UNITED NATIONS SECRETARY-GENERAL'S

Roadmap for Financing the 2030 Agenda for Sustainable Development

2019 – 2021

SUSTAINABLE DEVELOPMENT GOALS

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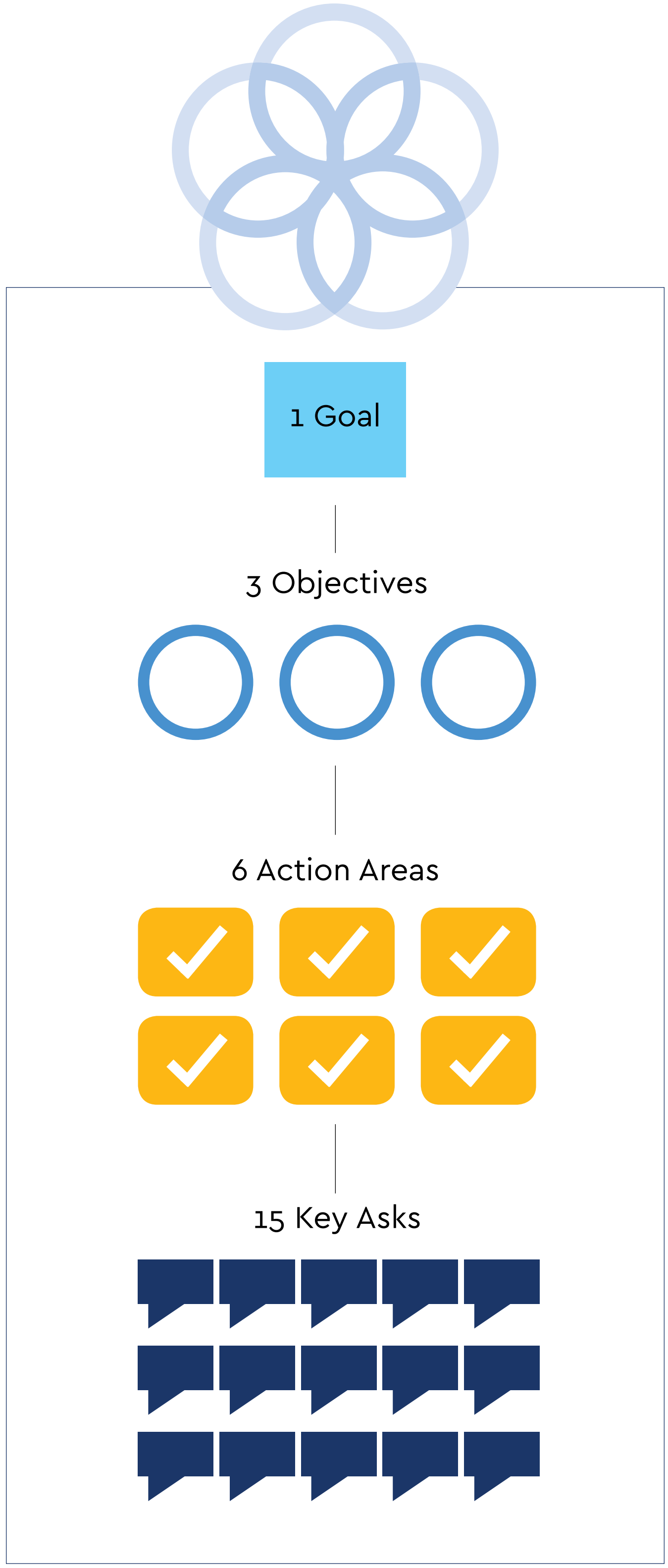
July 2019

Table of Contents


1 Goal
3 Objectives
6 Action Areas
15 Key Asks

Acronyms

2030 Agenda	2030 Agenda for Sustainable Development
AAAA	Addis Ababa Action Agenda
BIS	Bank for International Settlement
CDP	Committee for Development Policy
CEO	Chief Executive Officer
CFLI	Climate Finance Leadership Initiative
COP	Conference of the Parties
DFI	Development Finance Institution
DRR	Disaster Risk Reduction
ESG	Environmental, Social and Governance
FDI	Foreign Direct Investment
FfD	Financing for Development
FSB	Financial Stability Board
GDP	Gross Domestic Product
GISD	Global Investors for Sustainable Development
GNI	Gross National Income
HLPF	High Level Political Forum
IFI	International Financial Institutions
IMF	International Monetary Fund
LDC	Least Developed Country
LLDC	Landlocked Least Developed Country
MDB	Multilateral Development Bank
MW	Megawatt
NDC	Nationally Determined Contributions
ODA	Official Development Assistance
Paris Agreement	Paris Agreement on Climate Change
PPP	Public-Private Partnership
SDGs	Sustainable Development Goals
SIDS	Small Island Developing State
SME	Small, medium enterprise
TCFD	Task Force on Climate-related Financial Disclosure
UN	United Nations
UNCT	United Nations Country Team
UNGA	United Nations General Assembly
UNFCCC	United Nations Framework Convention on Climate Change

"Our efforts to achieve the
Sustainable Development Goals
will require a surge in financing
and investments."

