



# THE CRITICAL SUCCESS FACTORS IN THE IMPLEMENTATION OF THE POST - 2015 DEVELOPMENT AGENDA AND SUSTAINABLE DEVELOPMENT GOALS: CURRENT SITUATION AND PROSPECTS FOR THE OIC



IDB GROUP and COMCEC COORDINATION OFFICE (CCO) November 2015





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IDB GROUP and COMCEC COORDINATION OFFICE (CCO) November 2015 This study has been prepared by a team comprised of Dr. Nosratollah Farajoiilah NAFAR, Mr. Cheikh DIOP, Mr. Imed DRENI from the Islamic Development Bank Group (IDB Group) and Dr. Sırma DEMIR ŞEKER, Ms. Hande HACIMAHMUTOGLU, Ms. Selcen ALTINSOY, Dr. Izzet ARI, Mr. Mehmet FIDAN and Mr. Mehmet Akif ALANBAY from the COMCEC Coordination Office (CCO). Views, opinions and arguments expressed in the report are solely those of the authors and do not necessarily reflect the official views of the IDB Group and the CCO or the Member States of the Organization of Islamic Cooperation.

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# **EXECUTIVE SUMMARY**

To follow and reinforce the commitment to the unfinished Millenium Development Goals (MDGs) after 2015, the Post-2015 Development agenda in which the Sustainable Development Goals (SDGs) are at the core has been designed and declared at the UN Special Summit in September 2015. While the MDG agenda mostly focused on the challenges of the poor countries, SDG envisages a transition to a more comprehensive development framework that concerns all countries regardless of their level of development. Thus, the implementation phase of SDGs is expected to be challenging for many countries. For this reason, a specific goal -Goal 17- is defined as means of implementation among the SDGs. Regarding the importance of the issue, a study reflecting the perspective of the OIC on the SDGs and Post-2015 Development Agenda was requested at the 30<sup>th</sup> Ministerial Session from IDB and COMCEC Coordination Office. Accordingly, this study, focusing on several critical success factors for the means of implementation of the SDGs, was conducted. It aims at drawing perspectives for the OIC Member Countries to facilitate the implementation phase of the SDGs.

Taking the means of implementation defined under Goal 17 and the outstanding priorities in the OIC's development agenda into consideration, the study involves governance, data and monitoring, capacity building, finance and policy coherence as the critical success factors for implementation of SDGs. All of these success factors require an effective partnership and cooperation, which is considered a horizontal issue in the study.

The analysis shows that member countries' situations in the critical success factors are not satisfactory. Indeed, inefficient and ineffective public institutions, low institutional and human capacity, lack of transparency and access to information, arbitrary bureaucratic practices, lack of accountability, lack of stakeholders' involvement in decision making process, lack of responsiveness of public administrations, lack of equality before the law are some of the manifestations of weak institutions and poor governance in the member countries. Poor governance and capacity in the member countries would also affect adversely national and international cooperation and partnership, monitoring, and policy coherency, which are essential means for delivery of SDGs.

Nevertheless, OIC has the necessary potential as well as experience related to the development efforts including MDGs to deliver the SDGs successfully. The development framework and the critical success factors in the SDGs are emphasized in the strategy documents of OIC, such as The OIC Ten - Year Programme of Action, IDB's 2020 Vision and the COMCEC Strategy to some extent. In addition to these vision documents, there are ongoing efforts in the OIC fora aiming to address various practical aspects of development, such as Establishment of the Islamic Solidarity Fund and Islamic Organisation for Food Security, Vocational Education and Training Programme for the OIC Member Countries (OIC-VET). Besides, the mechanisms like OIC-StatCom, membership of five member countries in Inter-Agency and Expert Group on the SDG Indicators, South-South cooperation, cooperation between OIC and UN or World Bank and IDB, COMCEC Working Groups and Project Cycle Management may be utilized in the SDG implementation processas well. While heterogeneity among the OIC member countries is a challenge for achieving the SDGs in the OIC as a whole, it may offer some opportunities for low income member countries to deliver the SDGs successfully. This is because high income countries may share their experience with low income member countries and support them in financing the SDGs.

In addition to the use of existing mechanisms and modalities, OIC would need further national, regional as well as international efforts to achieve SDGs. Both low and high income member countries would need to take SDGs on their agenda, and accordingly improve governance, capacity development, cooperation and partnership and policy coherence in all areas related to SDGs, diversify financial instruments and strengthen public expenditure and investment management via their national policies. In addition to the official aids from donor member countries to the receipents, supporting low income member countries in achieving inclusive economic growth via trade and investment may be complementary cooperation mechanisms to achieve the SDGs in OIC as a whole. The member countries need to follow, and accordingly participate and contribute to, the abovementioned mechanisms as well as to the international ones to be established for SDGs implementation to reflect both national and common interests of OIC. In addition to the national efforts, OIC as a whole needs to develop a comprehensive and holistic approach consisting of the

existing initiatives and programmes on the issues related to the SDGs to meet the ambitious context of the SDGs. Improving the capacities of the OIC institutions to provide better support for its member states, particularly on data and monitoring, and ensuring wide range of participation including civil society and private sector in the formation and implementation of modalities for all critical success factors would be essential parts of this approach. In addition, triangular cooperation mechanisms involving OIC countries/organizations and non-OIC countries/organizations, facilitating intra-trade and intra-investment, strengthening cooperation among stock exchanges, capital market regulations, central bank and monetary authorities of the member countries, and establishing platforms aiming to secure cooperation among member states on data and capacity building issues are examples to be included in this approach.

The final version of this study will be submitted to the 31st COMCEC Ministerial Session to be held on 23-26 November 2015 for consideration and necessary directions.

# **INTRODUCTION**

In 2000, the international community agreed upon the Millennium Development Goals (MDGs) which set targets for ending poverty and hunger, improving education, gender, healthand promoting sustainable development. Although substantial and significant progress has been made in meeting many of the targets across the world, there are still gaps that need to be filled. To reinforce the commitment to the unfinished MDGs after their expiry date in 2015, a new agenda, namely Post-2015 Development Agenda, has been designed. Final destination of the Post-2015 Development Agenda in which the Sustainable Development Goals (SDGs) are at the core will set the development framework of all countries for the next 15 years. The Post-2015 and SDG processes aim at providing a new development agenda, namely Sustainable Development Agenda (SDA), to become an integral part of national, regional and international visions and plans. In this regard, multilateral development platforms are expected to encourage countries to become more responsive to the SDA.

At the end of the 13th session of Open Working Group (OWG), which was assigned by the UN General Assembly to prepare a set of proposals on the SDGs, a document with 17 specific goals with 169 associated targets was adopted. Intergovernmental negotiations towards formulating the final Post-2015 framework ended in August 2015 by producing a final document that includes SDGs<sup>1</sup> and targets (with a minor tweaking of the OWG proposal), means of implementation, global partnership, and follow-up and review issues. The final document also emphasizes the financing of the SDGs by referring to the Addis Ababa Action Agenda adopted at the end of the Third International Conference on Financing for Development held on July 2015, which includes the framework for financing Post-2015 Development Agenda. Based on the final document, the final framework for the Post-2015 Development Agenda and the proposed SDGs and targets have been declared at the UN Special Summit in September 2015.

Highlighting the uttermost importance of the issue, H.E. Ahmad Mohamed ALI made a kind proposal during the special panel on "Development Challenges of Islamic Countries and Post-2015 Development Agenda" at the 30<sup>th</sup> Ministerial Session of the COMCEC. With respect to this proposal, the 30<sup>th</sup> Ministerial Session requested the IDB and the COMCEC Coordination Office (CCO) to conduct a joint study reflecting the perspective of the OIC on the SDGs and Post-2015 Development Agenda and submit it to the 31st Session of the COMCEC. Accordingly, the CCO and IDB started to prepare a study focusing on several critical success factors for the means of implementation of the SDGs in the OIC member countries. Because mobilizing adequate means of implementation will be essential for strengthening the efforts towards completing the unfinished business of MDGs as well as for a comprehensive context of the SDGs, a specific goal (Goal 17) in SDGs indeed lists the means of implementation. Thus, this study aims at drawing perspectives for the OIC Member Countries to facilitate the implementation phase of the SDGs. Based on the means of implementation defined under Goal 17 and the outstanding priorities in the OIC's development agenda, the study involves the governance, data and monitoring, capacity building, finance and policy coherence as the critical success factors in the implementation of SDGs. All of these success factors require partnership and cooperation, which is considered a horizontal issue in the study. A picture for the current situation, priorities and needs of the member countries in each critical success factor is drawed in the study. The findings might bring an insight on how to improve and mobilize the mechanisms and instruments of the OIC for an effective delivery of the SDGs.

The analysis in the study is based on the classification of income levels. In this sense, two income groupings will be considered: low and high. Low income grouping includes low and lower-middle income countries and high income grouping includes upper-middle and high income countries based on the Country and Lending Groups of World Bank (World Bank, 2015a)<sup>2</sup>. While doing this analysis, the relevant documents and data of international organizations, primarily UN and OIC, academia as well as national documents and data of member countries were reviewed.

The study is structured in six sections as follows. In Section 2, the achievements of OIC member countries on MDGs are analyzed. In Section 3, the development agenda of the OIC is briefly presented, focusing specially on the main documents and strategies such as the OIC Ten-Year Programme of

<sup>&</sup>lt;sup>1</sup> The list of proposed SDGs are provided in Annex 1.

<sup>&</sup>lt;sup>2</sup> The list of the member countries by income grouping employed in the study is provided in Annex 2.

Action, IDB's 2020 Vision and the COMCEC Strategy. Section 4 provides information on the Post-2015 Development process and the introduction of SDGs. In Section 5, the critical success factors requiring partnership and cooperation for the implementation of SDGs are discussed focusing on the critical success factors: governance, data and monitoring, capacity building, finance and policy coherence. The current situation, priorities and needs of the OIC member countries for each critical success factor are also explored in this section. Section 6 concludes.

# **1. MDG EXPERIENCE IN THE OIC MEMBER COUNTRIES**

In 2000, world leaders have adopted the United Nations Millennium Declaration, committing their nations to a new global partnership to reduce extreme poverty and setting out eight goals with a deadline of 2015, namely the MDGs as follows:

- 1. Eradicate extreme poverty and hunger
- 2. Achieve universal primary education
- 3. Promote gender equality and empower women
- *4. Reduce child mortality*
- 5. Improve maternal health
- 6. Combat HIV/AIDS, malaria and other diseases
- 7. Ensure environmental sustainability
- 8. Develop a global partnership for development

Under these goals, 21 targets and 60 indicators were officially defined to monitor the progress of the countries. This section aims to analyse the achievements of OIC Member Countries on MDGs by using the most recent available data related to the selected indicators. The list of all MDG targets and indicators and the details of the methodology employed in this section are provided in Annex 3 and Annex 4, respectively.

#### Goal 1: Eradicate Extreme Poverty and Hunger

The proportion of population below \$1.25 (PPP) per day, which is the first indicator of the first target under Goal 1, ranges between zero (high income countries) and 68 percent (Nigeria) among the OIC member countries. As evident from Table 1, more than half of the member countries are going to halve the *proportion of people whose income is less than one dollar a day*, half of which are low income countries. On the other hand, more than one-fifth of the member countries are expected to fail in this target, among which more than half is low income countries.

Regarding the *employment-to-population ratio* the OIC level, the picture is encouraging since 70 percent of the member countries are successful. The picture for low income member countries is also promising. While 65 percent of this group is successful on this indicator, the share of the countries which have regressing values is 32 percent. In the high income group the share of successful countries is 78 percent, and the share of the countries which are likely to fail in this target is 22 percent.

		Successful/on track			Off track/ regressed		
Targets	Indicators	OIC	OIC HUMI (1)	OIC LLMI (1)	OIC	OIC HUMI	OIC LLMI
Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	1.1.1. Proportion of population below \$1.25 (PPP) per day (2)	51	70	38	21	4	32

## Table 1: Achievements on Goal 1 in the OIC Member Countries (%)

Achieve full and productive employment and decent work for all, including women and young people	1.2.2. Employment- to-population ratio	70	78	65	28	22	32
Halve, between 1990 and 2015, the	1.3.1. Prevalence of underweight children under-five years of age	28	39	18	64	39	77
proportion of people who suffer from hunger	1.3.2. Proportion of population below minimum level of dietary energy consumption	58	74	47	25	4	38

Source: Own calculation from UN data.

Note: (1) The missing data for the indicator 1.1.1 is 18 percent (more than three-fifths are from low income group), indicator 1.2.2 is 2 percent (belongs to low income group), indicator 1.3.1 is 11 percent (two-thirds are from high income group) and indicator 1.3.2 is 18 percent (half of which is from low income group).

(2) OIC HUMI refers to OIC high and upper middle income countries; OIC LLMI refers to OIC lower-middle and low income member countries. This is also valid for the rest of the tables in this section.

(3) While this goal was initially announced as "Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day", regarding the changes in the global economic this poverty trashold was updated as \$1.25 (PPP).

Regarding *the third target*, the overall picture for the first indicator shows that almost two-thirds of the member countries are unlikely to halve the prevalence of underweight children under five years of age. Especially in the low income group the situation is discouraging, since more than three-fourth of these countries are expected to fail. On this target, only 28 percent of the member countries are likely to be successful in time, and more than half of them are high income countries. The second indicator, population below minimum level of dietary energy consumption, is expected to be halved in nearly three-fifths of the OIC countries. However, one-fourth of the countries are likely to fail in this indicator, among which 93 percent is low income countries.

## Goal 2: Achieve Universal Primary Education

In general, only one-fifth of the member countries are likely to increase their net enrolment ratio in primary education to 100 percent, and half of these expected achievers are low income countries. On the other hand, nearly two-thirds of the member countries are expected to fail in achieving this target, of which 65 percent is low income countries.

			essful/or	ı track	Off track/ regressed		
Targets	Indicators	OIC	OIC HUMI	OIC LLMI	OIC	OIC HUMI	OIC LLMI
Ensure that by 2015 children everywhere, boys and girls alike will be able to complete a full course of primary schooling	2.1.1. Net enrolment ratio in primary education	21	26	18	65	57	71

## Table 2: Achievements on Goal 2 in the OIC Member Countries (%)

Source: Own calculation from UN data.

Note: 14 percent of the member countries do not have available data, half of which is low income countries.

#### Goal 3: Promote Gender Equality and Empower Women

The ratio of girls to boys in primary education among the OIC member countries ranges between 0.55 (Somalia) and 1.13 (Guyana). Approximately one-fourth of the OIC countries are expected to

achieve this goal in time, of which nearly 70 percent is low income countries. On the other hand, more than two-thirds are likely to fail, among which 60 percent is low income countries.

