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Enc.:

Beatriz Balbin

Chief, Special Procedures Branch

United Nations Human Rights

Subject: Effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights

I acknowledge with thanks the receipt of your letter dated 9th April 2021 regarding the above subject.

I would like to take this opportunity to commend the efforts led by the United Nations Human Rights to review and assess the impact of foreign debt on developing countries amidst the COVID-19 crisis, which adversely affected all countries and communities across the world. Impacted countries face the dual challenges of accessing new financing and meeting their existing financial obligations. In its efforts to support its member countries (MCs) access additional resources, the IsDB Group approved the Strategic Preparedness and Response Plan (SPRP) in early 2020. Through the program, covering health emergency responses, economic restoration and recovery, IsDB extended \$2.3 billion in assistance, which has since been extended to \$3.6 billion, to support its member countries (MCs) in dealing with the impact of the pandemic. Through a holistic three-track approach "Response, Restore and Restart, the 3-Rs", the program addresses the MCs' emergency, medium- and long-term needs.

The Respond track (R1) is fundamentally geared towards saving lives. Under R1, the Bank supports its MCs in tackling emergency situations. The Restore track (R2) delivers medium-term support through financing of trade and MSMEs to sustain economic activity in core strategic value chains. The Restart track (R3) delivers long-term support to build resilient economies based on solid foundations and to catalyze private investment by supporting economic recovery. This category is designed to improve the resilience of the country's health systems, in the form of building infrastructure projects such as hospitals, emergency health centers, purchasing equipment as well as countercyclical spending and projects geared towards reviving the economy. The SPRP is a critical achievement of the IsDB Group as it illustrates the commitment of the Bank to its mission to promote human development in its member countries. It is a key piece in our strategy to deal with the economic and financial challenges posed by the pandemic.

Furthermore, the Bank has been active in supporting human capital to strengthen national institutions' capacities to effectively contribute to the formulation of development goals, strategies, action plans. Since its inception, the Bank has accumulatively allocated over US\$ 7.5 billion to support education and health sectors to further increase access of the population of its MCs to critical services as basic

PO BOX: 5925, Jeddah 21432
Kingdom of Saudi Arabia

صندوق البريد ٥٩٢٥، جدة ٢١٤٣٢
المملكة العربية السعودية

Tel: +966-1-636 1400
Fax: +966-1-636 6871

www.isdb.org
archives@isdb.org

تليفون: +966-12-636-1400
فاكس: +966-12-636-6871

human rights. More importantly, the Bank recently launched a transformative operational fund focusing on "SAVING WOMEN'S LIVES" from Breast and Cervical Cancer to achieve improved maternal and reproductive health of women in Low and Middle-Income Countries. In addition, the IsDB together with the United Nations Children's Fund ("UNICEF) established a Global Muslim Philanthropy Fund for Children (GMPFC), as a global initiative designed to be a multi-donor effort through Islamic social finance to scale up grant and concessional support to poor communities in least developed and lower middle-income countries for the benefit of children. It is doing so by addressing critical needs of children in emergencies; education and learning; health; water, sanitation and hygiene; nutrition; and young people empowerment.

The Bank through Islamic Solidarity Fund for Development (ISFD), the poverty alleviation funding arm of the IsDB has also embarked a global initiative of out-of-school program aiming at promoting inclusive and equitable quality education and lifelong learning for all. Specifically, it supports enrolment and retention of out-of-school children, providing them with quality basic education. The key results of the program include 2.5 million out-of-school children enrolled and retained in school. The total cost of the program is estimated at over US\$375 million with contribution of different donors, governments, NGO and other partners.

At an overall level, the IsDB Group has also introduced a significant number of innovative and transformative initiatives to empower youth, women and the most vulnerable groups. The Bank considers that increasing access to education is a critical component of basic human rights for the population of its member countries. With that end in mind, the IsDB has revitalized and enhanced its Scholarship programs aiming at supporting access to world-class higher education to young people for better economic opportunities and contribution to sustainable development in the member countries and non-member countries.

The IsDB's Economic Empowerment Approach is another innovative initiative that strengthen vulnerable MCs. This is manifested through the establishment of programs such as the Microfinance Support Program (MSP) worth US\$ 500 million, the Youth Employment Support (YES) amounting to US\$ 250 million and lately as a COVID-19 pandemic's response, the Strengthening the Economic Resilience of Vulnerable Enterprises (SERVE) amounting to US\$ 240 million. The Bank was also managing and mobilizing resources for development trust funds and has established impact investing funds, such as the Economic Empowerment Fund for Palestinian People (EEFPP) with US\$ 500 million. The program helps vulnerable populations in IsDB MCs access to profitable economic opportunities, increase their social status and become fulfilled citizens, positively contributing to their societies.

Due to the critical challenge of forced displacement as an offspring of fragility, instability, natural disasters and climate change, the IsDB has made significant efforts in supporting refugee-hosting

countries to cope with refugee crises through programs that strengthen social cohesion between refugees and host communities. The IsDB has partnered with the World Bank and the United Nations in the Global Concessional Financing Facility (GCFF) aiming at leveraging over US\$3 billion in concessional financing. So far, the IsDB has contributed more than US\$ 600 million to support member countries hosting refugees through GCFF. These concessional financing and grants benefit Syrian refugees, Jordanian and Lebanese host communities, promoting job creation and expanding vital public services and infrastructure. Besides, IsDB has developed several initiatives to respond to the forced displacement challenges including the IsDB Program for the Education Syrian Refugees (US\$16 million) through civil society organizations. In partnership with the UNHCR, IsDB and ISFD are also joining hands to launch the Global Refugee Waqf Fund aiming at mobilizing US\$ 500 million to support global refugees.

The Bank has also initiated and implemented a Business Resilience for Value Added Enterprises (BRAVE) Program for women aiming at creating new employment opportunities for women, increasing their access to finance, hence improving the quality of life in local communities. In addition, the Bank is exploring new ways and opportunities to mobilize resources to support member countries to tackle this challenge. To that end, IsDB has established critical and strategic thematic funds, namely, the Transform Fund investing in innovation and entrepreneurship development and the Green Sukuk Fund to boost an environment-friendly development in its MCs.

The IsDB Group has been closely monitoring the impact of debt sustainability issue on its member countries, particularly its Least Developed member countries (LDMCs). The Bank has also been supporting its LDMCs to access concessional and blended financing through its Lives and Livelihood Fund (LLF) of US\$ 500 million, ISFD, and other funds, to avail more grant and concessional financing.

We hope that this contribution provides an overview of the types and nature of support extended by the IsDB in its efforts to help its 57 MCs respond to the pandemic.

Please accept the assurances of my highest consideration.

Syed Husain Quadri

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Acting Director, Resilience and Social
Development Department
Islamic Development Bank