— Secretary-General António Guterres

17 PARTNERSHIPS FOR THE GOALS

Sustainable Development Goal 17:
Strengthen the means of
implementation and revitalize
the global partnership
for sustainable development

sustainabledevelopment.un.org/sdg17#targets

Executive Summary

Financing Sustainable Development — The Challenge

Two thousand and fifteen was a landmark year for multilateral agreements. The 2030 Agenda, with its 17 Sustainable Development Goals (SDGs) and the Paris Agreement on climate change provide a pathway for a more prosperous, equitable and sustainable future. The Addis Ababa Action Agenda (AAAA) establishes a blueprint to support the implementation of the 2030 Agenda by providing a global framework for financing sustainable development that aligns all financing flows and policies with economic, social and environmental priorities. This year, 2019, is a defining year for the next, bolder and more urgent phase of implementation of the SDGs and the Paris Agreement. The upcoming 'decade of action' (2020 – 2030) requires significant public and private investment to bring the SDGs and goals of the Paris Agreement to life for all people, everywhere.

Financing for sustainable development is available, given the size, scale and level of sophistication of the global financial system — with gross world product and global gross financial assets estimated at over US$ 80 trillion[1] and US$ 200 trillion respectively.[2] However, available finance is not channeled towards sustainable development at the scale and speed required to achieve the SDGs and goals of the Paris Agreement. The financing gap to achieve the SDGs in developing countries is estimated to be US$ 2.5 – 3 trillion per year,[3] while coal-fired capacity has grown by 92,000MW, with another 670,000MW in the pipeline, driven by investments of over US$ 478 billion by the financial industry since signature of the Paris Agreement.[4] At the same time, global flows of foreign direct investment (FDI) have fallen by 23 per cent in 2017,[5] and private investments in SDG-related infrastructure in developing countries were lower in 2018 than in 2012.[6]

Investments in sustainable development are growing in some areas and countries, and there is evidence that investing in the SDGs makes economic sense, with estimates highlighting that

1 World Bank Databank (2017). Gross Domestic Product.

2 Allianz Global Wealth Report (2018).

3 UNCTAD (2014). World Investment Report.

4 Research released at COP 24 by Urgewald, BankTrack and 26 NGO partners. https://urgewald.org/medien/new-research-reveals-banks-and-investors-financing-expansion-global-coal-plant-fleet

5 UNCTAD (2018) World Investment Report.

6 Inter-agency Task Force on Financing for Development (2019). Financing for Sustainable Development Report.

achieving the SDGs could open up US$ 12 trillion of market opportunities and create 380 million new jobs, and that action on climate change would result in savings of about US$ 26 trillion by 2030.[7] The SDGs are increasingly incorporated into public budgets and development cooperation, and many countries have taken steps to 'green' their financial systems.[8] Green bond issuance has increased tremendously — from US$ 2.6 billion in 2012 to US$ 167.6 billion in 2018;[9] innovative SDG-related financial instruments are unlocking new sources of finance; and the digitalization of finance is demonstrating its potential to improve the mobilization and utilization of funds for the SDGs. Financial industry regulators are increasingly acknowledging the potential implications of climate-related risks on financial stability, and global sustainable investments — at US$ 30.7 trillion in the five major developed markets in 2018[10] — is reportedly on the rise. This highlights a growing recognition by the financial industry in the value of long-term sustainable investing and the importance of considering climate-related risks into investment decision-making. However, sustainable investments represent only a small share of the US$ 200 trillion in global private sector financial assets.[11] The lack of common definitions, standards, and impact measurements, as well as the fact that reported sustainable investments do not necessarily represent investing in real assets but also in financial assets, mean that such numbers should be treated with care. Similarly, the strong growth in green bond issuance still only represents about 2.5 per cent of total bonds issued globally.[12]

Channeling available finance towards the SDGs and the goals of the Paris Agreement are constrained by a range of challenges including:

- A difficult global context characterized by uneven economic growth and unsustainable patterns of production and consumption that do not reflect the full costs of negative externalities; rising inequality, debt levels and trade tensions; political polarization; and the devastating impacts of conflict and climate change, especially for most vulnerable.
- Limited fiscal space and institutional capacity to formulate a pipeline of bankable SDG investment projects, and weak financial systems, notably in countries most at risk of being left behind.
- Misaligned incentives and regulations, limited awareness, and difficulties in identifying, measuring and reporting on sustainable investments, which impede private investment in the SDGs at scale.