In secondary education the ratio of girls to boys among the OIC member countries changes between 0.46 (Chad) and 1.31 (Suriname). The overall assessment of this indicator shows that more than half of the member countries are expected to fail, of which 74 percent is low income countries. On the other hand, 39 percent are expected to achieve in time, more than half of which is high income countries. Nevertheless, some low income countries, such as Chad and the Gambia, experienced more than 100 percent increase, even if they are classified as off-track.

				Successful/on track			Off track/ regressed		
Targets	Indicators		OIC	OIC HUMI	OIC LLMI	OIC	OIC HUMI	OIC LLMI	
Eliminate gender	3.1.1. Ratios of girls to boys in primary, secondary and tertiary education	Prim. educ.	23	17	26	70	70	71	
disparity in all levels of		Sec. educ.	39	57	26	54	35	68	
education no later than 2015		Tert. educ.	46	78	24	47	13	71	

# Table 3: Achievements on Goal 3 in the OIC Member Countries (%)

Source: Own calculation from UN data.

Note: 7 percent of the member countries do not have available data regarding the first part of the indicator, third-fourth of which is high income countries. With regards to the second part of the indicator, 7 percent of the member countries donn't have available data, third-fourth of which is low income countries. Regarding the third part of the indicator, 7 percent of the member countries do not have available data, half of which is low income countries.

The ratio of girls and boys in tertiary education among OIC member countries ranges between 0.24 (Chad) 6.76 (Qatar). Nearly half of the member countries can be classified as successful in time, and almost 70 percent of the expected successful countries are high income. The other half is expected to fail in this part of the indicator, of which nearly 90 percent is low income

#### Goal 4: Reduce Child Mortality

Among OIC member countries, children under-five mortality rate per 1,000 births ranges between 6.1 (Bahrain) and 161 (Sierra Leone). Looking at the overall picture of the OIC member countries, it is seen that 60 percent of the countries are expected to fail, of which more than two-thirds are low income countries. On the other hand, more than half of the high income countries are expected to achieve this target, while in the low income group nearly one-third is likely to achieve.

			cessful/on	track	Off track/ regressed		
Targets	Indicators	OIC	OIC HUMI	OIC LLMI	OIC	OIC HUMI	OIC LLMI
Reduce by two-thirds between 1990 and 2015 the under-five mortality rate	4.1.1. Under- five mortality rate	39	48	32	61	52	68

## Table 4: Achievements on Goal 4 in the OIC Member Countries (%)

Source: Own calculation from UN data.

#### Goal 5: Improve Maternal Health

The maternal mortality ratio per 100,000 live births ranges between 6 (Qatar) and 1,100 (Sierra Leone) among OIC member countries. The progress in this indicator is very discouraging. On the OIC level, nearly 90 percent of the member countries are expected to fail in this indicator, of which almost two-thirds are low income countries. On the other hand, more than three-fourths of the high income countries are also expected to fail. Among the member countries only six countries are expected to achieve this target, and only one of them is low income (Bangladesh).

			cessful/on	track	Off track/ regressed		
Targets	Indicators	OIC	OIC HUMI	OIC LLMI	OIC	OIC HUMI	OIC LLMI
Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	5.1.1. Maternal mortality ratio	11	22	3	88	78	94
Achieve, by 2015, universal access to reproductive health	5.2.3. Antenatal care coverage (at least one visit)	37	65	18	58	30	76

# Table 5: Achievements on Goal 5 in the OIC Member Countries (%)

Source: Own calculation from UN data.

Note: The missing data for the indicator 5.1.1 is 2 percent (belongs to low income group), and indicator 5.2.3 is 5 percent (two lower-middle income countries and one high- income country).

Antenatal care coverage (at least one visit) among the member countries is between 26.1 (Somalia) and 100 (Bahrain, Kuwait and United Arab Emirates). In the overall picture, 58 percent of the member countries are unlikely to achieve this target, of which almost 80 percent are low income. On the other hand, 30 percent of the high income countries are also likely to fail. While only 18 percent of the low income countries are expected to be successful, this share in the high income group is almost two-third.

#### Goal 6: Combat HIV/AIDS, Malaria and Other Diseases

HIV prevalence among population aged 15-49 years is less than 10 percent for 44 percent of the OIC member countries. In the general picture, 44 percent of the member countries are expected to fail in this indicator, of which 84 percent are low income countries. On the other hand one-fourth of the member countries are expected to be successful at this indicator, 65 percent of which is low income countries. It should be noted that one of the reasons of the higher share of low income countries is the missing data for the high income countries. Nevertheless, HIV prevalence rate is far lower in high income countries.

The population with advanced HIV infection with access to antiretroviral drugs ranges between 0 (Algeria) and 75 (Guyana), so none of the OIC countries has a full coverage. Hence, none of them can be defined as either successful or on-track on achieving this target.

			Suco	cessful/or	ı track	Off track/ regressed		
Targets	Indicators		OIC	OIC HUMI	OIC LLMI	OIC	OIC HUMI	OIC LLMI
Have halted by 2015 and begun to reverse the spread of HIV/AIDS	6.1.1. HIV prevalence among population aged 15-24 years		25	22	26	44	17	62
Have halted by 2015 and begun to reverse the	6.3.4. Incidence, prevalence and	Inc. rate	63	74	56	32	22	38
incidence of malaria and other major diseases	death rates associated with tuberculosis	Prev. rate	35	39	32	65	61	68

## Table 6: Achievements on Goal 6 in the OIC Member Countries (%)

Source: Own calculation from UN data.

Note: 32 percent of the member countries do not have available data regarding the first indicator, 78 percent of which is high income countries. Regarding the first part of the second indicator, 5 percent of the member countries do not have available data, 67 percent of which is low- income countries.

Incidence rates associated with tuberculosis per 100,000 population ranges between 0.17 (United Arab Emirates) and 62 (Djibouti). This rate is expected to reverse in 63 percent of the OIC member countries, more than half of which is low income countries. On the other hand, in 32 percent of the member countries, the incidence rate of tuberculosis has increased, more than 70 percent of which is low income countries.

The prevalence rate associated with tuberculosis per 100,000 population, the second part of the fourth indicator, changes between 2.4 (United Arab Emirates) and 1,304 (Sierra Leone) among OIC member countries. The general picture is not promising, since only 35 percent of member countries are either successful or on-track, of which more than half is low income countries. The rest are expected to fail in achieving this indicator, and nearly two-thirds of which is low income countries.

#### Goal 7: Ensure Environmental Sustainability

Among the OIC member countries, the proportion of land area covered by forest ranges between 0.1 (Oman, Libya, Qatar) and 94.6 (Suriname). More than half of the OIC countries are expected to be successful at this indicator, of which 43 percent is low income countries. While, almost three-fourth of the high income countries are likely to increase their land area covered by forest, more than 60 percent of the low income countries are not expected to increase these areas.

		Suco	cessful/or	ı track	Off track/ regressed			
Targets	Indicators	OIC	OIC HUMI	OIC LLMI	OIC	OIC HUMI	OIC LLMI	
Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss	7.2.1. Proportion of land area covered by forest	53	74	38	47	26	62	
	7.2.5. Proportion of total water resources used	32	35	29	46	57	38	
	7.2.6. Proportion of terrestrial and marine areas protected	93	91	94	5	4	6	
Halve, by 2015, the proportion of people without sustainable	7.3.1. Proportion of population using an improved drinking water source	46	57	47	47	39	53	
access to safe drinking water and basic sanitation	7.3.2. Proportion of population using an improved sanitation facility	32	57	15	67	39	85	

# Table 7: Achievements on Goal 7 in the OIC Member Countries (%)

Source: Own calculation from UN data.

Note: The missing data for the indicator 7.2.1 is 2 percent (belongs to low income group), indicator 7.2.5. is 23 percent (85 percent is from low income group), indicator 7.2.6. is 2 percent (belongs to high income group), indicator 7.3.1. is 2 percent (belongs to high income group) and indicator 7.3.2. is 2 percent (belongs to high income group).

The proportion of total water resources used changes between 0 (Niger) and 2,075 (Kuwait) in OIC member countries. In the general picture, the progress is not promising, since 46 percent of the member countries have worsened their situation. On the other hand, 32 percent of the member countries are likely to achieve, of which more than half is low income countries.

Among the member countries, the proportion of terrestrial and marine areas protected ranges between 0.03 (Jordan) and 29.95 (Saudi Arabia). The general picture for this indicator is very encouraging since 93 percent of the member countries are expected to increase the proportion of protected terrestrial and marine areas, 60 percent of which is low income countries.

The proportion of population using an improved drinking water source, which is the first indicator of the third target, changes between 32 (Somalia) and 100 (Bahrain, Lebanon, Malaysia, Qatar, Turkey and United Arab Emirates) in the OIC member countries. In the overall picture, almost half of the

member countries are expected to decrease the proportion of people who do not have access to safe drinking water at least by half. On the other hand, while 53 percent of the low income countries are expected to fail in achieving this indicator, this share is 39 percent for the high income group.

Proportion of population using an improved sanitation facility ranges from 9 (Niger) to 100 (Kuwait, Qatar, Saudi Arabia and Uzbekistan). The general picture for this indicator is discouraging, since only 32 percent of the member countries are likely to achieve half the population who has no access to basic sanitation. While only 15 percent of the low income member countries are expected to achieve this goal, this share is 57 percent for the high income group.

#### Goal 8: Develop a Global Partnership for Development

The last indicator of the fourth target, namely debt service as a percentage of exports of goods and services ranges between 0.3 (Kazakhstan) and 18.2 (Guyana). In the general picture, 61 percent of the member countries can be classified as successful, of which nearly 70 percent is low income countries. However, 14 percent of the member countries are regressing in this indicator, 75 percent of which is low income countries.

		Succ	essful/o	n track	Off track/ regressed		
Targets	Indicators	OIC	OIC HUMI	OIC LLMI	OIC	OIC HUMI	OIC LLMI
Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term	8.12. Debt service as a percentage of exports of goods and services	61	43	74	14	9	18
In cooperation with the private sector, make available the benefits of new technologies, especially information and communications	8.14. Fixed- telephone subscriptions per 100 inhabitants	81	78	82	19	22	18
	8.15. Mobile- cellular subscriptions per 100 inhabitants	100	100	100	-	-	-
	8.16. Internet users per 100 inhabitants	100	100	100	-	-	-

# Table 8: Achievements on Goal 8 in the OIC Member Countries (%)

Source: Own calculation from UN data.

Note: 25 percent of the member countries do not have available data regarding the first indicator, 79 percent of which is high income countries.

The indicator of fixed-telephone subscriptions per 100 inhabitants ranges between 0.01 (Guinea) and 38 (Iran) among the OIC member countries. The general picture in relation to this indicator shows that 81 percent of the member countries are successful, 61 percent of which is low income countries. On the other hand, 19 percent of the member countries are not expected to achieve this indicator, more than half of which is low income countries. Mobile-cellular subscriptions per 100 inhabitants, the second indicator of the sixth target, range from 28 (Djibouti) to 215 (Gabon). All member countries are likely to be successful on this indicator. The last indicator value, internet users per 100 inhabitants, differs a lot from one country to another in the range of 1.5 and 90 per 100 inhabitants, and it is observed that all countries have increased their internet use as with the case of the indicator related to mobile-cellular subscription.

As a result, although there has been important progress towards achieving the MDGs in OIC member countries, there are still gaps that need to be filled. In addition, regarding most of the MDG indicators,

high income countries seem to have done better than the low income member countries. The main challenges facing member countries in achieving the MDGs are the lack of political will and commitment to the MDGs, institutional capacity problems, lack of adequate financial resources, global economic situation, lack of the enabling environment to attract investment and encourage private sector development, and the lack of inclusive growth (Bello and Suleman, 2011). Nevertheless, taking into account the challenges of MDGs as well as more ambitious context of the SDGs, the implementation of the SDGs has the

uttermost importance. In this context, the following sections will eloborate the development agenda of the OIC, Post-2015 Development Agenda and SDGs, as well as the critical success factors for the implementation of SDGs.

# **2. DEVELOPMENT AGENDA OF THE OIC**

The OIC, having 57 member countries spreading over four continents, is one of the largest intergovernmental organizations. Together with its various organs, namely the standing committees, subsidiary organs, specialized institutions and affiliated institutions- the OIC works for safeguarding and protecting the interests of the Muslim world in the spirit of promoting international peace and harmony among various people of the world.

The OIC aims to exert efforts to achieve sustainable and comprehensive human development and enhance the economic well-being in the member countries. The OIC also set forth significant strategy documents and took noteworthy actions towards sustainable development. The OIC Ten -Year Programme of Action (TYPOA), IDB's 2020 Vision and the COMCEC Strategy are three significant policy documents which support the efforts of the OIC member countries towards sustainable development.

TYPOA was adopted at the third extraordinary session of the Islamic Summit Conference in 2005. It aims to strengthen the partnerships touching on almost all areas including cultural, political, economic and social fields. Enhancing economic cooperation, increasing intra-OIC trade and alleviating poverty in the member countries are highlighted in the document with a special emphasis on globalization, economic liberalization, environment, and science and technology. The TYPOA consists of 12 issues, among which two issues are directly related to poverty alleviation, namely 'supporting the IDB' and 'establishment of a special fund<sup>3</sup> within the IDB in order to help address and alleviate poverty'. The implementation period of the current TYPOA will be completed at the end of 2015, and the successor programme, namely the OIC-2025 Programme of Action is planned to commence accordingly. The draft Action Programme envisages various priority areas including poverty alleviation, education and health, which are also significant components of the SDGs.

IDB's 2020 Vision identifies key strategic objectives that include poverty alleviation, promoting health, universalizing education, prospering the people and expanding the Islamic financial industry. While defining these key objectives, the challenges in the Muslim world are identified as achieving healthy human development, securing strong and sustainable economic growth, promoting good governance, strengthening peace and stability, fostering a powerful sense of common identity, consciousness and empathy as members of the Ummah and restoring the image of the Muslim world.

Although there has been improvement in terms of human development indicators in the member countries, the picture for several indicators (such as child mortality and maternal mortality) is depressing in some of the member countries. Likewise, in many member countries delivery of basic services is poor, and transparency and accountability are weak. To a large extent, this is due to the factors like limited resources and poor infrastructure. The weakness of civil society and non-governmental organizations contributes also to the weak state of governance in OIC Countries. Therefore, IDB's 2020 Vision underlines that alleviating poverty should be one of the major focuses of the IDB Group in the human development area, and the resources devoted to poverty alleviation need to be increased. However, eradication of poverty is not the only primary focus of IDB. The Bank also addresses other serious issues afflicting the human condition in the the Muslim World, such as the great shortcomings in health, education and good governance. In this connection, IDB's 2020

<sup>&</sup>lt;sup>3</sup> Namely "The Islamic Solidarity Fund for Development".

