
CONCEPT NOTE

INTERNATIONAL SYMPOSIUM ON FINANCING FOR DEVELOPMENT

“Thinking Innovative Solutions to Persistent Development Challenges”

22-23 November 2018, Istanbul, TURKEY

1. INTRODUCTION

Since the 2000s, marking the adoption of Millennium Development Goals (MDGs), many developing countries including several OIC Member Countries have faced considerable developmental challenges, and some have fallen further behind. The global level initiatives, regional solution mechanisms and national level efforts fell short in meeting the growing needs of developing countries to finance their development and enable them to graduate from the developing country status.

The global financial crisis in 2008 and its long-lasting impacts have just deteriorated the outlook of financing for development. Increasing number of donor countries started to allocate limited amounts of sources to finance development and decided to use these sources more carefully in targeted projects. As a result inequalities within many countries as well as across developing countries have increased. This necessitated development a new global agenda on development.

The preparation and adoption of ambitious Sustainable Development Goals (SDGs) in 2015 after long discussions reflect a global level political commitment to achieve sustainable development and improve the well-being of people. Nevertheless, the lack of sufficient resources to finance development as well as limited availability of data and indicators to measure the progress overshadow the potential success of SDGs. According to the UNCTAD estimations, the total finance requirement including investment needs in the developing world alone range from \$3.3 trillion to \$4.5 trillion per year, for basic infrastructure (roads, rail and ports; power stations; water and sanitation), food security (agriculture and rural development), climate change mitigation and adaptation, health, and education. At given current levels of investment in SDG-relevant sectors estimated at \$1.4 trillion, developing countries including OIC countries face an annual gap of \$2.5 trillion.

Bridging such a gap between what is *needed* and what is *available* in financing for development may seem a daunting task. Nevertheless, OIC countries are rich and diverse in terms of resources where

such resources offer great potential for fostering development. Some of them are endowed with rich natural resources. Many of these OIC countries have already benefited extensively from their rich natural resources in their course of development and accumulated remarkable amount of capital.

A group of OIC countries are also very rich in terms of human capital especially in terms of the high share of youth in total population. As young people tend to save less and consume more this usually leads to a faster economic growth rates in such countries. Each and every OIC country has different resources and potentials to catalyse for their economic development. As previous studies showed that many OIC countries could not reach their economic potentials due to a number of factors, and therefore are lagging behind in many development-related indicators when compared with the averages of developed countries as well as the global averages.

On the financial front, Islamic finance also offers a window of opportunity in OIC countries that could be used in bridging the gap in financing for development. Islamic finance, including Zakat, is estimated to be valued at around \$2 trillion in 2015, which is expected to climb to \$3 trillion by 2020. For instance, making zakat contributions through formal institutions can ensure it reaches more people and reaching those in greatest need and therefore could help achieving sustainable development.

While global figures on the number of people suffering from natural disasters and conflicts are constantly rising, OIC countries were affected more so than any other parts of the world by large-scale humanitarian crises and disasters. Such crises and disasters hit the development of countries through deteriorating the quality of infrastructure and shifting the focus of development actors from sustainable development to the crisis response. At the end, crises and disasters constitute a major source of human deprivation in OIC countries. Therefore, once OIC countries could prevent humanitarian crises and prepare better response mechanisms for disasters, it would be possible for them to climb up in the development ladder rapidly. Islamic solidarity and enhanced intra-OIC cooperation could make a significant contribution in this context that many crises could be prevented and ended through dialogue and diplomacy. Even providing effective humanitarian response to crises and disasters in OIC countries require close coordination and cooperation among different stakeholders.

Many OIC Member Countries need to exert more efforts to achieve sustainable development that requires allocation of more financial resources for their development. As set out in the Addis Ababa Action Agenda (AAAA), these financial resources need to be used in main seven action areas from trade to capacity building in order to make a strong and positive impact on development. Yet, it is usually difficult to secure resources while making improvements in all these areas as donor countries have their own priority areas. Even lack of resources sometimes lead to the termination of some critical development programmes such as in the domain of vaccination or food assistance that put life of people in danger in some parts of the world.

Overall, OIC Member Countries have specific challenges as well as unique solution mechanisms in financing for development that could help them avoid solely relying on a classical donor-recipient relation. A growing number of OIC Member Countries are actively contributing to financing developmental efforts in other OIC as well as non-OIC countries.

OIC Member Countries have a long-history of active intra-OIC cooperation in many areas from trade and infrastructure development to capacity-building and investment. This facilitates transfer of capital, know-how and expertise among OIC Member Countries that are critical for development. OIC Member Countries also actively take part in the South-South Cooperation. This allows several OIC Member Countries and other developing countries to mutually benefit from each other's experiences and sources while advancing in their development trajectories. Finally, OIC Member Countries have unique instruments and mechanisms including Islamic financial instruments, Zakat and Waqf Funds that have the potential to make a significant positive contribution in financing for development. Overall, these factors would enhance financing for development in OIC Member Countries by helping to go beyond the conventional understanding and benefit from unique solution mechanisms.