7 Business and Sustainable Development Commission (2017). Better Business Better World; Report of the Global Commission on the Economy and Climate (2018).

8 Inter-agency Task Force on Financing for Development (2019). Financing for Sustainable Development Report.

9 Climate Bond Initiative (2018). Green bonds. The State of the Market.

10 Global Sustainable Investment Review (2018). Major markets are: Europe, United States, Japan, Canada, Australia/New Zealand. Note, environmental, social and governance (ESG) related portfolios are mainly about ownership transfer rather than direct investment in the real economy.

11 World Bank. The landscape of institutional investing in 2018.

12 https://www.reuters.com/article/greenbonds-issuance-idUSL5N22L3S3

Overview of the Secretary-General's Strategy and Roadmap for Financing the 2030 Agenda

The United Nations (UN) has a long history of supporting Member States on financing for development, including through intergovernmental processes, technical and programmatic expertise, partnership-building, thought leadership and knowledge sharing. In order to enhance the UN's critical role in supporting and accelerating finance for sustainable development, the Secretary-General released his Strategy for Financing the 2030 Agenda for Sustainable Development in September 2018. The Strategy is designed to transform the financial system from global to local levels in support of the 2030 Agenda by addressing the barriers that constrain channeling finance towards sustainable development, and leveraging opportunities to increase investments in the SDGs at scale. The Strategy focuses on three objectives, namely:

1. Aligning global economic policies and financial systems with the 2030 Agenda.
2. Enhancing sustainable financing strategies and investments at regional and country levels.
3. Seizing the potential of financial innovations, new technologies and digitalization to provide equitable access to finance.

In his Financing Strategy, the Secretary-General commits to providing a **three-year Roadmap** of actions and initiatives to mobilize investment and support for financing the 2030 Agenda. Based on consultations across the UN system and with other stakeholders, the Secretary-General's Roadmap for Financing the 2030 Agenda has been developed with the following three parts:

Part I: Specific actions and 'key asks' championed by the Secretary-General, where his leadership can galvanise the required change. **See figure 1.**

Part II: Priority areas highlighted by the Secretary-General to enhance the work of the UN system to accelerate financing for sustainable development. **See figure 2.**

Part III: Detailed mapping of activities by the UN system itself, offering for the first time, a comprehensive overview of the UN's approach and value addition in financing for sustainable development. **See figure 3.** The mapping of UN activities is not intended to be exhaustive and will remain a living document, evolving with the UN's support to Member States in this area.

The Secretary-General's Financing Strategy and Roadmap complement the AAAA by prioritising areas of action by the Secretary-General and guiding the UN's contribution to support implementation of the 2030 Agenda. The Roadmap has been prepared in close consultation with the UN system and has benefitted from substantive comments, notably from the International Monetary Fund (IMF) and the World Bank Group.

Implementation of the Secretary-General's Strategy and Roadmap for Financing the 2030 Agenda

The Deputy Secretary-General leads the implementation of the Financing Strategy and Roadmap initiatives on behalf of the Secretary-General, and in coordination with heads of entities within the UN system. At the country level, within the context of the UN development system reform, the new generation of UN country teams (UNCTs), including economists and partnership and development financing specialists within Resident Coordinator Offices, are strengthening the UN's capacity to support Member States on strategic finance. Implementation of specific actions at country level, notably related to developing financing strategies and investing in key initiatives that leverage public and private financing to advance the SDGs, are linked to the UN Joint SDG Fund.[13]

At global level, a UN Network of Economists has been established to enhance thought leadership, including to support UNCTs in terms of the analytical and research work required for effective policy advice.

The UN system collaborates with international financial institutions (IFIs), including the World Bank Group, IMF and multilateral development banks (MDBs), development finance institutions (DFIs) and other financing institutions at global, regional and country levels to accelerate actions towards financing sustainable development.

