

Inputs to the High-level Political Forum on Sustainable Development (HLPF) in 2024

Inputs from functional commissions of ECOSOC, other intergovernmental bodies and forums to the 2024 HLPF

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4. Impacts of multiple crises on the implementation of SDGs 1, 2, 13, 16 and 17 from the vantage point of your intergovernmental body.

The multiple crises shaking up the world economy, especially since the outbreak of the COVID-19 pandemic in 2020 have heightened some critical development challenges in IsDB member countries. For instance, poverty reduction trends have significantly been reversed across IsDB member countries. The total number of people living in extreme poverty (SDG1) in the Bank's member countries, which decreased by 3 percent between 2016 and 2019, rose 12 percent from 2019 to 2022. Member countries in fragile and conflict-affected situations (SDG16) experienced a more dramatic increase in extreme poverty (+25 percent) between 2019 and 2022. Furthermore, concerns over food security (SDG2) have risen, especially following the conflict in Eastern Europe and its dramatic impact on commodity markets. Inflation remained relatively high, at two-digit in about one-third of the member countries in 2023. In lower-income countries, the fiscal space has shrunk. For IsDB's 25 least-developed member countries (LDMCs), the average public debt-to-GDP ratio rose from 39% in 2014 to 56% in 2020, mainly due to the impact of the pandemic. It is set to remain above 50 percent in the medium term amid subdued economic recovery. With "higher for longer" interest rates, the debt burden will hamper countries' ability to fund social services and undertake the necessary investments for climate change adaptation and mitigation (SDG13 and SDG17).

Climate Change: Erratic weather patterns, droughts, floods, and rising sea levels disrupt agricultural production, leading to crop failures and reduced food availability.

Global trade disruptions: Conflicts, pandemics, and economic volatility disrupt global supply chains for food and agricultural inputs, leading to shortages and price fluctuations. OIC member countries are among the most vulnerable and fragile. There are currently 21 member countries of the OIC that are classified as

5. Three key areas where sustainable, resilient and innovative solutions for achieving the SDGs are being effectively delivered, especially related to the cluster of SDGs under review in 2024, bearing in mind the three dimensions of sustainable development and the interlinkages across the Goals and targets.

In mid 2022, IsDB launched a \$10.54 billion Food Security Response Program (FSRP), which incorporates emergency response and longer-term resilience building. Additionally, IsDB is developing multiple regional-scale commodity value-chain and value-adding programs, which are incorporating climate-smart agriculture components, resilience building and livelihood development components. IsDB is also working on improving knowledge and access to Takaful – Islamic insurance – for smallholders to increase their climate resilience, with UNDP.

The UN initiative aiming to scale up international tax cooperation, fight illicit financial flows, and combat aggressive tax avoidance and evasion must be stepped up. It represents a critical milestone towards improving developing countries' capacity to mobilize fiscal resources and build up their social contract. Stronger participation of multinational corporations should be considered for a more inclusive framework, recognizing the great role and responsibility of private stakeholders in delivering sustainable development solutions.

While we underscore the importance of debt resolution and domestic resource mobilization for sustainable development financing, greater attention is needed on the downward trend in foreign direct investment globally. This stable and non-debt-creating external financing flow is critical to addressing the funding gap originating from large current account deficits in many developing countries. Global business leaders should be involved in high-level deliberations to reverse the downward trend in foreign direct investment. Addressing this issue should be part of a broader agenda to enhance global cooperation and foster structural transformation in developing economies.

Scaling up South-South Cooperation while leveraging the knowledge, expertise and resources of the private sector.

Leveraging collaboration with various stakeholders for increased capacity of vaccines and laboratories such as the collaboration with the Institut Pasteur network in Sub-Saharan African countries.

Regional cooperation programs such as the Renewable Energy Cooperation Program as well as Eye Care for Empowering Children in Africa have been developed to support African member countries to contribute to their SDGs targets.

Poverty reduction programs: Islamic Solidarity Fund for Development (ISFD), the IsDB's poverty alleviation arm, worked on developing Innovative solutions that support the main pillars of its priority areas; the human capital development and economic empowerment; this is including the development of initiatives that support an inclusive and sustainable economic opportunities for MSMEs like the case of "Strengthening the economic Resilience of Vulnerable Enterprises (SERVE) program, which was introduced during the surge of COVID-19 Pandemic to support MSMEs to recover from the negative impacts of the lock downs. Another one is the TADAMON CSOs Pandemic Response Accelerator Program, which was introduced to support the innovative solutions and initiatives that support building the resilience of marginalized communities.

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Trade is a major enabler of the 2030 Development agenda and plays a significant role in both economic growth and poverty reduction. Since its creation, the International Islamic Trade Finance Corporation (ITFC) (IsDB's Trade-financing arm) has approved US\$ 75 billion of trade financing while cumulative

6. Three examples of specific actions, policies and measures that are most urgently needed to effectively deliver sustainable, resilient and innovative solutions to eradicate poverty and reinforce the 2030 Agenda, building on interlinkages and transformative pathways for achieving the SDGs.

Develop more grant-based windows to contribute to finance development projects, particularly in least-developed countries that are facing development challenges and financial constraints.

Support developing institutional arrangements for South-South and Triangular Cooperation in IsDB member countries to allow them to actively engage in development cooperation as both provider and recipient.

