THE CRITICAL SUCCESS FACTORS IN IMPLEMENTATION OF THE SUSTAINABLE DEVELOPMENT GOALS: CURRENT SITUATION AND PROSPECTS FOR THE OIC
OUTLINE

- Background of the joint study
- Methodology and content of the joint study
- Critical success factors in the implementation of Sustainable Development Goals
- Concluding remarks and the way forward
BACKGROUND OF THE JOINT STUDY
A new development agenda: Post-2015-1

- Deadline of the MDGs (the end of 2015) is approaching
- Transition from MDGs to Post-2015 development agenda
- Post-2015 development agenda integrates economic, social and environmental aspects
- Sustainable Development Goals (SDGs) are at the core
  - Comprehensive
  - Concern all countries regardless of their level of development
A new development agenda: Post-2015-2

SDG process:

• 2010 Millennium Development Goals Summit
• 2012 Rio+20 Conference on Sustainable Development
• Formation of the Open Working Group (OWG) on SDGs
  • Conducted 13 sessions.
  • 17 specific goals and 169 targets
• Intergovernmental negotiations ended in August 2015
• Producing a final text: “Transforming Our World: The 2030 Agenda for Sustainable Development”
• Addis Ababa Action Agenda (AAAA) was adopted at the Third International Conference on Financing for Development on 13-16 July 2015.
• SDGs and associated targets are expected to be declared at the UN Special Summit to be held in September 2015.
Rationale, aim and context of the study-1

- 30th Ministerial Session of the COMCEC assigned:

  Joint study ➔ Reflecting the perspectives of the OIC on Sustainable Development Goals (SDGs)

  IDB and COMCEC Coordination Office (CCO)

- Aim: drawing perspectives for the OIC Member Countries to facilitate the implementation phase of the SDGs
  - Mobilizing adequate means of implementation is essential for the successful delivery of SDGs
  - A specific goal for means of implementation: Goal 17
Rationale, aim and context of the study-2

Means of implementation defined under Goal 17
OIC’s development agenda

Critical success factors

Governance
Data and monitoring
Capacity building
Finance
Policy coherence

Partnership and cooperation
METHODOLOGY AND CONTENT OF THE JOINT STUDY
Methodological issues

- **Two income groupings:**
  - Low (low and lower-middle income countries)
  - High (high and upper-middle income countries)

- Relevant documents and data of international organizations, primarily UN and OIC, and academia as well as national documents and data of member countries were reviewed.
Content of the study

• Introduction
• Achievements of member countries on MDGs
• Development agenda of the OIC
• Post-2015 Development process and SDGs
• Critical success factors requiring partnership and cooperation for the implementation of SDGs
  • Governance
  • Data and monitoring
  • Capacity building
  • Finance
  • Policy coherence
• Conclusion
MDG Experience in the Member Countries

- Remarkable progress towards achieving the MDGs in member countries
- Still some gaps that needs to be filled
- High income member countries have done better than the low income member countries
Development Agenda of the OIC-1

- **The OIC Ten Year Programme of Action (TYPOA)**
  - Economic cooperation, intra-OIC trade and poverty alleviation are highlighted
  - After the completion of TYPOA: OIC-2025 Programme of Action

- **IDB’s 2020 Vision**
  - Poverty alleviation,
  - Promoting health,
  - Universalizing education,
  - Expanding the Islamic financial industry

are among the strategic objectives
Development Agenda of the OIC-2

- **COMCEC Strategy**
  - Vision: ‘To build a prosperous Islamic Ummah based on solidarity and interdependence, enhanced mobility and good governance’

Core principles:

- Enhancing mobility
- Strengthening solidarity
- Improving good governance

- 6 cooperation areas
  - trade,
  - transport and communications,
  - tourism,
  - agriculture,
  - poverty alleviation
  - financial cooperation
Development Agenda of the OIC-3

Several programmes, as well, to address various aspects of development, such as

- Establishment of the Islamic Solidarity Fund and Islamic Organisation for Food Security
- OIC-VET
- OIC Framework for Cooperation on Labour, Employment and Social Protection,
- Islamic Solidarity Fund for Development (ISFD)
- Special Programme for the Development of Africa (SPDA)
- OIC Cotton Action Plan
CRITICAL SUCCESS FACTORS IN THE IMPLEMENTATION OF SDGs
Cooperation and partnership-1

• *Cooperation and partnership* have been deep-rooted at the very beginning discussions of SDGs
  • Outcome document of OWG
  • Synthesis report of UN Secretary General
  • Zero draft of the inter-governmental negotiations
• It is essential at international, regional and national level
• Capacity building ↔ cooperation and partnership
Cooperation and partnership in the OIC member countries

- Training and capacity building programs
- Triangular cooperation mechanisms
- Official aid
  - Essential but not sufficient
  - Growth and more equitable distribution are needed
    - Greater market opportunities for low income member countries
    - Investment opportunities in low income member countries
    - Effective coordination to realize the potentials
Goal 16:

“Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”

- Primary responsibility to ensure good governance: States
- To address the structural and procedural challenges for sustainability of good governance: Collaborative actions
Poor governance is a major challenge for the member countries.