13 The first of its kind in the United Nations, the Joint SDG Fund is an inter-agency, pooled mechanism for strategic financing and integrated policy support. http://mptf.undp.org/factsheet/fund/IPS00

FIGURE 1

Specific Actions of the Secretary-General across 6 Areas

Objectives

Secretary-General's Financing Strategy

1. Aligning global economic policies and financial systems with the 2030 Agenda
2. Enhancing sustainable financing strategies and investments at regional and country levels
3. Seizing the potential of financial innovations, new technologies and digitalization to provide equitable access to finance

Actions across 6 Areas

Advocacy

Integrate the SDGs and Paris Agreement into Economic & Financial Policies and Practice

- Advocate with global leaders to embed the principles of the 2030 Agenda in economic and financial policies and regulations
- Call on the financial industry to set strategies and targets that progressively align financial portfolios with the SDGs and the Paris Agreement, and to report on progress

Scale-up Climate Finance

- Urge countries to meet the commitment of US $100 billion/year by 2020 from public and private sources, including through the 2019 Climate Action Summit
- Call on governments to create an enabling investment environment for green, climate-resilient development
- Call on the financial industry to scale-up financing for pathways consistent with low carbon trajectories

Highlight the needs of LDCs and SIDS

- Encourage collaboration between public and private actors to unlock all sources of finance and financial innovation, notably for climate action and resilience
- Urge the international development community to develop a package of incentives to further the development progress of graduating LDCs

Engagement

Establish Global Platforms

- CEO Alliance of Global Investors for Sustainable Development to increase long-term private investments in the SDGs
- Task Force on Digital Financing of the SDGs to catalyse game-changing action that harnesses the potential and mitigates the risks related to financial technologies and the SDGs

Strengthen Partnerships with IFIs

- Joint framework of collaboration with MDBs to strengthen regional and country-level synergies, including specific attention to middle income countries
- Strengthen engagement with IFIs to improve debt sustainability in developing countries, notably for investment in disaster risk reduction and resilience

Accelerate the work of the UN System

- Leverage the UN development system reform to increase support to countries on strategic financing for the SDGs, including to catalyse new sources of finance and leverage financial technologies
- Create a shared understanding of sustainable investing practices, and improve the quality and availability of SDG-related investment data in developing countries

15 Key Asks across the Secretary-General's 6 action areas

Across the 6 action areas, the Secretary-General has 15 'key asks' for policy-makers and regulators, the financial industry, shareholders and citizens, IFIs, and the UN system. Positive change in response to these key asks will both address systemic impediments and leverage high impact opportunities to increase financing sustainable development.

Call to policy-makers and regulators to:

1. Price externalities into the economic and financial system.
2. Integrate environmental, social and governance (ESG) issues into the concept of fiduciary duty.
3. Put in place policies and regulations that create incentives for long-term market investment in climate-resilient infrastructure, and for divestment from carbon intensive technologies.
4. Prevent receipt of illicit financial flows, assist in repatriating such flows, and prosecute perpetrators.
5. Meet official development assistance (ODA) commitments, shift ODA from ex-post disaster management to ex-ante disaster risk reduction (DRR) and resilience in least developed countries (LDCs) and small island developing states (SIDS), and support graduating LDCs[14] to enhance access to new sources of financing.
6. Regulate new digital financial sectors to provide efficient financial intermediation for inclusion and remittances, prevent cybercrime and money laundering, and mitigate the risks of misuse and unintended consequences.

Call on the financial industry to:

7. Disclose and incorporate long-term risk into investment decision making.
8. Implement sustainable investing strategies, scale up green financial instruments, measure and report on impact.

14 Graduating LDCs usually refers to countries from the time they are found to be eligible for graduation from the LDC status by the Committee for Development Policy (CDP) until the time they have graduated, after which they may be referred to as 'newly graduated LDCs'. The CDP uses three criteria to identify countries for inclusion into and graduation from the LDC list by comparing criteria scores with thresholds established by the CDP. The three criteria are: gross national income per capita; human asset index; and economic vulnerability index. UN (2018). Handbook on the Least Developed Country Category.

9. Engage with fossil fuel companies, divest from those unwilling to shift their business models towards low carbon trajectories, and scale-up investment in renewable energy and energy efficiency.

Call on shareholders and citizens to:

10. Increase demand for greener, more sustainable investments of their assets, and for greater sustainability disclosure to increase accountability and transparency.

Call on IFIs to:

11. Work more closely with the UN system through country platforms, notably to increase climate finance, catalyse private finance, and promote financial innovation.