Vision, among other key challenges, gives special emphasis to human development and promoting good governance.

In order to monitor the progress regarding key challenges in the member countries, IDB introduced many targets in its 2020 Vision. Some of the targets, among others, related to human development are; 1) Reduce by three quarters the proportion of the population living on less than 1 USD (1.25 by current definition) per day, and halve the poverty rate of member countries whose poverty rate is above 40 percent, 2) Reduce by three quarters the under-five mortality rate and reduce by 90 percent the maternal mortality rate; furthermore, reduce by two thirds the number of people without sustainable access to safe drinking water and sanitation, and 3) Ensure that all children complete secondary schooling by 2020 (IDB, 2006).

Aiming to increase interconnectivity of its members through reducing barriers among them, the COMCEC Strategy was launched at the 4th Extraordinary Session of the Islamic Summit Conference in 2012. With the Strategy, COMCEC's vision has been defined as 'to build a prosperous Islamic Ummah based on solidarity and interdependence, enhanced mobility and good governance'. Accordingly, COMCEC's mission has been defined as 'to provide a forum to produce and disseminate knowledge, share experiences and best-practices, develop a common language/understanding and approximate policies in cooperation areas to address and find solutions to the economic and social challenges of the Islamic Ummah'. The Strategy envisages six cooperation areas, namely trade, transport and communications, tourism, agriculture, poverty alleviation and financial cooperation. Eradicating extreme poverty and hunger in the member countries is defined as the strategic objective under the poverty alleviation section of the COMCEC Strategy. Underdeveloped institutions and lack of implementation capacity, inadequate resources and poor infrastructure are some of the structural challenges faced by the member countries in alleviating poverty. In light of its three core principles, namely enhancing mobility, strengthening solidarity and improving governance, the Strategy aims at addressing the above-mentioned challenges in the member countries. In this respect, it defines aid effectiveness, productive capacity of the poor, effective utilization of financial resources and monitoring poverty as its output areas, and highlights the importance of poverty alleviation projects and programs such as capacity building programs, vocational education programs, micro-finance applications and creation and efficient utilization of funds aimed at eliminating poverty, in order to achieve its strategic objective and strengthen solidarity among the member countries.

In addition to the vision documents above, there are also some programmes being implemented. Establishment of the Islamic Solidarity Fund and Islamic Organisation for Food Security, Vocational Education and Training Programme for the OIC Member Countries (OIC-VET), OIC Framework for Cooperation on Labour, Employment and Social Protection, Islamic Solidarity Fund for Development (ISFD), the Special Programme for the Development of Africa (SPDA) and the OIC Cotton Action Plan are among the ongoing efforts within the OIC aiming to address various practical aspects of development.

OIC-VET was initiated by The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) in 2008, in order to improve the quality of vocational education and training in the public and private sectors within the OIC. The Programme focuses on increasing accessibility and raising the quality of vocational education, and provides an opportunity for the member countries to build intra-OIC partnerships, exchange best practices, and develop the skills and competencies of the participants. Furthermore, OIC-VET Programme has three project types which introduce a transnational perspective compatible with countries' national priorities, namely Transnational Exchange Projects (OIC-TEP), OIC Transnational Innovation Projects (OIC-TIP) and OIC Training Networks (OIC-NETWORKS). Within the framework of the OIC-VET, SESRIC conducts sector-specific capacity building programmes including areas such as statistics, agriculture, water, health and poverty alleviation.

The ISFD was launched as a special fund within the IDB in 2008. It was established in the form of waqf and dedicated to reducing poverty in the member countries through: promoting pro-poor growth, emphasizing human development, particularly improvement in health care and education, and providing financial support to enhance the productive capacity of the poor. These goals are also included in the proposed set of SDGs. As of May 2015, 68 projects have been supported by the ISFD Fund. The projects have been focusing on the sectors (agriculture and rural development, education,

health, etc.) that have direct impact on poverty alleviation in the rural areas. The SPDA is another important program, which was initiated in 2008 with the aim of reducing poverty and fostering economic growth in the OIC African Member Countries. The Program targeted high-impact sectors like transport, agriculture and human development since these sectors were deemed as the main enablers of economic growth and poverty reduction. Under the framework of the SPDA, around 480 operations, including project financing, trade and waqf operations have been supported. (IDB, 2015).

Within the framework of the OIC cotton initiative, the OIC Five Year Cotton Action Plan was prepared and endorsed by the 22nd Session of the COMCEC in 2006. One of the main objectives of this Action Plan is to add value to cotton production in the member countries, and to contribute to improving the living conditions of the population in OIC cotton producing countries, particularly Burkina Faso, Chad, Gambia, Mali, Niger and Senegal. To achieve these objectives, the Action Plan aims to bring together three parties, namely the cotton producers, the countries having expertise on the production of textile and garments and the financial institutions.

In the above-mentioned strategy documents and programmes, the OIC puts emphasis on the issues like partnership and cooperation, governance, capacity building and policy coherence which are also highlighted under the implementation means of SDGs.

# 3. THE POST-2015 DEVELOPMENT AGENDA AND SDGs

The outcome document of the 2010 Millennium Development Goals Summit requested the UN Secretary-General to work on the global development agenda beyond 2015. The outcome document of the 2012 Rio+20 Conference on Sustainable Development envisaged an inclusive process for developing a set of SDGs. While Rio+20 did not identify specific goals, the Conference highlighted that the SDGs should be limited in number, aspirational and easy to communicate. The goals should address in a balanced way all three dimensions of sustainable development and be coherent with and integrated into the UN development agenda beyond 2015. A 30-member OWG of the General Assembly was assigned to prepare a proposal on the SDGs.

The formation of the OWG on SDGs was the first phase of setting the new agenda. OWG has conducted 13 sessions. During the discussions, more than 20 thematic areas and many subjects were covered. At the end of the 13<sup>th</sup> session of OWG, the group adopted a document with 17 specific goals with 169 associated targets. Indeed, the OWG Report, reflecting a year of inclusive and intensive consultative deliberations, combined aspirational global targets and set out an ambitious and transformational development agenda. In addition to reinforcing the commitment to the unfinished MDGs, the SDGs intented to break new ground with goals on inequalities, economic growth, decent jobs, cities and human settlements, industrialization, energy, climate change, sustainable consumption and production, peace, justice and institutions. The environmental dimension is articulated across the whole agenda. Under the Goal 17, the following titles were listed as the means of implementation and the global partnership for sustainable development: Finance, technology, capacity building, trade, systemic issues such as policy and institutional coherence, multi-stakeholder partnerships, data, monitoring and accountability. Apart from this goal, specific means of implementation of each target were identified in the OWG Report.

The UN General Assembly decided in September 2014 that the OWG Proposal would be the main basis for integrating SDGs into the Post-2015 Development Agenda. In 2015, intergovernmental negotiations began to formulate the final Post-2015 framework to be adopted at the UN Special Summit in September 2015. Finally, intergovernmental negotiations ended in August by producing the finalised text for adoption under the title "Transforming Our World: The 2030 Agenda for Sustainable Development". The final text contains a preamble, a declaration, SDGs and targets (with minor tweaking to the OWG Proposal), means of implementation and the global partnership and follow-up and review.

An integral part of Post-2015 Development Agenda is the Third International Conference on Financing for Development which was held in Addis Ababa in 13-16 July 2015. The closing plenary of the Conference adopted the Addis Ababa Action Agenda (AAAA). AAAA includes three main sections: a global framework for financing development Post-2015; action areas; and data, monitoring and follow-up. The second section, on action areas, includes seven sub-sections: domestic public

resources; domestic and international private business and finance; international development cooperation; international trade as an engine for development; debt and debt sustainability; addressing systemic issues; and science, technology, innovation and capacity building.

In the final text of Post-2015 Development process, a strong relationship with SDGs and the AAAA has been created. In the document it is stated that the means of implementation targets under Goal 17 and under each SDG are key to realising the Agenda and are of equal importance with the other goals and targets. The Agenda, including the SDGs, can be met within the framework of a revitalized global partnership for sustainable development, supported by the concrete policies and actions as outlined in the outcome document of the Third International Conference on Financing for Development. The final text welcomes the endorsement by the General Assembly of the AAAA. It is affirmed that the full implementation of the AAAA is critical for the realization of the SDGs and targets.

The Post-2015 Development Agenda provides a unique opportunity for eradicating poverty, protecting environment, addressing climate change and ensuring the prosperity and well-being of people. The new development framework forces a transition from the MDG agenda focused on the challenges of the poor countries to a more comprehensive sustainable development agenda that concerns all countries regardless of their level of development. Besides, the new development agenda in which SDGs at the core will have implications for all development actors from the national to the international level. International and regional development actors will have a tremendous role for translating the goals and targets into action.

# 4. CRITICAL SUCCESS FACTORS REQUIRING PARTNERSHIP AND COOPERATION FOR THE IMPLEMENTATION OF THE SDGs IN THE OIC MEMBER COUNTRIES

Given challenges like poverty, food insecurity, climate change, financial instability and environmental degradation, international cooperation and global partnership for development are critical. Thus, in the context of the setting of a Post-2015 sustainable development framework, the importance and prominence of cooperation and partnership have been deep-rooted at the very early discussions of SDGs. In line with these consultations, High Level Political Forum (HLPF) is expected to provide a platform for partnerships, through participation of major groups and other relevant stakeholders. Cooperation and partnership were emphasized in the outcome document of OWG, the synthesis report of Secretary General and finally the zero draft of the intergovernmental negotiations as follows:

- The implementation of SDGs will depend on a global partnership for sustainable development with the active engagement of governments, as well as civil society, the private secto and the United Nations system.
- Given the important role that partnerships are expected to play for achieving SDGs, the proposed Goal 17 addresses the international cooperation and partnership together with the means of implementation of sustainable development.
- OWG report makes a specific call under the proposed Goal 17 for multi-stakeholder partnerships that mobilize and share knowledge, expertise, technologies and financial resources to support the achievement of sustainable development goals in all countries, particularly developing countries.
- The global partnership will mobilize the means required for implementation of the Agenda, acting in a spirit of strengthened global solidarity and supporting, in particular, the needs of the poorest and the most vulnerable.
- All countries acting in collaborative partnership will work together to create an effective global partnership for sustainable development which will embrace all countries and stakeholders.
- Member countries are committed to pursue policy coherence and an enabling environment for sustainable development at all levels and with all actors.

• Follow up and review processes of the SDGs will mobilize partnerships, support the identification of solutions and best practices and promote coordination of the international development system. Hence, cooperation and partnership will be a significant part of the follow-up and review processes of the SDGs.

Taking into consideration the above-mentioned issues, there is a need for scaling up international cooperation and partnership sufficiently by improving the capacity of countries to collaborate, mobilize resources, and develop programs and projects in Post-2015 process. In order to improve their performance in this way, knowledge sharing will be a critical priority both within and among partnerships. Knowledge sharing is also key to both the internal functioning of partnerships, and to their public profile and impact.

At the regional (multi-nation geographic area) level, as well as inter-regional level, partnerships are emerging as an important mechanism for change. It is widely assumed that the adoption of the SDGs will lead to further elevation of regional institutions' status as a centrally important mechanism for the implementation and achievement of the SDGs. Each regional organization has particular features since its member countries have different needs and priorities with regards to the implementation process.

#### Cooperation and Partnership in the OIC Member Countries

For the OIC community, given the tremendous heterogeneity among the member states, achieving the SDGs will be a major challenge for the OIC as a whole, as 21 of its 57 member countries are categorized as least developed countries (LDCs). Therefore, mobilization of public and private sectors, NGOs and regional and international organizations in the OIC is needed for achieving a significant progress in sustainable development in the next 15 years.

The frameworks, within which OIC cooperation and partnership modalities on SDGs will emerge, also bear great importance. Here, several mechanisms and modalities may be utilized. Firstly, the member countries that have significant experience and expertise in the areas pertinent to the SDGs may offer training and capacity building programs for the member states that do not have such experience. Such programs may be facilitated and scheduled in coordination and consultation with the relevant OIC institutions. Secondly, triangular cooperation mechanisms may be established involving non-OIC countries/organizations, OIC member countries/institutions and needy OIC member countries, thereby pooling a unique set of experiences and practices.

In addition to these, official aid from donor member countries to the recipients as a cooperation and partnership modality is essential but not sufficient to finance the development needs of the latter. Growth and its more equitable distribution are needed for decreasing the dependence on foreign aid. In this regard, trade has an enormous potential. This potential could best be realized by establishing a trade regime among the OIC member countries that provides the low-income countries with greater market opportunities. Existing initiatives in this sense should expeditiously be effectuated. In addition to these, private flows have also remained largely untapped in the OIC region. There are ample investment opportunities in low-income developing member states, and their share of both global and intra-OIC foreign direct investment (FDI) could be significantly increased with concerted efforts. On the other hand, as followers of a religion which preaches generosity and giving, solidarity could be another significant resource of development financing. These potential resources could be realized only through effective coordination across diverse stakeholders. OIC institutions can and should play such a role in their respective field of competence.

## 4.1 Governance

Governance consists of the institutions by which authority in a country is exercised. Hence, it is related to "the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them." (The World Bank, 2015b) In this regard, good governance can be described with accessibility, accountability, predictability and transparency. Governance and institutional implementation capacities of the nations can contribute to accelerating progress towards achieving development policies of the countries. Hence, governance promotes improved economic and social development

outcomes.<sup>4</sup> On the other hand, poor governance is seen as "a central cause of underdevelopment, and remedying it was a crucial key that would unlock progress across the developmental landscape", so starting in the mid-1990s, international development aid organizations added "improving governance" as a new element to their portfolio of priorities. (Carothers and de Gramont, 2011)

Even if good governance is a crucial issue on delivering the MDGs, as stated in the report on the Post-2015 Development Agenda of High-Level Panel of Eminent Persons, sufficient attention has not been paid to good governance issue in the MDGs. Meanwhile, the Rio + 20 "Future We Want" Declaration, paragraph 10, states that to achieve SDGs, "we need institutions at all levels that are effective, transparent, accountable and democratic." Accordingly, the OWG suggests the SDG framework should be broader than the MDGs, covering governance dimension.