Low performance according to *World Governance Indicators*.

Evaluation made by *SESRIC* on civil society also indicates the existence of problems related to the governance quality.

*Abdulai and Siwar (2011)* also indicates poor governance in member countries.
Governance-3

- Efficient and effective public institutions responsible for basic services
  - improvement of human capital

- Transparency, easy access to information, predictability
  - improvement of investment climate

- Including relevant stakeholders
  - efficient policy-making

- Efficient, transparent and accountable institutions
  - efficient use of resources

- The need for good governance in the member countries is *highlighted* in strategic documents of OIC

- Good governance requires developed *institutional and human capacity* in member countries
Data and Monitoring-1

Data in MDGs:
- Data problems come into surface in the MDG process
- Several actions at global, regional and national levels
  - Available data has increased in many countries
- Still low quality, data gaps, lack of disaggregated data!!

Data in SDGs:
- Inter-Agency and Expert Group on the Sustainable Development Goal Indicators has been working on indicators
- The list of indicators are expected to be declared in March 2016.
- Number of indicators are expected to be higher in SDGs
Data issues in SDGs:
Sustainable Development Solutions Network (SDSN) proposed 100 indicators mainly derived from:

- census data $\rightarrow$ nearly all indicators
- household surveys $\rightarrow$ more than 1/4
- agricultural surveys $\rightarrow$ 2
- administrative data $\rightarrow$ 43
- civil registration and vital statistics $\rightarrow$ 7
- economic statistics (including labor force and establishment surveys trade statistics) $\rightarrow$ 4
- geospatial data, other environmental data $\rightarrow$ 13
- direct monitoring from organizations $\rightarrow$ 11
Data and Monitoring-3

4 levels of monitoring:

- National monitoring $\rightarrow$ global monitoring indicators + complementary national indicators
- Global monitoring
- Regional monitoring
- Thematic monitoring
OIC member countries:

- Share of the missing data regarding the MDG indicators

- 28 percent of the data is not available,
- The worst situation is in Goal 8
- Share of missing data is higher in high income member countries
Data and Monitoring-5

Statistical capacity indicator (SCI)

• Mean value of SCI for OIC World’s low and high income countries’ averages
• SCI does not differ much between low and high income OIC group

Financial need to improve statistical systems: (based on the estimates of SDSN)

• Current contribution of ODA is around US$300 million per year 77 of the World’s lower-income countries
• Additional US$100-200 million per annum for 77 of the World’s lower-income countries ➔ the support range per country: US$1.3 - US$2.59 million per year
• Assume only low and lower-middle income member countries (34) need financial support ➔ further contribution for these countries would be: US$44-88 million per annum in total
Data and Monitoring-6

What can be done?

• Investigating data gaps and compilation limitations
• Strengthening the capacity of national statistical offices (NSOs), and statistical capacity of the relevant institutions
  • Capacity building programmes and initiatives such as SESRIC-STATCAB and IDB-STATCAB may be utilized
• Expressing common interest at the Inter-Agency and Expert Group on the Sustainable Development Goal Indicators
• Utilizing existing mechanisms such as Organisation of Islamic Cooperation Statistical Commission (OIC-StatCom)
Capacity Building-1

- No less than 10 separate goals emphasize the need for strong institutions and capacities for achievement of SDGs.

- *Enhancing international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the SDGs (Target 17.9)*

**OIC:** institutions in member countries are not strong enough particularly in low-income member countries.
Several modalities to improve the capacity in the member countries, such as:

- IDB’s initiatives (member country partnership strategy - MCPS)
  - Expanding Knowledge
  - Empowering People and Organizations (3Es)
  - Engaging with Context

- COMCEC Project Funding
What can be done?

• Lessons learned from the implementation of the MDGs at both national and regional levels

• Determine
  ➢ what new capacities and institutions to be put in place?
  ➢ what existing ones need to be reinforced for SDGs?