12. Improve debt sustainability by addressing structural issues, curbing illicit financial flows, and developing innovative debt instruments for investment in DRR and resilience.

Accelerate the work of the UN system to:

13. Increase support to countries to develop integrated national financing frameworks, identify and formulate a pipeline of bankable SDG projects, and improve progressive, gender-sensitive taxation and budgeting.

14. Create a shared understanding of sustainable investing practices and improve the quality and availability of SDG investment data in developing countries.

15. Promote a healthy fintech environment in developing countries and strengthen partnerships with development and private finance providers to invest in digital finance solutions for the SDGs.

FIGURE 2

Priority Areas of the Secretary-General to

Secretary-General's Priority	
1. Aligning global economic policies and financial systems with the 2030 Agenda	**Highlight the global financial and economic policies and actions needed to realize the 2030 Agenda** • Integrate sustainability considerations into macroeconomic policies and regulations • Promote SDG-aligned trade and investment agreements; debt sustainability in the context of the 2030 Agenda; inclusive global taxation cooperation on fundamental and frontier
	Galvanise the public and private sectors to scale up climate finance • Collaborate with public and private investors to scale-up green, renew-able energy and energy efficiency investments, and divest from fossil fuel, including through the Climate Finance Leadership Initiative and
	Mobilize the financial industry to transform financing for sustainable development • Support the Global Investors for Sustainable Development Alliance to identify and take forward solutions to increase long-term SDG investments • Collaborate with the financial industry to implement and report on global principles and standards for responsible financial practice and integrity, including through the Principles
2. Enhancing sustainable financing strategies and investments at regional and country levels	**Boost domestic resource mobilization efforts to increase financing for SDG priorities, notably for social services** • In line with UN reform, increase the UN's support to countries to develop and implement integrated national financing frameworks for SDG plans (including sustainable financing strategies)
	Improve country access to sustainable and green finance, notably for DRR and resilience in LDCs and SIDS • In collaboration with climate financing mechanisms and IFIs, strengthen country capacity to increase access to green finance, promote carbon pricing and remove inefficient fossil fuel subsidies • Promote financing opportunities for graduating LDCs & SIDS, given their vulnerabilities,
	Strengthen international and regional cooperation, and country capacity to prevent, reduce and recover illicit financial flows • Influence international and national policy-making to create systemic linkages between combating illicit financial flows and sustainable development • Strengthen the UN system's work on anti-corruption at country level to prevent related
3. Seizing the potential of financial innovations, new technologies and digitalization to provide equitable access to finance	**Accelerate innovative and digital financing mechanisms for the SDGs** • Support the Task Force on Digital Financing of the SDGs to deeply explore the potential and risks of digital financing for the SDGs, and take forward recommendations, notably at country level

enhance the work of the UN system

Areas (2019 – 2021)	UN Action Areas
issues, including taxation in the digitalized economy and the relationship between the tax and the SDGs (notably on gender equality, the informal economy and the environment) the Global Investors for Sustainable Development Alliance • In collaboration with climate financing mechanisms and IFIs, expand the use of green financing instruments for Responsible Banking • Build a shared understanding of sustainable investing and promote impact measurements	**1.1.** Strengthen international cooperation to promote financial & economic policies in support of the SDGs **1.2.** Promote alignment of global financial flows with climate action **1.3.** Channel private investment towards the SDGs, notably in developing countries
• Mobilize development and private partners to support countries increase the quantity and quality of financing for social protection, including to achieve universal health coverage including through thought leadership and partnerships with development and private sources of finance • In collaboration with MDBs and DFIs, strengthen the UN's engagement with national development banks to enhance their role in SDG and climate finance illicit financial flows • Collaborate with financial centres to eliminate safe havens for illicit funds and enhance international cooperation for their expedite recovery and return	**2.1.** In collaboration with IFIs, promote sustainable financial systems at country level **2.2.** Improve access to climate finance at regional and country levels **2.3.** Increase domestic resource mobilization and enhance the composition, effectiveness and efficiency of public spending **2.4.** Curb illicit financial flows related to the proceeds of crime **2.5.** Enhance ODA & concessional finance for countries at risk of being left behind, notably for DRR and resilience
• In collaboration with MDBs and DFIs, create new strategic partnerships and mechanisms to unlock new sources of finance and financial innovation for investment in the SDGs	**3.1.** Catalyse new sources of finance & financial innovations to scale-up investment in the SDGs **3.2.** Enhance global collaboration & country action to harness the potential and mitigate the risks of digital financing for the SDGs