#### Governance in SDGs

As mentioned above, governance has a crucial role in the Post-2015 Development Agenda particularly in SDG framework. Indeed, SDGs are expected to solve challenges, such as inadequate transparency, weak democratic institutions and the rule of law, disrupted social order and destroyed public trust, to achieve sustainable development through providing a better understanding of governance. Overcoming the poor governance through achievement of SDGs-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")<sup>5</sup> provides a holistic approach needed for the integration of three dimensions of sustainable development. This new approach including new ways of thinking encompasses relations among public and private institutions, civil society, academia and media within the policy making roles of government agencies. Although it is noted that states have the primary responsibility to ensure good governance, collaborative actions are needed to address the structural and procedural challenges for the sustainability of good governance. In this regard, SDGs require good governance at all levels (international, regional and national actors) for policymaking. Besides, in order to provide coherence between means of implementation of SDGs with thematic SDGs, good governance is required. Thus, these requirements refer to complex policy coherence with both existing and new institutional frames, norms, actors and policies.

### Situation in OIC Member Countries

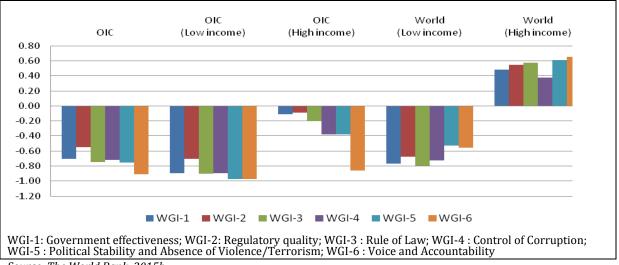
In order to understand the limitations of the member countries related to governance there are several indicators that are internationally used as analysed below. The Worldwide Governance Indicators (WGIs) of the World Bank is the most widespread employed indicators. The WGIs are announced in the World Governance Report annually and consist of six broad dimensions of governance (namely voice and accountability, political stability and absence of violence/terrorism, government effectiveness, regulatory quality, rule of law and control of corruption) for 215 countries over the period 1996-2013.<sup>6</sup>

<sup>&</sup>lt;sup>4</sup> For example, Naiya (2013) concludes that countries with good governance have better human development index. Abdulai and Siwar (2011) find a negative relationship between poverty and good governance.

<sup>&</sup>lt;sup>5</sup> Particularly "16.3: Promote the rule of law at the national and international levels and ensure equal access to justice for all", "16.5: Substantially reduce corruption and bribery in all their forms", "16.6: Develop effective, accountable and transparent institutions at all levels", "16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels", "16.8: Broaden and strengthen the participation of developing countries in the institutions of global governance" highlight needs of good governance.

<sup>&</sup>lt;sup>6</sup> Voice and accountability captures perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media. Political stability and absence of violence/terrorism measures perceptions of the likelihood of political instability and/or politically-motivated violence, including terrorism. Government effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. Regulatory quality provides perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development. Rule of law is the perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police and the courts, as well as the likelihood of crime and violence. Control of corruption refers to the perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests. The index values of these six indicators range between -2.5 and +2.5. The greater values indicate stronger situations in the indicators.

#### Figure 1: Worldwide Governance Indicators



Source: The World Bank, 2015b.

OIC member countries in general show weak performance regarding all WGIs since the median values of the OIC member countries are lower than the world's median values (Figure 1). Data show that particularly low income member countries are not performing strongly on all WGIs since their respective median values are lower than the values of the world low income countries. The gap between low income member countries and world low income countries is particularly higher for Voice and Accountability and Political Stability and Absence of Violence/Terrorism indices. Although high income member countries are much stronger than the low income member countries regarding WGIs, they are not performing as strongly as the world high income countries. The gap between high income member countries and world high income countries. It is also observed that the highest difference between low income and high income member countries exists for the government effectiveness index, followed by the rule of law index.

Another effort towards measuring the state of governance in countries is the Enabling Environment Index (EEI), which is prepared by CIVICUS. In fact, EEI analyses governance environment in countries as one of the three dimensions while measuring the position of the civil society in a country. According to the report of SESRIC that evaluates the civil society in the OIC member countries, the governance environment dimension displays a wide disparity among OIC member countries. Indeed, while some of the OIC member countries provide a well-functioning governance environment that enables civil society, other member countries have very low scores for the governance dimension, "that indicates the existence of important problems related to the governance quality" (SESRIC, 2014:52). Abdulai and Siwar (2011), another study on governance in OIC member countries, also concludes that many of the selected OIC member countries have scored below average in good governance (measured in terms of corruption perception). They also provide evidence that good governance enhances livelihood sustainability.

Based on these findings, although the state of governance varies among the OIC member countries, the level of governance indices tend to be low compared to the global levels, even for the high income OIC member countries. Governance varies across contexts and cultures, and has evolved in response to a number of socio-cultural and economic factors. So, there is growing acceptance that the "one-size-fits-all" models of governance do not work (UNDP, 2014).

#### The Way Forward

Inefficient and ineffective public institutions, lack of transparency and access to information, arbitrary bureaucratic practices, lack of accountability in exercising power, excluding relevant stakeholders from the decision making process, lack of responsiveness of public administrations, lack of equality before the law are some of the manifestations of poor governance. OIC member countries also suffer from some of these manifestations. There are both economic and social challenges caused by the poor governance in the member countries. Many important documents such as the OIC

Charter, IDB 2020 Vision, and COMCEC Strategy highlight the need for good governance in the OIC member countries. In the OIC Charter and IDB 2020 Vision, poor governance is indicated as one of the basic challenges that the Member Countries are faced and it was set forth that member countries should uphold and promote good governance. COMCEC Strategy, in which the governance is one of three core principles, gives wide coverage to the situation and the implications of poor governance in the OIC member countries, referring to issues like inefficient and ineffective public institutions, lack of transparency, arbitrary bureaucratic practices and lack of responsiveness of public administrations. In this context, in addition to the ongoing efforts, further efforts are needed for improving governance in the OIC member countries in order to have quality public services.

To achieve higher levels of prosperity and therefore to deliver the SDGs, the member countries need to improve governance in all areas. Improving governance affects the economic and social performance in the member countries in several ways. Efficient and effective public institutions responsible for delivering basic public services are essential for improving the human capital, which is at the core of SDGs. Transparency, easy access to information and predictability underpin the business environment and improve investment climate. Including relevant stakeholders into the decision making process will give better results since it provides an opportunity for developing sound policies. Efficient, transparent and accountable institutions lead to more efficient use of resources that would expand fiscal space for pro-poor policies.

On the other hand, good governance requires institutional and human capacity development in the member countries. Enhancing human and institutional capacity of the relevant institutions would pave way to strong administrations that are capable of coordinating different stakeholders.

# 4.2 Data and monitoring

The MDGs set concrete and time-bound goals and targets, aimed to be monitored by statistical indicators. On the one hand the efforts on delivering the MDGs have led to significant improvements in gathering the MDG related data; on the other hand many gaps in the statistical record have come to the light.

#### The data

Problems have come into surface in the very beginning of the MDG process, and several actions to overcome these problems have been taken. Among these, the works of Paris21, the Marrakech Action Plan for Statistics (MAPS), MDG Acceleration Framework (MAF) are noteworthy.<sup>7</sup> In 2003, Paris21 formed a task team to examine ways to improve the statistical systems of the developing countries that are faced with under-funding, reliance on donor support and weak administrative data systems. (SDSN et. al., 2015) MAPS, in 2004, introduced the design of National Strategies for the Development of Statistics (NSDSs) in developing countries. The MAF introduced "an approach that systematically identifies and prioritizes bottlenecks to progress, and helps devise pragmatic, multi-partner solutions to resolve them." (UNDP, 2013)

Beside these intertwined international and national efforts, partnerships among *regional institutions* and their member states have played a highly effective role in implementing the MDG framework. Regional institutions have assisted interested countries in adaptation of global goals, targets and indicators to their national circumstances and priorities, and in implementation of needed basic data programmes. Several regional institutions, like the United Nations economic and social commissions and regional development banks, prepared Regional progress reports on the MDGs for the regions, such as Africa, the Arab States, Asia and the Pacific, Europe and the Commonwealth of Independent States, and Latin America. Besides, these institutions organized and sponsored numerous regional workshops for national statisticians on the MDG indicators in order to strengthen their capacities in data collection and analysis for the indicators.

Thanks to the global, regional and national efforts, the number of countries for which trend data is available for a large number of series has increased significantly. According to the assessment of Statistics Division in 2012, regarding the available data related to 22 MDG indicators, "106 countries

<sup>&</sup>lt;sup>7</sup> Paris21 was founded in 1999 to advocate the enhancement of statistics and to coordinate the assistance provided by developed countries to developing countries in strengthening statistical capacity for monitoring international development goals.

do have data for 16 to 22 indicators, compared to none in 2003 and 84 in 2006. If 55 indicators are taken into account in the 2011 database, 49 out of 163 developing countries are observed to have trend data for 41 to 55 indicators and 51 countries are observed to have trend data for 31 to 40 indicators." (UN System Task Team on the Post-2015 UN Development Agenda, 2013) Besides, many major data collection programmes (including population censuses, Multi-Indicator Cluster Surveys – MICS- and Demographic and Health Surveys-DHS) have been established and/or strengthened during the MDG process, thus coordination and harmonization mechanisms are well developed for these programmes.

While better data on poverty is identified as a significant strength of the MDGs, the weaknesses of MDGs are summarized as low quality data, data gaps (especially time gaps and harmonization), lack of disaggregated data, coordination problems among the institutions responsible for providing data and weak accountability mechanisms (UN TST, 2013; SDSN et.al., 2015; SDSN, 2015).

#### Data Issues in SDGs

As mentioned above, SDGs have been declared with 17 Goals and associated 169 targets in September 2015. On the other hand, the final version of the indicators will be endorsed by United Nations Statistical Division probably not before March 2016. Indeed, Inter-Agency and Expert Group on the Sustainable Development Goal Indicators was established by the Statistical Commission at its 46th session to develop an indicator framework at the global level, and to support its implementation. On the other hand, based on the SDGs and their targets, the SDSN has proposed a set of 100 global indicators.

While nine out of 100 proposed SDG indicators are the same as MDG indicators and eight of them are modified MDG indicators, the bulk of SDG indicators are new, which put stronger emphasis on economic and environmental issues in particular than MDGs did.

Data for monitoring the SDGs will be derived predominantly from *census data, household surveys, agricultural surveys, administrative data, civil registration and vital statistics, economic statistics, including labor force and establishment surveys and trade statistics, <i>geospatial data, other environmental data* as well as *direct monitoring from organizations* (SDSN et.al, 2015).

Since it is employed for the sampling of household surveys and calculating per capita economic statistics, *census data* is essential for nearly all of the indicators, even if it directly related to two indicators. As in MDG indicators, *household surveys* are presumably considered to be one of the most significant data source for many of the areas covered in the SDGs. Indeed, more than one fourth of proposed SDG indicators' data will come from household surveys. *Agricultural surveys* are the primary data source for two indicators. *Administrative data* for many global monitoring indicators is mainly collected by line ministries and then compiled by the national statistical offices. Administrative data is the most important data type for proposed SDG monitoring since 43 of proposed SDG indicators. *Geospatial and environmental data* is crucial for 13 indicators as well as disaggregation of other SDG indicators. Another important aspect of SDGs is the need for *international data* that the international organizations produce during their monitoring/reporting activities. Indeed, 11 indicators are related to international monitoring or international reporting. Lastly, *economic statistics* are essential for four indicators (SDSN et. al., 2015).

SDSN et. al. (2015) estimates that a total of US\$1 billion per annum<sup>8</sup> will be required to enable 77 of the world's lower-income countries (IDA recipients) to catch-up and put in place statistical systems capable of supporting and measuring the SDGs by taking into account 100 proposed SDG indicators. The highest costs belong to censuses, civil registration and vital statistics and national surveys which account for more than half of the total annual cost. Because the countries are planning to receive half of their proposed budget in NSDSs from aid,, donors must maintain current contributions to statistics, of approximately US\$300 million per annum, and go further, leveraging US\$100-200 million more in Official Development Assistance (ODA) to support country efforts (an average of

<sup>&</sup>lt;sup>8</sup> Costs associated with statistical infrastructure, data collection and technical assistance are taken into account in the calculation. Physical infrastructure cost is considered only for geospatial data.

US\$1.30 to US\$2.59 million per IDA recipient or blend country). For their part, recipient countries must commit to fill the gap, mobilizing domestic resources behind clear NSDSs.

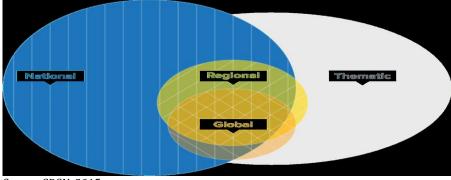
The amount estimated for SDG monitoring (\$1 billion) is also parallel with the planned expenditures in NSDSs (SDSN et.al, 2015). According to NSDSs, average spending foreseen for total 77 countries is highest in statistical infrastructure with 75% of total. On the other hand, physical infrastructure (IT, buildings etc.) consists of 11 percent of total spending. As expected, high income countries' (upper-middle) among 77 countries spending share is less than 1 percent of the total amount. However, it should be recognized that these figures are only planning figures and do not anticipate the demand results from Post-2015 Development Agenda.

Regarding the problems about data availability of MDG indicators, the availability of data related to SDG indicators is an important issue that is discussed in the international fora. Within this context, SDSN conducted a recent study that analyses the availability of SDG indicators. According to this study, the availability of the data related to SDG indicators varies significantly. In fact, while 37 out of 100 indicators are classified as "feasible to measure", 19 of them are classified as feasible with some effort, and 10 as very difficult or infeasible within the time frame.<sup>9</sup> (FOC, 2015) On the other hand, according to the same study, for the goals that are in the same general thematic areas as the MDGs, the proportion of countries that have data for proposed SDG indicators is generally higher than it is for indicators in other goal areas (e.g., environment, consumption and production, and peaceful societies).

Inter-agency and Expert Group on the Sustainable Development Goal Indicators held a meeting on June 2015 with a wide range of participants. In this meeting, the countries identified the following issues related to the monitoring of the SDGs: lack of disaggregation of the current data, less frequent survey periods, inadequate comparability across data sets, the need for mapping the indicators with the existing statistical frameworks. As recommended in the meeting, the feasibility of the suggested indicators under Goal 17 should be reviewed. Moreover, although data availability is promising and even available for a number of indicators under Goals 6 and 7, it was mentioned that the data seems difficult to be collected for some indicators under these goals (such as the indicators related to wastewater safely treated, wetland area and value added to net domestic energy use). Besides, the economic indicators (under Goals 8, 9, 12) are said to be generally available but the link of these indicators with the social and environmental ones is not clear.

#### Monitoring SDGs

In its report related to the proposed SDG indicators and monitoring of the SDG process, SDSN suggests a four-level monitoring process, and these levels are thought to be organized in an integrated architecture. (SDSN, 2015)



#### **Figure 2: Proposed Monitoring Levels for the SDGs**

Source: SDSN, 2015.