2. OBJECTIVES

2015 was an important year in the history of developing as well as developed countries that the Sustainable Development Goals (SDGs) and the Addis Ababa Action Agenda (AAAA) were adopted by the world leaders. While SDGs set out objectives and goals to be achieved in 17 areas, AAAA provides a strategic roadmap for countries how to finance and create an enabling environment at all levels for sustainable development. In this context, many OIC Member Countries took concrete steps to address their developmental challenges and ensure sustainability of their efforts from the financial aspect. Nevertheless, the performance of OIC Member Countries such as in terms of access to finance for sustainable development and effective use of available financial sources for development reveals a mixed picture.

This state of affairs raises an obvious need for brainstorming and discussion to evaluate the performance of OIC Member Countries, inquire key challenges, and identify potential areas of intra-OIC cooperation for the mobilization of necessary financial resources for implementing SDGs.

Against this backdrop, SESRIC in cooperation with its partners will organize an International Symposium on Financing for Development under the theme of "Thinking Innovative Solutions to Persistent Development Challenges in OIC Countries" with the participation of academicians, practitioners, experts and policymakers from the Member Countries as well as relevant OIC institutions and international organizations. The Symposium aims to discuss the followings:

- Current challenges of OIC countries in financing for development in a comparative perspective
- Measures to mobilize and improve the effective allocation of available resources for financing national development projects
- Alternative approaches and instruments for financing for development, including Islamic finance and Islamic social finance instruments
- Resources and alternative approaches for regional and south-south cooperation in financing for development
- Role of international resources for financing development including aid and international capital flows

- Measures for improving development aid effectiveness and reducing aid dependency
- Effective use of humanitarian aids and development assistance for building resilience

3. METHODOLOGY

The Symposium will be organized over two days. It will include both plenary sessions and parallel sessions. The sessions will be moderated by a designated expert. The moderators will drive the discussions and manage the time. The moderators will also have the responsibility to take note of key messages and questions arise with a view to presenting them briefly during the wrap-up & recommendations sessions. The Symposium will also include parallel sessions designated for academicians to present their studies.

4. PARTICIPANTS

The Symposium will be attended by academicians, practitioners, public officials, and policy-makers. The designated speakers of the Symposium can be grouped under two headings:

- **Policymakers and Practitioners:** This group will include representatives from:
 - a) Public Officials from relevant Ministries and State Agencies including Sovereign Wealth Funds and Development Funds;
 - b) The private and public banking and finance industry;
 - c) Multilateral development banks such as World Bank, Islamic Development Bank, African Development Bank and Asian Development Bank;
 - d) Relevant regional and international institutions such as UN DESA, OECD, the Islamic Solidarity Fund for Development (ISFD), African Development Fund (ADF).
- **Academicians:** Senior level academicians who worked and published on the financing for development, developed new and innovative approaches on addressing challenges regarding financing for development, had country- specific experiences especially in the least developed countries context, had an understanding of both conventional and Islamic finance approaches

5. TIME AND VENUE

The Symposium will be held during 22-23 November 2018, Istanbul, Turkey.

6. LANGUAGE

The Symposium will proceed in English.

7. EXPECTED OUTCOMES

The expected outcomes of the Symposium will be as follows:

- 1) Identifying common challenges faced by OIC Member Countries while allocating sources for financing for development as well as in using such sources for their development projects;
- 2) Revealing the relative performance of OIC Member Countries in financing for development in relation to SDGs and AAAA;
- 3) Identifying alternative and innovation mechanisms for OIC Member Countries in financing for development and discussing ways to turning these potentials into actions;
- 4) Creating a platform for exchange of knowledge, experiences and best practices and models across OIC Member Countries for improving financing for development; and
- 5) Coming up with list of recommendations to be submitted relevant meetings of OIC on the ways and means for enhancing intra-OIC cooperation in this domain.

8. SUPPORT FOR ACADEMICIANS

For academicians those papers are selected for the presentation during the Symposium, the Organizers will provide three-day accommodation in the venue hotel.¹

9. CONTACT AND REGISTRATION

All communication for the symposium will be made through ffd18@sesric.org, including partnership, sponsorship, participation and media inquiries.

There is no registration fee but it is a by invitation-only event. The registration forms need to be sent to ffd18@sesric.org by 15 September 2018 at the latest.

¹ SESRIC will make a “call for paper” to receive submissions from senior academicians working in this domain. The selection committee will decide which papers to be presented in the Symposium.