FIGURE 3

Mapping of UN activities on

The UN system supports countries to mobilize financing for

1 Goal	**Accelerate the Mobilization of Finance for**			
3 Objectives	**1. Aligning economic policies and financial systems with the 2030 Agenda**			**2. Enhancing sustainable**
10 Action Areas	**1.1.** Strengthen international cooperation to promote financial & economic policies in support of the SDGs	**1.2.** Promote alignment of global financial flows with climate action	**1.3.** Channel private investment towards the SDGs, notably in developing countries	**2.1.** In collaboration with IFIs, promote sustainable financial systems at country level
Key Actions supported by the UN in partnership with governments, the private sector and IFIs	• Global norms, principles & policies aligned with the SDGs • South-South and regional cooperation • Trade regimes, financing & aid that support the SDGs • Responsible and transparent borrowing and lending • Inclusive and effective cooperation on international tax matters	• Advocacy with global leaders on climate finance • Alignment of private investment policies & practices with the Paris Agreement • Implementation of recommendations of the Task Force on Climate-related Financial Disclosures • Knowledge and global public goods to expand green financing instruments • Better quality and availability of climate finance data	• Global principles, standards, measurement and reporting frameworks related to sustainable investing • Better quality and availability of SDG investment data • Engagement with the financial industry, policy-makers, regulators, and the public • Investment 'matchmaking' between developing countries and private investors	• Enabling policy and regulatory environment • Alignment of financial sector policies and practices with sustainable development • Collaboration with regional and national development banks to promote SDG investments • Credit markets to promote SME growth • 'New generation' of investment policies

Cooperation and Collaboration with Principal Partners

financing for sustainable development

the 2030 Agenda by promoting actions across the 10 areas below

the 2030 Agenda for Sustainable Development

financing strategies and investment at the regional and country levels

3. Financial innovations, new technologies & digitalization

2.2. Improve access to climate finance at regional and country levels	**2.3.** Increase domestic resource mobilization and enhance the com-position, effectiveness and efficiency of public spending	**2.4.** Curb illicit financial flows related to the proceeds of crime	**2.5.** Enhance ODA and concessional finance for countries at risk of being left behind, notably for DRR and resilience	**3.1.** Catalyse new sources of finance and financial innovations to scale-up investment in the SDGs	**3.2.** Enhance global collaboration and country action to harness the potential and mitigate the risks of digital financing for the SDGs
• Address regional and national climate finance challenges and align finance with increasing NDC ambitions • Bankable, transforma-tional projects to scale up climate action • PPPs to increase climate finance for NDCs • Investment in climate-re-silient infrastructure	• Integrated national financing frameworks • SDG-responsive revenue systems • Tax transparency, curb tax avoidance and tax crime • SDG-costed and gender-responsive budgets & SDG aligned public expenditure • Sustainable financing for social services, including social protection, education and health	• Global, regional and national analysis and advocacy to curb illicit financial flows • Regional and national capacity to tackle illicit financial flows and corruption • Strengthen collaboration with financial institutions and centres to curb illicit financial flows • Recovery and return of stolen assets for sustainable development	• Improve access to ODA and philanthropic finance • Blended and special financing instruments for LDCs, LLDCs, SIDS and conflict-affected countries • Improve access to finance for LDCs, LLDCs, graduating LDCs, and SIDS, including through debt management strategies and instruments	• Strategic partnerships and approaches to scale up social impact investment • Encourage faith-based finance to invest in the SDGs and develop innovative financing instruments • Invest in financial innovations to access new, lower-cost of private capital for the SDGs, notably for climate action and resilience	• Multi-stakeholder engagement and partnerships at global and country levels to mitigate risks and catalyse action • Enabling environments and investments in digital solutions at country level • Enhance digital financial inclusion and skills, particularly for women • Promote safe digital environments and mitigate risks of criminal misuse

including the IMF, World Bank Group, BIS and FSB

The 2030 Agenda, with its 17 Sustainable Development Goals (SDGs) and the Paris Agreement on climate change provide a pathway for a more prosperous, equitable and sustainable future.

Introduction

The Secretary-General of the United Nations released his Strategy for Financing the 2030 Agenda for Sustainable Development in September 2018. The Secretary-General articulated the Strategy in recognition of the need to galvanise global action—both from the public and private sectors—for accelerated implementation of the multilateral development agendas agreed and adopted in 2015.