<sup>&</sup>lt;sup>9</sup> In the said study, if the indicator is found as feasible to measure it has been given an "A" which signifies that 80% of countries have at least 2 data points; if the indicator is found as feasible with some effort it has a "B" which signifies that 50-80% of countries have at least 2 data points; and if the indicator is found as very difficult or infeasible within the time frame it has a "C" which signifies that less than 50% of countries have at least 2 data points. On the other hand, while 29 indicators are classified as being determined later, 4 are not classified.

**1)** National monitoring: National monitoring is seen as the most important level of monitoring since the focus of monitoring on the SDGs is thought to be at the national level. Each country will be responsible for choosing its national SDG indicators that are best suited to track its own progress towards sustainable development. And national monitoring is expected to rely on the work of national statistical offices. In this context, countries will define the nature, specification, timing, data collection methods, and disaggregation to suit their national needs and priorities. Two sets of indicators together map out national indicators: Global Monitoring Indicators, which are harmonized across countries to ensure comparability and support global SDG monitoring, and Complementary National Indicators, which allow each country to track country-specific challenges.

**2) Global monitoring:** The SDGs describe a global agenda, including some global public goods that cannot be implemented by any country on its own. Thus, success on SDGs will depend on international coordination and collaboration, together with accountability and monitoring at the global level. For global monitoring, a harmonized and universal set of Global Monitoring Indicators are needed which will be tracked in each country and reported periodically at the global level by the countries. As mentioned above, currently 100 Global Monitoring Indicators are proposed by the SDSN, and the final design of these indicators is planned to be announced on March 2016. These indicators may be used multiple times, across various goals, to track all the dimensions of sustainable development in an integrated way.

A critical need for annual monitoring of Global Monitoring Indicators to the HLPF is underscored in the report of the SDSN. In the same report, it is recommended that each Global Monitoring Indicator has at least one lead technical or specialist agency, responsible for coordinating data standards and collection, ensuring harmonization, and providing technical support where necessary.

**3) Regional monitoring:** The third level of SDG monitoring is defined as regional monitoring. Regional monitoring indicators are expected to be defined by the competent bodies in each region, and monitoring of these indicators is likely to be done by the same bodies. Regional monitoring indicators are likely to consist of a small number of metrics which are not considered under National Indicators and extend beyond the scope of the Global Monitoring Indicators. (Figure 2) Hence, regional monitoring processes can form a link between the national and global monitoring processes, and is expected to play a critical role in fostering the regional collaboration and coherence in knowledge-sharing across countries in the same region. (SDSN, 2015)

The bodies that are going to conduct regional monitoring work will "have an important complementary role in promoting best practices, providing technical cooperation and capacity building, and developing and disseminating methodologies to adapt and harmonize indicators." (SDSN, 2015)

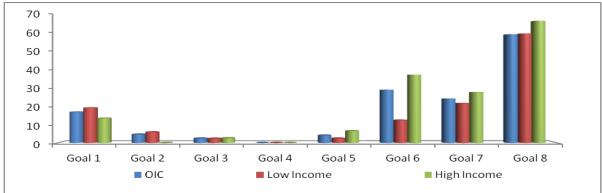
**4)** Thematic monitoring: Since successful delivery of the SDGs requires addressing complex challenges across a broad range of sectors, such as health, education and agriculture, an additional monitoring level is needed which paves the way for monitoring in each thematic or epistemic community. In general, thematic communities develop specialist indicators, which might include input and process metrics, for specific issues to be tracked in the countries and help the monitoring of those issues across the globe. Similarly, during the implementation of the MDGs good examples for effective thematic monitoring under the auspices of international organizations, universities, civil society organizations, or business groups have been seen; for example, the specialist hub that UN Inter-Agency Group on Child Mortality Estimation has developed to analyze and improve mortality estimations, and the International Fertilizer Association maintains one of the most extensive databases on fertilizer supply, production and use around the world.

Thematic monitoring of the SDGs might be coordinated by one or more lead specialist agencies for each thematic issue. Lead agencies are likely to be responsible for convening multi-stakeholder groups and compiling thematic reports. The multi-stakeholder groups "can become a testing ground for the data revolution, trialling new measurements and metrics, which in time can feed into the global monitoring process." (SDSDN, 2015:15) Thematic reports should be prepared on an annual basis and benefit from in-depth technical examination of specific concerns each year.

#### Situation in OIC Member Countries

MDG experience has contributed to the statistical capacities of OIC member countries as in most of the countries. However, there are still important gaps in the data related to MDG indicators. Indeed, regarding the MDG indicators of the member countries, 28 percent of the data is not available, and nearly 7 percent of the available data is not suitable to make an analysis (Figure 3). The worst situation is for Goal 8, "Develop a global partnership for development", since almost 60 percent of the needed data is missing. Goal 6, "Combat HIV/AIDS, Malaria and other diseases" has almost 30 percent missing data, and Goal 7, "Ensure environmental sustainability" lacks nearly one fourth of the needed data. Data availability is the best for Goal 4, "Reduce child mortality", having no missing data. Goal 1, which is the most monitored goal, has 17 percent of missing data. Although the statistical capacities of the low income countries are weaker than the high income countries, the share of missing data for the high income OIC member countries is higher than the low income member countries. In fact, while the share of missing data is 24 percent for the low income group, this share is 32 percent for the high income.



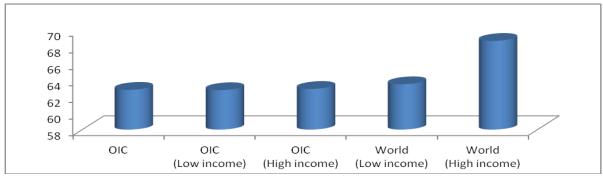


Source: Own calculations from UN, 2015a.

To understand the statistical capacities of the OIC member countries the statistical capacity indicator (SCI) is analysed (Figure 4).<sup>10</sup> It is observed that the average SCI value of both high and low income member countries is slightly lower than world low income average value. The average score for low income OIC member countries is 62.8. However, the range is wide in the group from 20 to 90. According to SCI, Bangladesh, Indonesia, Egypt, Kyrgyzstan and Palestine seem to have higher statistical capacity (with SCI higher than or equal to 80) than other countries in low income group. Regarding 14 high income countries, the average of SCI (62.9) does not differ from the average for low income group (62.8). The high income group is heterogeneous according to the indicator as in low income group. Indeed, the SCI value for the high income OIC member countries ranges from 28.9 to 88.9 (The World Bank, 2015c). As a result, regarding the countries for which SCI values are available, the statistical capacity does not differ much between income groups. Indeed, some low income countries' statistical capacity seems to be more developed than high income countries'. The capacity building efforts carried out during MDG process in low income countries with the support of international organizations, especially in the context of Paris21, might be the main reason for this picture. Indeed, the difference between world low and high income countries' average SCI is low, around 5.

<sup>&</sup>lt;sup>10</sup> SCI overviews the statistical capacity of more than 140 developing countries by using three dimensions: statistical methodology, source data and periodicity and timeliness. All these dimensions are crucial for monitoring SDGs. Because the indicator is mainly derived for developing countries, SCI value is observed for all low income OIC member countries; yet 14 out of 23 high income member countries have SCI value. Although developers of SCI claim that the SCI provides an overview of the national statistical capacities, there are researchers like (Ngaruko, 2008) arguing that the SCI does not fully reflect the statistical capacities of countries, but rather the statistical activities and outputs mostly (SESRIC, 2013).

According to SCI, low income OIC member countries' statistical systems are weak especially in the areas of vital registration systems (five out of 34 countries have complete vital registration system), government finance accounting (more than two thirds of the countries have lack of consolidated government accounts), industrial production index (more than two thirds of the countries have lack of this index) andnational accounts base year (more than half of the countries updated national accounts base years). On the other hand, health surveys and health related indicators seem to be available in most of the low income member countries. Vital registration systems are available in 8 out of 14 high income countries considered in SCI calculations. 14 low income countries have lack of agricultural surveys; the same number for 14 high income countries is 7. Both high and low income countries are in a better situation regarding population census.



#### Figure 4: Mean Values for Statistical Capacity Indicator

Source: World Bank, 2015c.

Note: World-high income category involves 62 high income countries for which data is available out of 130 High income countries. OIC-high income category involves 14 high income countries for which data is available out of 23. World-low income category involves 83 low income countries for which data is available out of 84 low income countries. OIC-low income category involves all low income OIC member countries.

The estimates of SDSN et. al. (2015) on the financial need of the 77 countries to catch-up and put in place statistical systems capable of supporting and measuring the SDGs can be applied to the OIC member countries. It is known that 30 OIC member countries are among the IDA receipent countries (all low income member countries and 12 out of 17 countries in lower middle income group). If it is assumed that low income OIC member countries (low and lower-middle) would need such a support to increase their statistical capacities and the additional support ranges between US\$1.30 to US\$2.59 million per annum per country, further contribution to the low income OIC member countries would be in the range of US\$44-88 million per annum.

#### The Way Forward

Regarding the MDG experience, data gaps are seen as a widespread problem among both the low and high income OIC member countries, especially in terms of disaggregated, quality, comparable and timely data. Taking into account the broader context of the SDGs, the data problem is likely to deepen for the SDGs for both income group countries, particularly for the indicators related to the development areas that do not exist among the MDGs, but introduced with the SDGs. Hence, at the beginning of the SDGs' implementation process, data gaps and compilation limitations of the OIC member countries related to the SDG indicators need first to be investigated country by country and theme by theme.

Statistical systems need to be improved by strengthening the capacity of national statistical offices (NSOs) and the statistical capacity of the relevant institutions, which requires an additional financial support. This would contribute to the member countries' capability of planning as well as monitoring and evaluation of sustainable development programmes. In this regard, capacity building programmes and initiatives in this area such as SESRIC-STATCAB and IDB- STATCAB can be improved. Capacity strengthening may include the development of a set of indicators for measurement that takes into account country-specific development dynamics and priorities. This effort may be complemented by strengthening the ability of institutions to analyze and disaggregate data in order to better assess inequalities at the local level and better monitor progress among

marginalized and disadvantaged people, as well as by improving the research and analytical capacities of important government agencies.

In shaping the indicators related to SDGs, as mentioned above, Inter-agency and Expert Group on the Sustainable Development Goal Indicators is an important platform. In this regard, the common interest of the OIC Member Countries may be expressed in this platform through the OIC Member Countries which are also members/observers of it.

OIC has a potential to take part in the monitoring process, especially in the regional and thematic levels of monitoring. The existing mechanisms of the OIC can be utilized in this respect. For instance, the Organisation of Islamic Cooperation Statistical Commission (OIC-StatCom) aims to bring about a dynamic platform for the NSOs of the OIC member countries to share and exchange knowledge, experiences and best practices on initiatives that can help them become more effective and efficient in managing their National Statistical Systems. On the other hand, if needed, new mechanisms/modalities may be developed within the OIC in order to provide cooperation among the member countries in producing statistics and overcoming data problems.

A participatory process has been followed in the relevant UN Fora throughout the Post-2015 Development Agenda. A similar approach, involving all stakeholders (such as civil society, business, etc.), can be followed by the OIC during the development of SDGs indicators and the monitoring of SDGs. In this respect, OIC may benefit from the existing mechanisms for this purpose. Besides, the cooperation between OIC and UN or IDB and the World Bank should continue for the monitoring of SDGs, as well.

# 4.3 Capacity Building

Capacity building is "the process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time" and makes development work better (UNDP, 2008:2).

During the MDG process, the importance of capacity building came into forth on delivering the development agenda. Especially for the African countries, weak institutional and inadequate infrastructure are identified among the major obstacles that hamper the development efforts of these countries. (UN TST, 2014). In this sense, in the 2010 report of the UN General Assembly, appropriate institutional capacity, such as adequate facilities, competent staff, appropriate supplies and equipment and effective monitoring and evaluation, was mentioned among the key success factors on delivering MDGs.

Evidence shows that strong institutions, such as those relating to the capacity of the government to deliver public services, the strength of the rule of law and the quality of regulatory system, play a crucial role in economic performance. Indeed, it is shown that the difference in institution quality helps explaining why some countries have done better than others in terms of achieving the MDGs. This evidence strengthens the case for the international community to support capacity-building efforts as a means of making progress toward achieving the SDGs.

#### Capacity-Building in SDGs

The delivery of the SDGs requires upgraded and innovative institutions and capacities that are aligned with existing development programmes at both the national and regional level. As the SDG process is expected to include interdependent, transformative, and universally acceptable development goals, more responsive institutions and greater capacities for effective implementation will be needed. In this regard, national and regional institutions must be provided with the capacity to adapt to the new roles and responsibilities, and international organizations should provide the needed support for these institutions on their capacity development efforts. Indeed, the Synthesis Report of the Secretary-General of the United Nations on the Post-2015 Agenda emphasized that in order to achieve the SDGs, countries will require integrated institutions that are effective and human resources equipped with the skills and capacities to deliver sustainable development. The international community has largely come to a consensus in favor of supporting capacities and institutions of developing countries for successful implementation of the Post-15 development agenda.

The role of greater capacities and strong institutions for effective implementations of the Post-2015 development agenda is also highlighted in the Report of the High-Level Panel of Eminent Persons on the Post-15 Development Agenda and the Outcome of the Open Working Group proposal for Sustainable Development Goals. They highlight the need for strengthened capacities and better institutions in multiple contexts and issues. The revised 'zero draft' of the United Nations' Sustainable Development Goals document clearly recognizes the need to improve science and technology skills and capacity in developing countries to achieve the new development goals. In this regard, the OWG report includes one dedicated goal (Goal 16) aimed at promoting "peaceful and inclusive societies for sustainable development", "access to justice for all" and building " effective, accountable and inclusive institutions at all levels". In addition, no less than 10 separate goals make explicit reference to strengthening institutions and/or capacities for their achievement.

*Goal 17*, for instance, stresses that in order to strengthen the means of implementation and revitalize the global partnership for sustainable development, the collection of data and monitoring and accountability of the SDGs are crucial. Countries are called upon to enhance capacity-building support to developing countries, including LDCs and small island developing states (SIDS), which would significantly increase the availability of high-quality, timely and reliable data that is also disaggregated by disability.

Adequate support needs to be provided by the international community to ensure that all countries and regions have sufficient capacities and resources to be able to fully achieve all of the agreements and commitments along with the SDGs. Yet, the international community has already been responding to the capacity development challenge in developing countries through a series of initiatives that include capacity-building workshops, and national training sessions. One specific and important program is UN DESA's "Pilot Country" initiative, which is working with several countries to support them in the implementation of more integrated approaches to national planning that are in harmony with the draft SDGs and with the expected outcome of the Post-2015 process.

