unanswered questions**

   The above causal inference questions cannot be rigorously answered with anecdotal stories or classical surveys, which often suffer from selection bias and measurement errors, which lead to "False Positive" or "False Negative" results. Instead, to minimize these issues, researchers are using advanced empirical methods such as[1] :

   - **Randomized Control Trial (RCT):** a sample is randomized between treatment and control groups. As the treatment (the intervention) has been randomly assigned, the difference in outcomes of the two groups is the effect of the intervention. Although RCT is the ideal set-up for causal inference, it is not doable for some interventions because of its strict requirements.
   - **Difference-in-Differences (DD):** DD compares outcome before and after an intervention for a group affected by the change (treatment) to a group not affected by the change (control). The validity of the method depends on whether the control group and the treatment group would be on the same trend in absence of the intervention.
   - **Regression Discontinuity Design (RDD):** RDD compares outcome for people whose value of the underlying targeting variable is just below (group 1) and just above the discontinuity (group 2). These two groups are similar before the intervention. Any difference could be attributed to the intervention. Here, large sample or sometimes census data are required.

3. **Concrete steps undertaken by the IsDB Group to invest in empirical evidence**

   The IsDB Group is taking steps to start including empirical research in its

[1] We have summarized here few of them, based on the paper prepared by Ester Duflo of the Department of Economics at MIT - "Empirical Methods MIT 14.771/Harvard 2390b"

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program design. The first attempt using Randomized Control Trial will be with the "Business Resilience Assistance for Value-adding Enterprises for Women (BRAVE Women) program" initiated by the Women and Youth Empowerment Division of IsDB and the IBES program of ICD. They have partnered to submit a joint proposal to the Women Entrepreneurs Finance Initiative (We-Fi), a multi-donor fund supported by 14 governments and managed by the World Bank.

Based on the proposal, the IsDBG was granted $32 million in April 2018 to implement the BRAVE Women program with the aim to enhance the resilience of women-owned SMEs in Yemen, Nigeria and Mali. One of the empirical research question that the RCT will address is: In fragility context, which types of women-led/owned businesses benefit more from business resilience training combined with grant-matching.

The CoP on SDGs Seminar during the Annual Meeting:

Smart Partnerships for the SDGs

Dr. Imed Drine

Regional Economist (MENA & Europe)

In conjunction with the 43nd Annual Board of Governors Meeting, a seminar on **"Forging Smart Partnerships with Multi-Stakeholders for the SDGs: Experiences from Member Countries"** was organized on 03 April 2018. Imminent speakers from Indonesia, Jordan, Nigeria, Tunisia, Turkey, the World Bank, and UNDP shared their thoughts and experiences on how to forge smart partnerships with multi-stakeholders for the SDGs. The Seminar provided a platform for policy makers, parliamentarians, civil society, development practitioners and international organizations to discuss about concrete solutions and best practices to support the implementation and achievement of the global goals.

The seminar ended on the key following conclusions:

- There is a need to mainstream the SDGs in the national development plans and policies. The SDGs should serve as a framework for better coordination of development efforts among all development actors.
- The guiding principles to achieve the SDGS are: (i) national ownership, (ii) building on the best practices, (iii) building on the previous experiences, (iv) speeding up implementation, (v) using innovative tools and approaches, and (iv) adopting an inclusive approach.
- The right institutional and regulatory framework should be in place to help implementing the 2030 agenda and monitoring the SDGs.
- What is needed to implement the SDGs are three things: (i) political will and leadership, (ii) strong legal basis, and (iii) a good strategy.
- With their on-the-ground networks and their ability to swiftly adapt and innovate, the private sector and civil society are well-positioned to bring new solutions to achieving the SDGs. In addition, the SDGs present significant opportunities for the private sector to explore new market opportunities and develop new inclusive and sustainable opportunities.
- Finance and technology are key to achieve the SDGs, but what is more important is good ideas.
- Clarity, right incentives, clear purposes, and stability of contractual arrangements are the conditions for a successful partnership for the SDG. The main ingredients for successful partnership are: leadership, passion and honesty. The key challenge when it comes to partnership is how to broaden the stakeholders to come around the financing issue.
- Parliamentarians play a key role in institutionalizing the SDGs and maintaining the momentum toward implementation while supporting greater policy coordination among development actors. Some countries, such as Morocco, have established full-fledged SDG committees and taskforces to monitor progress towards the SDGs.
- Islamic finance can play a key role to support the implementation of the 2030 development agenda. In this regard, the experience of Indonesia in using Zakat for the SDGs is worth to be replicated in other MCs.

SDGs Events:

Open Dialogue between IsDB Staff about the alignment with the SDGs/ IsDB HQ / 15th March 2018

Seminar on the role of Digital Technologies and Open Learning in achieving the SDGs / Tunisia- IsDB 43rd Annual Meeting / 2nd April 2018

Arab Forum for Sustainable Development and Planning on Voluntary National Reviews (VNRs) Beirut / 26th April 2018

Seminar on the Islamic Finance and the SDGs During the Finance for Development Forum (FfD Forum) / UN HQ New York City / 23rd April 2018