Two thousand and fifteen will indeed remain a landmark year for global development commitments. The 2030 Agenda, with its 17 Sustainable Development Goals (SDGs) and the Paris Agreement on climate change provide a pathway for a more prosperous, equitable and sustainable future for people and planet. The Addis Ababa Action Agenda (AAAA) establishes a blueprint to support the implementation of the 2030 Agenda by providing a global framework for financing sustainable development that aligns all financial flows and policies with economic, social and environmental priorities. This year, 2019, is a defining year for the next, bolder and more urgent phase of implementation of the SDGs and the Paris Agreement. The 'decade of action' (2020 – 2030) requires an urgent mobilization of both public and private resources, at an unprecedented scale to bring the SDGs and goals of the Paris Agreement to life for all people, everywhere.

As noted in the AAAA, domestic resource mobilization is first and foremost generated by economic growth supported by an enabling environment at all levels, including sound social, environmental and economic policies, good governance, and capable, transparent institutions. Mobilizing additional domestic public resources requires improved efforts to increase government revenues and reduce illicit financial flows. Revenue must also be used effectively to finance the expenditure necessary to achieve national sustainable development goals. Official development assistance (ODA) also plays an important role in complementing national efforts to mobilize domestic public resources, particularly in the least developed and most vulnerable countries.

Public resources, even if scaled-up in a fiscally sustainable way, are insufficient to fully finance the objectives of the 2030 Agenda and the Paris Agreement. Developing countries, in particular, need to increase levels of private investments to meet the SDGs. Globally, the financing for sustainable development is available given that transaction volumes are far larger than those of the real economy, with gross world product and global gross private sector financial assets estimated at over US$80 trillion[15] and US$200 trillion respectively.[16] However, while there have been significant increases in sustainable investments, the investment gap required to meet the SDGs in developing countries remains large, at an estimated US$ 2.5 – 3 trillion per year.[17] At the same time, global flows of foreign direct investment (FDI) have fallen by 23 per cent in 2017,[18] and private investments in key SDG-related infrastructure in developing countries were lower in 2018 than in 2012.[19] The right mix of policies and regulations is required to better align private sector incentives with public goals, including incentivising long-term investments in sustainable development.

The urgent need to scale up public and private financing for sustainable development comes at a time of global economic challenges. Global gross domestic product (GDP) growth rates are expected to be below the averages of previous decades due to a weakening of the engines of growth (investment, productivity and trade), mainly in developed countries. The slowdown in trade is attributed to cyclical and structural factors as a well as to the escalation in trade tensions. In addition, rising debt levels in several developing countries squeeze fiscal space for investing in the SDGs and create risks to stable growth trajectories. Private finance is constrained by difficulties in identifying a pipeline of bankable SDG projects, weak domestic financial systems and capital markets in many countries, and the lack of common definitions, standards, measurement and reporting related to sustainable investments. At the same time, the digitalization of finance is demonstrating its potential to address some of these barriers and improve the mobilization and utilization of funds for the SDGs.

The Secretary-General's Strategy for Financing the 2030 Agenda for Sustainable Development is designed to address the barriers and leverage the opportunities to transform the financial system from global to local levels in support of achievement of the 2030 Agenda. The Strategy focuses on three objectives, namely:

1. Aligning global economic policies and financial systems with the 2030 Agenda
2. Enhancing sustainable financing strategies and investments at regional and country levels
3. Seizing the potential of financial innovation, new technologies and digitalization to provide equitable access to finance

This Report presents the **three-year Roadmap** to implement the Secretary-General's Financing Strategy. It consists of specific actions and initiatives to mobilize investment and support for financing the 2030 Agenda. The Secretary-General's Roadmap for Financing the 2030 Agenda

15 World Bank Databank (2017). Gross Domestic Product.
16 Allianz Global Wealth Report (2018).
17 UNCTAD (2014). World Investment Report
18 UNCTAD (2018) World Investment Report.
19 Inter-agency Task Force on Financing for Development (2019). Financing for Sustainable Development Report.

has been prepared in close consultation with the UN system and has benefitted from substantive comments, notably from the International Monetary Fund (IMF) and World Bank Group. The Financing Roadmap is divided into three parts:

Part I: Specific actions and 'key asks' championed by the Secretary-General, where his leadership can galvanise the required change.

Part II: Priority areas highlighted by the Secretary-General to enhance the work of the UN system to accelerate financing for sustainable development.

Part III: Detailed mapping of activities by the UN system itself, offering for the first time, a comprehensive overview of the UN's approach and value addition in financing for sustainable development. The mapping of UN activities is not intended to be exhaustive and will remain a living document, evolving with the UN's support to Member States in this area.