In the light of the conversation events that UN conducts, several key messages arise related to strengthening capacities and institutions that is required by a transformative development agenda, such as the need for upgraded, innovative and integrated institutions and capacities at the national and subnational levels, inclusion of the local communities, subnational authorities, civil society representatives and the private sector in the capacity strengthening and institution building efforts, locally-driven and issue-oriented strategies, policies and solutions for strengthening capacities and institutions, empowered local authorities and associations, measuring progress in capacity development and institutional improvement. (UNDP, 2015)

#### Situation in OIC Member Countries

The challenges that will be faced by OIC countries in delivering the SDGs point towards the need to strengthen institutional capacity in the planning, management, implementation and monitoring of the efforts towards sustainable development. Moreover, translating global agreements on the SDGs into policies and practices at the regional and national level needs a number of actions to improve the capacity of planners and implementers.

The ability of member countries to implement and achieve the SDGs is widely dependent on the quality of their institutions. Several international indicators which imply the situation of the capacity building needs are analysed below for the OIC countries. (Table 9)

	Government Effectiveness (Rank)	Regulatory Quality (Rank)	Rule of Law (Rank)	CPIA quality of public administration rating	Fragile State (Index)	
OIC-57	24.5	24.3	22.6	-	84.3	
OIC LLMI-34	17.3	20.5	16.7	2.8	84.6	

## Table 9: Quality of Institution Indicators

OIC HUMI-23	40.3	31.1	34.7	-	71.6	
Low Income (World)	18	23	19	2.7	70.2(world)	
High Income (World)	76	75	75	3.3	-	

Source: The World Bank, 2015b, The World Bank, 2015d, Fund for Peace (2015).

Note: OIC LLMI-34 refers to OIC low income (low and lower-middle) member countries. OIC HUMI-23 refers to OIC high income (high and upper-middle) member countries.

In Table 9, indicators like government effectiveness, regulatory quality, rule of law, CPIA quality of public administration and fragile state index imply situations of the countries in terms of the institutional capacity. Data of these indicators shows that institutions in OIC countries are not strong enough to carry out their essential role of supporting economic development, particularly in low-income countries. Regarding the government effectiveness, OIC countries are not doing much better than low income countries, since the average rank of 57 OIC countries is 24.5 and this rank is 18 for world low income countries. The regulatory quality indicator also shows a huge deficit in the ability of governments in OIC countries to formulate and implement sound policies and regulations since the rank of OIC countries is 24.3, which is slightly higher than World low income countries. The situation on the rule of law is similar since the rank of the OIC countries is 22.6 while the rank is 19 for the world low income countries.

Low-income OIC countries are not performing worse than the world low income countries having the above-mentioned ranks 17.3, 20.5 and 16.7, respectively. Also they are not performing strongly in terms of the quality of public administration, as measured by the CPIA. Moreover, the fragile states index shows that only eight OIC countries are performing better than the world average.

High-income OIC countries perform much better than low-income OIC countries, particularly when it comes to government effectiveness and the quality of the rule of law. During the last two decades, high-income OIC countries have achieved important progress in terms of the quality of their institutions, but still more improvement needs to be done to reach the level of the high-income countries in the world. Low-income OIC countries are suffering the most from institution deficit and instability.

The institutional and structural weaknesses which affect competitiveness across countries will limit their capacity to implement the SDGs. Reforms towards improving the capacity will raise the prospect of economy-wide gains, particularly in the formal sector where regulations are more binding.

There are several modalities implemented to improve the capacity in the member countries, particularly South-South cooperation and the IDB's initiatives. The IDB has been supporting the member countries in capacity building efforts. Indeed, the IDB Group's capacity building efforts in its member countries remain focused mainly through its policy dialogue instrument, namely Member Country Partnership Strategy (MCPS). The main objective is to deduce developing capacity via three Enablements (3Es) for change: (i) Expanding Knowledge: Ability to access and acquire 'knowledge', 'skills' and 'expertise'; (ii) Empowering People and Organizations: Ability to act on the acquired 'knowledge' and new/improved set of skills to create positive sustainable change; and (iii) Engaging with Context: Ability to connect with stakeholders and create new partnerships in order to expand the existing network for knowledge exchange and capacity development.

#### The Way Forward

While needs vary from country to country, certain areas of institutional capacity need urgent attention and merit special mention in many countries, especially in developing ones. For these countries, effective macroeconomic management capacity, including legislative and regulatory abilities and debt management skills, good tax administration skills, statistical capacity and capacity to deliver public services, are crucial for the implementation of the SDGs. Taking these crucial concepts into account, the capacity building efforts in the OIC member countries might be

implemented within the following framework: (i) Identify the lessons learned from the implementation of the MDGs at both national and regional levels; (ii) Determine what new capacities and institutions to be put in place and what existing ones need to be reinforced; (iii) Identify the prioritized areas with special focus on developing appropriate capacity building strategies to be included into national development programs.

South-South cooperation and the IDB's capacity building efforts also need to be promoted in the area of human resources development in member countries' institutions. This can be done through, among others, (i) organization of familiarization visits for senior officials and study visits for technical staff to augment their experience as well as organization of seminars, workshops and conferences on technical issues related to socio-economic development; (ii) enhancing the skills of technicians, professionals and officials in the mid-level management through providing on-the-job training; and (iii) wide-range participation and partnerships among governments, civil society and international organizations through developing platforms for discussion and engagement among them.

International community may provide technical assistance to enhance resource mobilization capacities, particularly focusing on elevating the competency of revenue authorities and their officials and implementing reforms to simplify and rationalize tax systems and improve tax administration capacity and integrity. This is because mobilization of domestic resources at a significant level is essential for the successful implementation of the new development agenda. As mentioned below in detail, the institutional capacity to mobilize domestic resources is weak, especially in low-income OIC countries.

# 4.4 Finance

The MDGs process has showed that finance is a major challenge for the countries on achieving the targets. Among the major reasons of the shortfalls in progress towards the MDGs, inadequate resources and failure to deliver the necessary finance are identified. Besides, the MDGs financing framework has been too narrow since it only focuses on foreign aids and neglects other important financing options, such as South-South Cooperation, philanthropy, private sector sources and domestic resources. Indeed, the Goal 8 of MDG has often been interpreted as focusing solely on aid commitments, which would facilitate filling the financing gaps for achieving the goals. This may have unreasonably created high expectations about the role of aid and downplayed the importance of domestic policies and domestic resource mobilization in financing the MDGs and promoting development (UNTT, 2013).

On the other hand, trends in ODA since 2000 indicate that the MDGs may have contributed to increased aid flows to developing countries. "The MDGs' financing framework has also provided a compact structure and has aligned aid for developing countries. Before the MDGs, ODA was highly fragmented, with little coordination among the various donors". (Uneze and Adedeji, 2014)

Given the huge development needs of the Least Developed Member Countries (LDMCs) in addressing development challenges including achievement of MDGs, the IDB Group has developed and implemented a number of programs that targeted the LDMCs. The above-mentioned programmes, namely SPDA and ISFD, are among them. Moreover, in order to make more financial resources available to OIC member countries for financing development, the IDB Group intensified its resource mobilization effort and diversified its strategy. For example, in 2014, the Bank issued four series of Trust certificates (sukuk) under its updated Medium Term Note Program, of which two series were via benchmark issuances of \$1.5 billion each while the other two were through private placement.

## Finance in SDGs

Setting up an appropriate financing framework to help secure the means of implementation for the Post-2015 Development Agenda is also critical for the achievement of the SDGs. In this respect, as mentioned above, the Third International Conference on Financing for Development in Addis Ababa in July 2015 represents a key milestone, building on the conclusions of previous financing for development conferences (Monterrey in 2002 and Doha in 2008). It also addresses new and emerging issues in the context of the recent multilateral efforts to promote international development cooperation.

Estimates of the scope of financing for the SDGs vary due to the complexities of quantifying needs, but consistently point to a significant financing shortfall. According to the United Nations Conference on Trade and Development (UNCTAD), estimates for investment needs in SDG-relevant sectors in developing countries alone range from \$3.3 trillion to \$4.5 trillion per year, representing an annual gap of \$2.5 trillion at current levels of investment (UNCTAD, 2014). Against this backdrop, large amounts of investable resources, mostly private, are available in advanced and emerging economies. There are, thus, opportunities for a new financial strategy that includes international and national sources, and combines public and private finance to support the achievement of SDGs (UN, 2015c).

From available reports on SDGs, it is quite clear that there is a strong emphasis on using domestic revenues to finance the new goals. Indeed, this is a paradigm shift from the 20th century development model in which the rich countries provide grants or aid to poor countries to finance social sector activities. That model is dying out fast in the 21st century as many poor countries are discovering natural resources and steadily exiting low income and aid-recipient status. Specifically, the High-Level Panel report noted that "domestic revenues are the most important source for the funds needed to invest in sustainable development, relieve poverty and deliver public services. Only through sufficient domestic resource mobilization can countries ensure fiscal reliance and promote sustainable growth".

There is a large consensus among the global development community that all the four basic categories of financial resource mobilization available for financing sustainable development (domestic public, domestic private, international public and international private finance) should be strengthened. In addition, emerging and innovative sources of financing, as well as means for blending official and private resources and collaboration between various actors, are strongly emphasized.

Improving domestic revenue mobilization is a key condition for developing countries to step up efforts to contribute to financing their own development. In many countries, low tax-to-GDP ratios are exacerbated by high levels of capital flight and limited capacity to collect revenues from multinationals, particularly those engaged in natural resource extraction. Inefficient expenditures further compound the problem. Progress will be needed in strengthening tax administration, better harnessing natural resource revenue, and curbing illicit financial flows (The World Bank, 2013).

Further deepening the domestic financial markets is also required to adequately finance the Post-2015 Agenda in developing countries. Financial systems in many of these countries rely primarily on the banking sector. Although domestic credit has grown substantially over the past decade, it is generally short term. Domestic bond markets have also grown, driven mainly by sovereign debt issues. The presence of institutional investors could potentially increase resources available for long-term investment in sustainable development (UN, 2014). This calls for greater attention to policies and instruments that can lower risk and strengthen the confidence of investors.

ODA remains important, and donor countries should fulfil their commitments. Only five OECD Development Assistance Committee donors reached the 0.7 per cent of gross national income target (UN, 2014). The emergence of increasingly important donors among upper-middle income countries is also considered as a positive development in the aid landscape. Faced with limited direct lending capacity and the fiscal constraints in many donor countries, Multilateral Development Banks (MDBs) are expected to further utilize their catalytic role and leveraging potential to mobilize additional financing from more diverse sources (The World Bank, 2013).

Increasing private capital flows to developing countries is critical to narrow the gap between investment needs and available financing. Sharing risk with the private sector to enhance the viability of investments is one area in which official lenders and MDBs are expected to contribute to mobilize additional resources and co-investment for sustainable development. Donors can also enhance their impact by supporting improvements in business climate that can facilitate access to private sources of finance, and increase FDI. Besides, the growing importance of remittances as a private source of funds for developing countries is well acknowledged. For many countries, remittances exceed official development assistance and even foreign direct investment, but are not sufficiently channeled to productive activities. Exploring innovative financing instruments will complement traditional international resource flows and contribute to addressing specific market failures and institutional barriers<sup>11</sup>. There is no common vision of innovative development finance. However, it encompasses public private partnerships on various development areas, as well as the application of market-based instruments to global public goods like environment. In particular, there is a growing interest for blended finance mechanisms, including instruments provided by development finance institutions to leverage private finance (e.g., loans, equity investments, guarantees, etc.), as well as traditional public private partnerships) (UN, 2014).

#### Situation in OIC Member Countries

Mobilizing financing resources to support the achievement of SDGs will impose different challenges to OIC member countries, according to their income level and the depth of their financial system. Low-income OIC member countries generally have a weak performance in terms of revenue mobilization, relatively low savings, and limited access to private finance. The high income member countries can rely on important public revenues and national savings and have better access to private finance (Table 10).

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

## Table 10. OIC Member Countries: Selected Financing Indicators (2010-2014)

*I= OIC-57; II= High income OIC; III= Low income OIC; IV=World; V= Developing countries; VI= Developing countries excluding China & India.* 

Source: IMF, EIU, and the World Bank.

The average ratio of budget revenue to GDP for OIC member countries, which is 25 percent, is well below the world average of 28 percent over the last five years (2010-14). However, it is well aligned with the average ratios for developing countries. Among OIC member countries, there are marked differences according to the income level. For the low-income group, the average ratio is relatively weak (15 percent), representing half of average ratio for the high-income group (31 percent). In low-income countries, tax bases tend to be quite narrow, which reflects the smaller share of the formal sector in employment and business activity. Large informal economies and agricultural sectors are rarely taxed (The World Bank, 2013). This situation is compounded

by weak administrative capacity.

Domestic financial sector stands as a key challenge for OIC member countries. At OIC level, national savings as a percentage of GDP stand at nearly 30 percent and total investment is below 26 percent of GDP on average over the last five years (2010-14). This indicates that the member countries need to find proper ways and means to channel idle domestic savings into investments effectively. In this

<sup>&</sup>lt;sup>11</sup> Innovative Financing for Development: Scalable Business Models that Produce Economic, Social, and Environmental Outcomes (September 2014); www.globaldevincubator.org.

respect, the financial sector can make an important contribution by increasing the savings rate and the availability of savings for investment. As in other developing countries, the financial system in the member countries is dominated by the banking sector. Nonetheless, domestic credit ratios for them are markedly low, compared to the world average, and even to developing countries' averages. While the average ratio of domestic credit to GDP is below 48 percent for the member countries, the world average is 164 percent. Stock markets are at an early stage of development in most of the member countries, especially the low income ones and the related data is weak. In terms of market capitalization<sup>12</sup>, the average ratio for the member countries stands at 43.5 percent of GDP over 2010-2014. Over the same period, the average ratio for developing countries is around 62 percent.