• Existing modalities (such as, COMCEC Project Funding) may be promoted especially in the area of human resources development

• Providing technical assistance to enhance resource mobilization capacities
Finance-1

- Narrow financing framework in MDGs
- Support for low income member countries in addressing development challenges including the achievements of MDGs (e.g. SPDA, ISFD)
- Huge investment needs for SDGs
- New financial strategy
  - Domestic revenue mobilization
  - Deepening domestic financial markets
  - ODA and Multilateral Development Banks (MDBs)
  - Exploring innovative financing instruments
## Selected financing indicators for OIC member countries (2010-2014)

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<th>I</th>
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<th>III</th>
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<tbody>
<tr>
<td><strong>Domestic financing</strong></td>
<td></td>
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<tr>
<td>Budget revenue (% of GDP)</td>
<td>25</td>
<td>31.1</td>
<td>15.1</td>
<td>28.3</td>
<td>23.5</td>
<td>26</td>
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<tr>
<td>Budget expenditure (% of GDP)</td>
<td>25.4</td>
<td>29.5</td>
<td>18.6</td>
<td>32</td>
<td>24.8</td>
<td>26.7</td>
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<td>Gross National Savings (% of GDP)</td>
<td>29.9</td>
<td>34</td>
<td>23.5</td>
<td>25.2</td>
<td>32.8</td>
<td>26.2</td>
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<td>Total Investment (% of GDP)</td>
<td>25.7</td>
<td>26.2</td>
<td>24.8</td>
<td>24.7</td>
<td>31.7</td>
<td>24.3</td>
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<td>Domestic credit provided by financial sector (% of GDP)</td>
<td>47.7</td>
<td>50.8</td>
<td>43.7</td>
<td>164.2</td>
<td>102.1</td>
<td>76.2</td>
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<tr>
<td>Domestic credit to private sector (% of GDP)</td>
<td>39.6</td>
<td>46.8</td>
<td>27.4</td>
<td>127.2</td>
<td>83.5</td>
<td>60</td>
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<td>Market capitalization of listed companies (% of GDP)</td>
<td>43.5</td>
<td>50.3</td>
<td>32.3</td>
<td>75.1</td>
<td>61.7</td>
<td>62.8</td>
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<td><strong>External financing</strong></td>
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<td>Net ODA received (% of GNI)</td>
<td>1</td>
<td>0.4</td>
<td>1.6</td>
<td>0.2</td>
<td>0.5</td>
<td>0.7</td>
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<tr>
<td>Debt-service paid (% of GDP)</td>
<td>3.5</td>
<td>4.3</td>
<td>2.3</td>
<td>n.a</td>
<td>2.4</td>
<td>3.3</td>
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<tr>
<td>Foreign direct investment, net inflows (% of GDP)</td>
<td>2.3</td>
<td>2.4</td>
<td>2.3</td>
<td>2.4</td>
<td>3.5</td>
<td>3.4</td>
</tr>
<tr>
<td>Personal remittances, received (% of GDP)</td>
<td>2.1</td>
<td>0.6</td>
<td>4.1</td>
<td>0.7</td>
<td>1.4</td>
<td>1.6</td>
</tr>
</tbody>
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I= OIC-57; II= High income OIC; III= Low income OIC; IV=World; V= Developing countries; VI= Developing countries excluding China & India.
Finance-3

What can be done?

- Improve the efficiency of revenue collection (especially tax collection) and public expenditure
- Expanding financial sector and diversify its products
  - Meeting the needs of all segments of the economy
  - Providing holistic financial services
- Effective implementation of PPP
- Enhancing FDI flows and chanelling remittances to productive investments
- Mainstreaming Islamic finance into the financial system
- International and regional institutions may bring financing partners into specific deals
Policy Coherence

• Enhancing policy coherence for sustainable development (Goal 17)
• Policy coherence is needed to be developed to connect diverse stakeholders and actors due to multidimensionality of development challenges
• Effective and strong institutions and cooperation → policy coherence
• Member countries need to be coherent with the SDG framework while designing national policies
• Existing platforms of the OIC, such as:
  • COMCEC Working Groups and Project Cycle Management
  • OIC Sectoral Ministerial Meetings
  • OIC-StatCom
might be utilized in the SDG process to enhance policy coherence
CONCLUDING REMARKS
AND
THE WAY FORWARD
Conclusion and the way forward

What we have:

OIC has potential, intention and experience to deliver the SDGs successfully
  - Focus on sustainable and comprehensive human development in OIC documents
  - Several existing mechanisms (e.g. OIC-StatCom, COMCEC Project Funding)
  - Experience of member countries, especially high income member countries

What we need?

  - Member countries, at national level, need to
    - improve means of implementation
    - diversify financial instruments,
    - strengthen public expenditure
    - investment management
  - Support of high income member countries to low income member countries, especially on capacity building
Conclusion and the way forward

• Developing a comprehensive and a holistic approach towards achieving SDGs
  • Improving institutional and human capacity in member countries
  • Improving OIC institutions’ capacities
  • Ensuring wide participation

Some examples which could be included in this approach:

• Triangular cooperation mechanisms, intra-trade and intra-investment
• Cooperation among stock exchanges, capital market regulations, central bank and monetary authorities of the member countries
• Platforms aiming to secure cooperation among member countries particularly on data and capacity building
Thank You