Quality education represent big portion of ISFD investment in human capital and skills development, which equip individuals with the knowledge, skills, and capabilities needed to escape poverty and contribute to sustainable development.

Sustainable economic growth: Creating an enabling environment for inclusive and sustainable economic growth is crucial for poverty reduction. Which represent the second pillar of ISFD priority areas. Policies and measures should focus on fostering entrepreneurship, promoting innovation, and supporting micro, small, and medium-sized enterprises (MSMEs) as engines of economic development. This is including the removal of barriers to entry, providing financial and technical support to MSMEs, and facilitating access to markets and resources.

Social protection systems: which play a vital role in poverty reduction and building resilience. Social protection includes expanding access to healthcare which represents another big portion of ISFD portfolio and support to MCs under the pillar of human capital development, especially during the period of COVID pandemic.

Technology and innovation for development: Embracing technology and innovation is a key driver for achieving sustainable development and eradicating poverty. Governments should invest in research and development, promote digital literacy, and facilitate the widespread adoption of innovative solutions across various sectors. This includes leveraging technology for inclusive education, healthcare access, and sustainable agriculture practices. Encouraging collaboration between the public and private sectors to develop and deploy transformative technologies can significantly contribute to achieving multiple SDGs concurrently.

In 2024, the three Rio Convention Conference of Parties (COPs) will take place between October and December . There is a need to better align the UNFCCC, CBD, and UNCCD agendas to achieve synergies and impacts at scale.

IsDB has committed to at least 35% (by volume) of climate finance of sovereign operations by 2025. To date, IsDB has been one of the few MDBs to support more adaptation climate finance than mitigation climate finance. However, globally, there is an urgent need to support more adaptation finance to build resilience and adaptive capacities, particularly in those countries and

7. Follow-up actions and measures being undertaken by your intergovernmental body or forum to support implementation of the Political Declaration of the SDG Summit.

Funding initiatives: ISFD allocates financial resources to projects and initiatives that align with the goals and targets outlined in the Political Declaration. This includes the funding of poverty reduction programs, sustainable development projects, and innovative solutions that address the root causes of poverty and promote inclusive growth.

Capacity building and technical assistance: ISFD provide technical assistance and capacity building support to organizations, financial institutions, civil society organizations CSOs, and communities involved in poverty reduction efforts. This involves sharing best practices, providing training and mentorship like the case of MGOs empowerment program, and facilitating knowledge exchange to enhance the effectiveness of poverty reduction initiatives.

Collaboration and partnerships: ISFD works on fostering collaborations and partnerships with various stakeholders, including civil society organizations, UN agencies, private sector entities, Donors, and INGOs. By bringing together different actors, ISFD can leverage their expertise, resources, and networks to create synergies and accelerate progress towards poverty reduction and the achievement of the SDG1.

Partnerships: It is essential to foster partnerships among governments, private sector, civil society, and other stakeholders to leverage expertise, technology, and resources for SDG implementation. This includes promoting multi-stakeholder

8. Recommendations and key messages for inclusion into the Ministerial Declaration of the 2024 HLPF.

Advancing the reforms of the global governance architecture to better reflect the rising importance of emerging market and developing economies is part of the solutions to the mounting fragmentation.

To keep up the promise of leaving no one behind, the global community must strengthen efforts to restore peace, support recovery, and build resilience in fragile and conflict-affected situations.

Highlighting the ISFD's unique business model and capabilities, such as the fund sustainability, ability to have a predictable funding to support long term initiatives by using the Waqf concept, which could be replicated in other MDBs.

Emphasizing the importance of collaboration between governments, international organizations, civil society organizations, UN agencies, Donors, and the private sector in addressing poverty which maximizes the impact and outcomes.

Addressing multidimensional poverty which represents a comprehensive approach to tackle poverty, that include income inequality, social exclusion, lack of access to basic services, and vulnerability to shocks and crises.

Emphasize the need for urgent action for SDG acceleration, and encourage countries to commit to and implement concrete measures to address existing gaps and challenges.

Highlight the importance of integrating environmental sustainability, social inclusivity, and economic prosperity in all policies and initiatives, and the need to recognize the interconnectedness of these dimensions.

Call for strengthened international cooperation and partnerships to address global challenges, with collaborative efforts among countries, civil society, private sector, and international organizations to share knowledge, resources and best practices for achieving the SDGs.

Stress the significance of inclusive decision-making processes, involving all stakeholders, especially marginalized and vulnerable communities to ensure a comprehensive and representative approach to sustainable development.

Acknowledge the importance of building resilience and adapting to emerging challenges.

The Arab Coordination Group (ACG), of which IsDB is a longstanding member, announced in late 2023 that it aims to allocate up to US\$50 billion to help build resilient infrastructure and inclusive societies in the African continent. The ACG financing will support initiatives in areas such as energy security and energy transition; regional integration and connectivity; trade finance and facilitation; gender and youth initiatives; enhanced support for fragile states; enhanced development effectiveness; private sector financing; food security and poverty and unemployment – all important elements of achieving the SDGs.

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IsDB's bespoke Reverse Linkage Program is a technical cooperation mechanism enabled by IsDB whereby Member Countries and Muslim communities in non-member countries, exchange knowledge, expertise, technology and resources to



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