ODA remains important for provisioning the delivery of the Post-2015 Development Agenda, particularly in low-income OIC member countries. Net ODA received in OIC member countries represented 1 percent of GDP on average over the last five years, and for the OIC low-income group the average ratio was 1.6 percent, against 0.7 percent for developing countries (excluding China and India). In contrast, the debt-service paid represented 3.5 percent of GDP on average for the member countries, despite the fact that debt relief initiatives have substantially lowered the stock of external debt and related debt services requirements. With respect to FDI inflows, there is not a marked difference between the two OIC income groups. FDI stands at 2.4 percent in 57 OIC member countries, 2.5 percent in the low-income group, and 2.3 percent of GDP in the high-income group over 2010-14. However, OIC countries, as a group, lag behind the developing country average, which is around 3.5 percent. Finally, remittances are a key source of funds for the OIC countries. On average, 57 OIC member countries received the equivalent of 2.1 percent of GDP, and the group of low and lower middle OIC member countries received 4.1 percent of GDP. For many low income OIC member countries remittances represent a major part of international capital flows, surpassing FDI and foreign aid. However, there is a need for further mobilization of external resources. Given the limited ability of the public sector to support long-term investments, finding new and better ways to attract private-sector is critical, such as public private partnerships (PPPs). At national level, the institutional investors such as pension funds, insurance companies, and mutual funds, have potential as pools of non-bank capital for supporting the development goals. At OIC level, there is a huge amount of Sovereign Wealth Funds (SWF) particularly in oil exporting countries. However, the challenge is how to direct these funds towards productive investments in other OIC member countries to support the achievement of development objectives with rational economic returns.

#### The Way Forward

The ability to adequately finance the Post-2015 Development Agenda in OIC member countries depends on many factors. OIC member countries need more cooperation that attracts resources from diverse sources; to emphasize more on domestic resource mobilization; and to capitalize on the potential of the private sector. Nevertheless, the success of cooperation requires good polices and the capacity to implement them.

OIC member countries need to improve the efficiency of revenue collection and public expenditure. Revenue mobilization and especially tax collection need to be enhanced by improving the management of natural resources and further combating illicit financial flows. Strengthening public expenditure and investment management can also help limit waste and graft and improve the quality of public expenditure, through better selection, design, and management of public investment projects. Reforms in subsidy regime and procurement in particular can increase public expenditure efficiency and create more fiscal space to support the implementation of the SDGs. For the OIC low-income group, specific efforts are hence needed to enhance administrative capacity and broaden the tax base.

OIC member countries need to expand the financial sector and diversify its products. Reforms in the financial sector should be targeted towards (i) meeting the needs of all segments of the economy; and (ii) moving from being just credit providers towards becoming more holistic financial services providers. The challenge is to strike a right balance between financial policies, measures and

<sup>&</sup>lt;sup>12</sup> Market capitalization ratio is one of the most common indicators used to measure the performance of the stock market. It measures the overall market size and the ability to mobilize capital and diversify risk on an economy-wide basis. A higher ratio means better capability of the stock market to mobilize capital.

investments in activities that target both SMEs and large-scale investments. As a large portion of population in OIC member countries lacks access to basic financial services, greater attention should be paid to extending microfinance to support excluded people and SMEs.

PPPs can be an effective model for financing large-scale investments. The success of effective implementation of PPP requires improved governance and stronger institutions to build new forms of public-private dialogue to strengthen the voice of the private sector in designing and developing national economic strategies. In this context, OIC member countries need to formulate a clear policy framework that defines the roles, responsibilities and potential gains of private sector firms; design a transparent and competitive procurement framework; and increase the capacity of both private banks and the public sector in designing mutually beneficial framework agreements for infrastructure PPPs.

In addition, policy reforms aimed at enhancing attractiveness for FDI flows and channeling the remittances inflows to more productive investment can provide a critical contribution to supporting the achievement of SDGs. This calls for further improvement of the investment climate and business regulation, including competition policy, property and creditor rights, judicial reform, fiscal transparency and market reforms.

Mainstreaming Islamic finance into the financial system will improve resources mobilization and financial inclusion. Islamic finance is a participatory model in which the financier and the business partners share in the ex-post outcome of risk and reward. The major areas of contribution of Islamic finance – financial stability, financial inclusion and shared prosperity– can be instrumental in the successful implementation of policies on relevant SDGs, including ending poverty, achieving food security, ensuring healthy lives, achieving gender equality and promoting peaceful and inclusive society. Additionally, innovative Islamic financial instruments especially for infrastructure development such as Sukuk can be used to mobilize resources to finance water and sanitation projects, sustainable and affordable energy, build resilient infrastructure and shelter.

International and regional institutions may bring financing partners into specific deals. In this regard, these institutions can contribute in enhancing collaboration and coordination to facilitate intra-trade and intra-investment; and strengthening cooperation among the stock exchanges, capital market regulators, central banks and monetary authorities of the OIC member countries. Moreover, they can support the efforts of OIC member countries in mainstreaming Islamic Finance into their financial systems to enhance productive financial intermediation for engendering sustainable growth. There are three key priority areas which need specific consideration. First of all, data infrastructure building blocks of the Islamic financial services industry needs to be strengthened. Secondly, the implementation of Shariah and prudential standards and rules need to be accelerated to facilitate the creation of a more stable, efficient, and internationally integrated Islamic financial services industry. Thirdly, a common platform for the regulators of the Islamic financial services industry needs to be created to enhance constructive dialogue.

# 4.5 Policy coherence

Policy coherence for development is seen as a process for integrating the multiple dimensions of development at all stages of policy making. In this context, improving understanding and operationalization of policy coherence for development requires looking at the different dimensions through which coherency can be promoted.

MDGs include a goal for coherent policies which is global partnership for development. This goal defined the main areas that stakeholders should focus on in order to create a favourable environment at global level for helping developing countries in their development efforts. These areas are aid, trade, debt relief, and increased access to essential medicines and new technologies. However, this goal did not promote an appropriate global partnership and did not go beyond the traditional "donor-recipient paradigm" (OECD, 2014). Furthermore, crisis in the last decade revealed that development challenges have implications for all societies of the globe. Growing inequalities and a new global geography of poverty highlight the important role of domestic institutions and policies. However, since there is not a one-size-fits all approaches, there is a need to rethink conventional approaches to development.

In an interconnected globe, domestic policies implemented by advanced and emerging economies are likely to influence the development prospects of the lower-income countries. Neglecting the spillovers of domestic policies at the international level can undermine the effectiveness of international development co-operation efforts, as well as the development objectives. Development of policy coherence at the global level can help to better understand spillovers of domestic policies and minimise their negative effects.

In this context, to meet the challenge of achieving sustainable development, governments need to design sound policies which would not adversely affect the development prospects of other countries. At the same time governments need to enhance their capacities to exploit synergies across different policy areas with important cross-border dimensions, such as trade, investments, health, education, environment, migration and development co-operation to create environments conducive to development (OECD, 2014).

Promoting policy coherence for development has been carried out on a sectoral basis so far. There was not any focus on an inter-sectoral linkages and the multidimensionality of development challenges. In that manner, a broader approach, focusing on inter-sectoral linkages and the multidimensionality of development challenges, to the policy coherence need to be developed to connect diverse stakeholders and actors and to design and monitor policy efforts at national, regional and global level. In other words, inclusive dialogue with all actors and stakeholders is key for building a common understanding at all levels (OECD, 2013).

In this framework, under the context of SDGs, Goal 17 handles the policy coherence issue in terms of policy and institutional coherence. Related targets aim to enhance policy coherence for sustainable development. At the same time those targets reaffirm to respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development.

### Policy Coherence in the OIC Countries

The member countries would need to be coherent with the SDG framework while designing their national policies during the implementation of SDGs. However, policy coherence requires effective and strong institutions. The evidence provided in Figure 1 and Table 9 shows that the governance and the capacities of the institutions in the member countries are not strong enough to carry out an effective policy formulation and implementation. It would not be realistic to expect the formulation of national policies coherent with the SDG framework in the member countries which have poor governance and low institutional capacity. Cooperation and partnership, in particular, which requires strong institutional frameworks is essential in formulating policies coherent with SDGs.

On the other hand, there are several platforms of the OIC, particularly COMCEC Working Groups (COMCEC WGs), Project Cycle Management (PCM), OIC Sectoral Ministerial Meetings and OIC-StatCom, aiming to ensure policy coherence. Indeed, COMCEC Strategy defines COMCEC mission as providing a forum to produce and disseminate knowledge, share experiences and best practices, develop a common understanding, and approximate policies in cooperation areas to address and find solutions to the economic and social challenges of Islamic Ummah. To fulfil the mentioned mission, COMCEC introduced two mechanisms, namely COMCEC WGs and PCM. In this context, WGs aim at producing and disseminating knowledge, and sharing experience and good practices. They convene regularly and provide a suitable ground for creating a common understanding and approximating policies among the member countries to respond to their common development problems. They prepare policy advices, as the outcome of their discussions, to be approved by the COMCEC Ministerial Meetings. Under the PCM, the Technical Cooperation/Capacity building projects aim to improve technical cooperation among member countries while giving specific attention to institutional capacity building.

### The Way Forward

To formulate and implement coherent policies with SDGs, governance and institutional capacity in the member countries need to be improved. Establishing or strengthening coordination among relevant institutions and stakeholders in the member countries as well as among the member countries and international institutions is essential during the implementation phase. Besides, monitoring the policies and making necessary amendments ,where the execution of the policy goes off track, should be enabled in the member countries. In this regard, developed member countries may support less developed ones in overcoming these governance and capacity challenges in the framework of solidarity.

OIC institutions need to be coherent and complement one another while supporting the member countries in their efforts towards delivering SDGs. COMCEC WGs, PCM and OIC-StatCom can be utilized as effective tools in providing coherence among national policies, the SDGs and the policies of OIC. For instance, in the policy debate sessions of the WGs, a link between the themes and the relevant SDGs may be established. Specific projects towards improving the policy coherence may be proposed within PCM framework. As mentioned in Data and Monitoring section, OIC-StatCom may be a useful platform to overcome the challenges faced by the NSOs of the OIC member countries in producing comparable and quality data necessary for formulating coherent policies.

## CONCLUSION

To follow and reinforce commitment to the unfinished MDGs after 2015, the Post-2015 Development Agenda in which the SDGs are at the core has been designed. The broad agenda of SDGs set out a very ambitious and universal framework for all countries regardless of their level of development. In this regard, all countries need to evaluate their current situation and mobilize adequate means of implementation in order to deliver SDGs effectively. The new agenda also brings forth some important implications for multilateral development agencies to close the development gaps among their members. In this regard, this study, conducted by COMCEC and IDB, attempts to draw perspectives for the OIC member countries to facilitate the implementation phase of the SDGs. Analyzing the situations, priorities and needs of the member countries regarding the critical success factors, namely governance, data and monitoring, capacity building, finance and policy coherence that require cooperation and partnership, which is considered a horizontal issue for these titles, constitute the details of the study.

OIC has intention, potential as well as experience related to the development efforts including the MDGs to deliver the SDGs successfully. Although there are still gaps that need to be filled, OIC member countries have made important progress towards achieving the MDGs. There are several efforts to achieve sustainable and comprehensive human development, which is the focus of SDGs in the OIC. Besides, issues like partnership and cooperation, governance, capacity building and policy coherence, which are highlighted in the SDGs, are also emphasized in the strategy documents of OIC, such as the OIC TYPOA, IDB's 2020 Vision and the COMCEC Strategy. The existing mechanisms and modalities of OIC established to improve economic and social development in the OIC, like OIC-StatCom, membership of five member countries in Inter-Agency and Expert Group on the SDG Indicators, South-South cooperation, cooperation between OIC and UN or World Bank and IDB, COMCEC Working Groups and Project Cycle Management established to improve economic and social development in the OIC, may be utilized in the SDG implementation process as well. In addition, particularly high income member countries have experience and knowledge on the issues related to the SDGs and the potential to share them with the low income member countries. This would help to achieve the SDGs as a whole in the OIC. In this regard, high income member countries may offer capacity building programmes to the low income countries and establish cooperation modalities with them related to the SDGs issues as well.

Nevertheless, OIC would need additional efforts to achieve SDGs because of the ambitious context of the SDGs. Firstly, at the national level, both low and high income member countries need to take SDGs on their agenda and ,accordingly, they need to improve governance, capacity development, cooperation and partnership, policy coherence in all areas related to SDGs as well as diversify financial instruments and strengthen public expenditure and investment management via their national policies. In addition, the support of high income member countries to low income countries needs to be focused on the implementation of the SDGs particularly on strengthening the capacities of the low income member countries. The member countries should also participate and contribute to the existing mechanisms and the mechanisms, which would be established for SDGs implementation within OIC, to support the implementation process. As understood from the analysis in this study, although OIC institutions have many initiatives and programmes on the issues related to the SDGs, there would be a need for a holistic approach towards achieving the SDGs in the OIC.

Thus, OIC as a whole needs to develop a comprehensive and holistic approach to meet the ambitious context of the SDGs. This approach would need additional international efforts, mechanisms or modalities. Increasing the institutional and human capacity in the member countries in all areas related to the SDGs, improving the capacities of the OIC institutions to provide better support for its member states, particularly on data and monitoring, and ensuring wide range of participation including civil society and private sector in the formation and implementation of modalities for all critical success factors would be essential parts of this approach. Triangular cooperation mechanisms involving OIC countries/organizations and non-OIC countries/organizations, facilitating intra-trade and intra-investment and strengthening cooperation among stock exchanges, capital market regulations, central bank and monetary authorities of the member countries as well as establishing platforms aiming to secure cooperation among member states on data and capacity building issues are examples to be included in this approach.

In addition to the national efforts in the OIC, SDG implementation process should be on the agenda of OIC as a whole. This study can be considered an initial step aimed at drawing attention to this heavy agenda.

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# ANNEXES

### **Annex 1: Proposed Sustainable Development Goals**

**Goal 1**. End poverty in all its forms everywhere

**Goal 2**. End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Goal 3. Ensure healthy lives and promote well-being for all at all ages

**Goal 4**. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Goal 5. Achieve gender equality and empower all women and girls

Goal 6. Ensure availability and sustainable management of water and sanitation for all

Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all

**Goal 8**. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

**Goal 9**. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

**Goal 10**. Reduce inequality within and among countries

Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable

Goal 12. Ensure sustainable consumption and production patterns

Goal 13. Take urgent action to combat climate change and its impacts\*

Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development

**Goal 15**. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

**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

**Goal 17**. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Source: UN, 2015b.

Low Income OIC Member Countries	High Income OIC Member Countries	
(low and lower middle income)	(high and upper-middle income)	
Afghanistan	Albania	
Bangladesh	Algeria	
Benin	Azerbaijan	
Burkina Faso	Bahrain	
Cameroon	Brunei Darussalam	
Chad	Gabon	
Comoros	Iran	
Cote d'Ivoire	Iraq	
Djibouti	Jordan	
Egypt	Kazakhstan	
Gambia	Kuwait	
Guinea	Lebanon	
Guinea-Bissau	Libya	
Guyana	Malaysia	
Indonesia	Maldives	
Kyrgyz Republic	Oman	
Mali	Qatar	
Mauritania	Saudi Arabia	
Morocco	Suriname	
Mozambique	Tunisia	
Niger	Turkey	
Nigeria	Turkmenistan	
Pakistan	United Arab Emirates	
Palestine		
Senegal		
Sierra Leone		
Somalia		
Sudan		
Syria		
Tajikistan		
Togo		
Uganda		
Uzbekistan		
Yemen		

Annex 2: OIC Member Countries by Income Categories

Source: The World Bank, 2015a.

## Annex 3: Official list of MDG indicators

Millennium Development Goals (MDGs)				
Goals and Targets	Indicators for monitoring progress			
(from the Millennium Declaration)				
Goal 1: Eradicate extreme poverty and hunger				
Target 1.A: Halve, between 1990 and 2015, the	1.1 Proportion of population below \$1.25 (PPP) per day			
proportion of people whose income is less than one dollar a day	1.2 Poverty gap ratio 1.3 Share of poorest quintile in national consumption			
Target 1.B: Achieve full and productive	1.4 Growth rate of GDP per person employed			
employment and decent work for all, including	1.5 Employment-to-population ratio			
women and young people	1.6 Proportion of employed people living below \$1.25 (PPP)			
	per day			
	1.7 Proportion of own-account and contributing family workers in total employment			
Target 1.C: Halve, between 1990 and 2015, the	1.8 Prevalence of underweight children under-five years of			
proportion of	age			
people who suffer from hunger	1.9 Proportion of population below minimum level of dietary energy consumption			
Goal 2: Achieve universal primary education				
Target 2.A: Ensure that, by 2015, children	2.1 Net enrolment ratio in primary education			
everywhere, boys and girls alike, will be able to	2.2 Proportion of pupils starting grade 1 who reach last grade			
complete a full course of primary schooling	of primary			
	2.3 Literacy rate of 15-24 year-olds, women and men			
Goal 3: Promote gender equality and empower v				
Target 3.A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and	3.1 Ratios of girls to boys in primary, secondary and tertiary education			
in all levels of education no later than 2015	3.2 Share of women in wage employment in the non-			
	agricultural sector			
	3.3 Proportion of seats held by women in national parliament			
Goal 4: Reduce child mortality				
Target 4.A: Reduce by two-thirds, between 1990	4.1 Under-five mortality rate			
and 2015, the under-five mortality rate	4.2 Infant mortality rate			
	4.3 Proportion of 1 year-old children immunised against measles			
Goal 5: Improve maternal health	incasies			
Target 5.A: Reduce by three quarters, between	5.1 Maternal mortality ratio			
1990 and 2015, the maternal mortality ratio	5.2 Proportion of births attended by skilled health personnel			
Target 5.B: Achieve, by 2015, universal access to	5.3 Contraceptive prevalence rate			
reproductive health	<ul><li>5.4 Adolescent birth rate</li><li>5.5 Antenatal care coverage (at least one visit and at least four</li></ul>			
	visits)			
	5.6 Unmet need for family planning			
Goal 6: Combat HIV/AIDS, malaria and other disc	eases			
Target 6.A: Have halted by 2015 and begun to	6.1 HIV prevalence among population aged 15-24 years			
reverse the spread of HIV/AIDS	6.2 Condom use at last high-risk sex			
	6.3 Proportion of population aged 15-24 years with			
	comprehensive correct knowledge of HIV/AIDS 6.4 Ratio of school attendance of orphans to school attendance			
	of non-orphans aged 10-14 years			
Target 6.B: Achieve, by 2010, universal access to	6.5 Proportion of population with advanced HIV infection with			
treatment for HIV/AIDS for all those who need it	access to antiretroviral drugs			
reachent for my/ADS for all those who need it	access to antiferroviral unugs			

Target 6.C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	<ul> <li>6.6 Incidence and death rates associated with malaria</li> <li>6.7 Proportion of children under 5 sleeping under insecticide- treated bednets</li> <li>6.8 Proportion of children under 5 with fever who are treated with appropriate anti-malarial drugs</li> <li>6.9 Incidence, prevalence and death rates associated with tuberculosis</li> <li>6.10 Proportion of tuberculosis cases detected and cured under short course directly observed treatment</li> </ul>
Goal 7: Ensure environmental sustainability	
Target 7.A: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	<ul> <li>7.1 Proportion of land area covered by forest</li> <li>7.2 CO2 emissions, total, per capita and per \$1 GDP (PPP)</li> <li>7.3 Consumption of ozone-depleting substances</li> <li>7.4 Proportion of fish stocks within safe biological limits</li> <li>7.5 Proportion of total water resources used</li> </ul>
Target 7.B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss	<ul><li>7.6 Proportion of terrestrial and marine areas protected</li><li>7.7 Proportion of species threatened with extinction</li></ul>
Target 7.C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	<ul><li>7.8 Proportion of population using an improved drinking water source</li><li>7.9 Proportion of population using an improved sanitation facility</li></ul>
Target 7.D: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	7.10 Proportion of urban population living in slums
Goal 8: Develop a global partnership for develop	ment
Target 8.A: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system	Some of the indicators listed below are monitored separately for the least developed countries (LDCs), Africa, landlocked developing countries and small island developing States. Official development assistance (ODA)
Includes a commitment to good governance, development and poverty reduction – both nationally and internationally	<ul> <li>8.1 Net ODA, total and to the least developed countries, as percentage of OECD/DAC donors' gross national income</li> <li>8.2 Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic</li> </ul>
Target 8.B: Address the special needs of the least developed countries	education, primary health care, nutrition, safe water and sanitation)
Includes: tariff and quota free access for the least developed countries' exports; enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction	<ul> <li>8.3 Proportion of bilateral official development assistance of OECD/DAC donors that is untied</li> <li>8.4 ODA received in landlocked developing countries as a proportion of their gross national incomes</li> <li>8.5 ODA received in small island developing States as a proportion of their gross national incomes</li> <li>Market access</li> </ul>
Target 8.C: Address the special needs of landlocked developing countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty- second special session of the General Assembly) Target 8.D: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term	<ul> <li>8.6 Proportion of total developed country imports (by value and excluding arms) from developing countries and least developed countries, admitted free of duty</li> <li>8.7 Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries</li> <li>8.8 Agricultural support estimate for OECD countries as a percentage of their gross domestic product</li> <li>8.9 Proportion of ODA provided to help build trade capacity Debt sustainability</li> <li>8.10 Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative)</li> </ul>

	8.11	Debt relief committed under HIPC and MDRI	
	Ini	Initiatives	
	8.12	Debt service as a percentage of exports of goods and	
	services		
Target 8.E: In cooperation with pharmaceutical	8.13	Proportion of population with access to affordable	
companies, provide access to affordable essential	ess	essential drugs on a sustainable basis	
drugs in developing countries			
Target 8.F: In cooperation with the private sector,	8.14	Fixed-telephone subscriptions per 100 inhabitants	
make available the benefits of new technologies,	8.15	Mobile-cellular subscriptions per 100 inhabitants	
especially information and communications	8.16	Internet users per 100 inhabitants	
Source, UN 201Ea			

Source: UN, 2015a.

### Annex 4: Methodology of Assessment of MDG Progress

A major problem related to monitoring the delivery of the MDGs is the definition of some targets and their associated indicators. Indeed, some targets envisage a well-defined outcome, like the first target under the seventh goal, since it envisages reversing the loss of environmental resources. However some targets envisage outcomes that are not clearly defined, like the second target under the same goal. The said target envisages reducing biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss, but the levelof reduction is not clearly defined. On the indicators side, the definition problem is that whether they directly refer to their associated target. For instance, the first indicator under the target of the third goal, "ratios of girls to boys in primary, secondary and tertiary education", directly refers to the expected outcome of its associated target, which is "Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015". However, the third indicator under this target, "Proportion of seats held by women in national parliament", does not directly refer to the expected outcome. Due to these constraints, 14 targets which involve well-defined outcomes and 20 indicators which are directly related to the expected outcome of their respective associated target are included in the analysis. The latest data employed in this analysis belongs to 2013.

Another significant problem is data availability related to monitoring the MDG achievements for the OIC Member Countries. In the analysis, if missing data related to any indicator exceeded more than one-third of the member countries, that indicator was excluded from the analysis. To gauge the progress on the MDGs, the data of the OIC Member Countries are aggregated at both the OIC and income group level. By this way, overall access over time is tried to be shown.

The definitions for tracking the progress levels of the countries are determined as follows:

- *Successful:* When a country achieves the target before 2015
- *On-track:* When a country is expected to meet the target by 2015
- *Off-track:* When a country has been either improving its situation in relation to a certain indicator but is not expected to meet the target by 2015 or stagnating.
- *Regressing:* When a country is slipping backwards

The successful progress is defined according to the expected outcome that each MDG target envisages. For instance, for the first target under the first goal, "halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day", countries that reduced the proportion of people whose income is less than one dollar a day by half are defined as successful. On the other hand, for the first target under the seventh goal, "integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources", countries that experienced any increase in the environmental resources are defined as successful.

**Goal 1:** Regarding **the first target of** Goal 1, since only the first indicator directly refers to the expected outcome of the target, which is halving the proportion of people whose income is below 1 dollar a day, the first indicator is included in the analysis.

Regarding **the second target**, the data related to the first, third and fourth indicators are missing for more than one-third of the member countries. Hence these indicators are not included in the analysis. Regarding the second indicator, only one country has missing data. The expected outcome this indicator refers to is "full employment" but no time has been defined for this outcome. Therefore, any increase between the first and last data for employment-to-population ratio is accepted as successful progress, stagnation is accepted as on-track progress, and slipping backwards is accepted as regressing progress for this indicator.

**Goal 2:** The first indicator directly refers to the expected outcome of the target. However, the second indicator is about drop-out rates and somehow captured in the first indicator, since the achievement of universal primary education requires both enrollment in, and completion of, the primary school. Likewise, the third indicator is also captured by the first indicator to some extent and ,besides, it does not directly refer to the target. Therefore, the second and the third indicators are not included in the analysis.

**Goal 3:** There is no an exact target value which should be attained for the second and third indicators. However, for the first indicator the target value is one, therefore, the improvement in the countries can be classified according to this value. Thus, the first indicator is considered in the analysis, but the second and third indicators are not included. The missing data for the first part of the first indicator, namely the ratio of girls to boys in primary education, corresponds to 7 percent of the OIC member countries.

**Goal 4:** While expected progress related to the target can be monitored by the first indicator directly, the second and the third indicators do not directly refer to the expected outcome of this target. In this sense, only the first target is included in the analysis. There is no missing data related to the first indicator.

**Goal 5: The first target** consists of two indicators. The first indicator directly reflects the expected outcome of the first target, which is reducing the maternal mortality ratio by three quarters, so it is included in the analysis. However, since the second indicator supports the progress related to the fifth goal but does not reflect the expected outcome directly, it is not included in the analysis. The **second target** consists of four indicators. Among these only the third indicator directly reflects the expected outcome of the target, so only this indicator is included in the analysis. Regarding the third indicator, only five percent of the data is missing.

**Goal 6:** The first four indicators are associated with the first target, the following one is associated with the second target, and the rest are associated with the third target. Regarding **the first target**, since the second, third and fourth indicators do not directly refer to the expected outcome of this target, these indicators are excluded from the analysis. The expected outcome that this indicator refers to is reversing the spread of HIV/AIDS; however, no time has been determined for this outcome. Therefore, any decrease between the first and last data of this indicator is accepted as successful progress, stagnation is accepted as on-track progress, and any increase is accepted as regressing progress. The share of the missing data in the first indicator of this target is slightly lower than one-third of the member countries, and the missing data belongs mostly to high income countries with 61 percent.

Regarding **the third target**, first and fourth indicators directly refer to the expected outcome. However, with respect to the first indicator, since the data is available only for one year, it is not possible to analyze the development on the indicator for the countries. Regarding the first part of the fourth indicator, the expected outcome that this indicator refers to is reversing the incidence of tuberculosis; however, no time has been determined for this outcome. Therefore, any decrease between the first and last data of this indicator is accepted as successful progress, stagnation is accepted as on-track progress, and any increase is accepted as regressing progress. The success rate in high income countries is higher. **Goal 7:** The first target is cross-cutting emphasizing a general look for sustainable development and environmental resources. The following three targets imply the progress in the first target. Therefore, analysing the second, third and fourth targets will also put forth the progress in the first target. The first seven indicators are associated with the second, the following two are associated with the third and the last one is associated with the fourth target. Regarding **the second target**, the first, fourth, fifth, sixth and seventh indicators refer to the expected outcome of the target, which is reducing biodiversity loss. However, regarding the fourth and seventh indicators, no country level data is available. On the other hand, the second and the third indicators do not directly refer to the mentioned outcome. Therefore, the indicators that are included in the analysis are the first, fifth and sixth ones. Regarding the first indicator, any increase between the first and last data of this indicator is accepted as successful progress, stagnation is accepted as on-track progress, and slipping backwards is accepted as regressing progress.

Regarding the fifth indicator, the missing data corresponds to slightly less than one-fourth of the member countries, of which 86 percent are low income member countries. While analyzing this indicator, any decrease between the first and last data is accepted as successful progress, stagnation is accepted as on-track progress, and increase is accepted as regressing progress.

Regarding the sixth indicator, only one country has missing data. While analyzing this indicator, any increase between the first and last data is accepted as successful progress, stagnation is accepted as on-track progress and slipping backwards is accepted as regressing progress.

As to **the third target**, both of its indicators refer to the expected outcome of the target. Regarding the first indicator, the share of missing data is far less than one-fifth.

**Goal 8:** The first nine indicators are related to the first three targets inter-connectedly. The following three indicators are associated with the fourth target, the next indicator is associated with the fifth target and the last three indicators are associated with the sixth target.

As is the case in the seventh goal, the first target of this goal is cross-cutting emphasizing a general look for trade and financial system, and the following three targets imply the progress in the first target. Therefore, analysing the second, third and fourth targets will also put forth the progress in the first target. On the other hand, the second target is related to donor countries of ODA, and the third target is related to developed countries, landlocked developing countries or small island developing countries, which makes it too specific to fit to the scope and classification of this analysis aiming to provide a picture related to the improvement in the MDGs for the OIC member countries. Hence, the first, second and third targets are not included in the analysis. Regarding the fifth target, since there is no country level data, this target is not included in the analysis.

Regarding **the fourth target**, since the first and second indicators are related to the Heavily Indebted Poor Countries, which do not fit to the scope and classification of this analysis, these two indicators are excluded from the analysis. While analyzing the fourth indicator, any decrease between the first and last data is accepted as successful progress, stagnation is accepted as on-track progress, and increase is accepted as regressing progress. The share of missing data for this indicator is 25 percent.

Concerning **the sixth target**, all the three indicators are included in the analysis. While analyzing these indicators, any increase between the first and last data is accepted as successful progress, stagnation is accepted as on-track progress, and slipping backwards is accepted as regressing progress.