The Secretary-General's Financing Strategy and Roadmap complement the AAAA by prioritizing areas of action by the Secretary-General and guiding the UN's contribution to support implementation of the 2030 Agenda, notably within the context of the UN development system reform and the new generation of UN country teams (UNCTs), with strengthened capacity to support Member States on strategic finance issues.

The Deputy Secretary-General leads the implementation of the Financing Strategy and Roadmap initiatives on behalf of the Secretary-General, and in coordination with heads of entities within the UN system. The UN system collaborates with international financial institutions (IFIs), including the World Bank Group, IMF, and multilateral development banks (MDBs), as well as with development finance institutions (DFIs) and other financing institutions at global, regional and country levels to accelerate actions towards financing sustainable development.

The Secretary-General will champion a selected number of actions to unlock and scale-up the systemic and transformative changes needed to increase the speed and scale of financing for the 2030 Agenda and Paris Agreement.

The Secretary-General has '15 key asks', for various stakeholder groups: policy-makers and regulators; the financial industry; shareholders and citizens; IFIs; and the UN system.

Part I
Specific Actions and Key Asks of the Secretary-General

Leveraging his unique leadership position within the multilateral architecture, the Secretary-General will champion a selected number of actions to unlock and scale-up the systemic and transformative changes needed to increase the speed and scale of financing for the 2030 Agenda and Paris Agreement. These actions focus on six 'game-changing areas' — that is, areas where change can address systemic impediments and leverage high impact opportunities to fundamentally shift the volumes and patterns of investments to the levels required to meet the SDGs and Paris Agreement, while at the same time, 'leaving no one behind'. The Secretary-General's actions draw on his exclusive role as global advocate, and his ability to engage and catalyse collaboration at the highest levels.

6 Action Areas

1. *Integrate the SDGs and goals of the Paris Agreement into economic and financial policies and practices*

While economic growth contributes to advances in human wellbeing, current patterns driving such growth have created unprecedented increases in inequality and unsustainable environmental consequences. At the same time, while sustainable investing is growing (with the number of signatories to the Principles of Responsible Investing reaching over 2,230[20]), there is still an annual investment gap in developing countries of between US$ 2.5 – 3 trillion to achieve the SDGs. Reforming economic and financial systems to price externalities and create incentives

20 https://www.unpri.org/signatories/signatory-directory. As at 21 May 2019.

for markets to implement long-term sustainable investment strategies both within and across national borders can significantly boost progress towards the SDGs.

The Secretary-General will:

- Advocate with global leaders to embed the principles of the 2030 Agenda in economic and financial policies and regulations.
- Encourage the financial industry to set strategies and targets that progressively align financial portfolios with the SDGs and the Paris Agreement, and to report on progress.

2. *Scale-up climate finance*

According to the International Energy Agency, if annual investment in renewable energy does not at least double, fossil fuel will retain its dominant role in supplying up to 78 per cent of the total energy in 2030, making it impossible to reach the Paris Agreement objectives of keeping human caused global warming to "well below 2 degrees Celsius, while pursuing efforts to stay below 1.5 degrees Celsius".[21] At the same time, at least 75 per cent of the infrastructure needed by 2050 is yet to be built. This creates a unique opportunity to build a new generation of climate-resilient and people-centred cities and transit systems, as well as energy grids that prioritize low emissions and sustainability.

The Secretary-General will:

- Urge countries to meet the commitment of US$ 100 billion/year by 2020 from public and private sources, including through the 2019 Climate Action Summit.
- Call on governments to create an enabling investment environment for green, climate-resilient development.
- Call on the financial industry to scale-up financing for pathways consistent with low carbon trajectories.

3. *Highlight the needs of least developed countries (LDCs) and small island developing states (SIDS)*

Despite some progress, LDCs — particularly in sub-Saharan Africa — are most at risk of being left behind. Per capita GDP growth in most LDCs is significantly below levels needed to eradicate extreme poverty, with average real GDP per capita in 2018 estimated at 16.7 per cent of that of other developing countries.[22] Almost one-third of LDCs are in, or at high risk of debt distress. FDI flows to LDCs decreased by 17 per cent in 2017 and LDCs represent less than 2 per cent of global FDI flows.[23] SIDS — at the frontlines of the impacts of climate change — face a

21 International Energy Agency (2019). World Energy Investment Report.
22 UN (2018). Handbook on the LDC Category.
23 IATF (2019). Financing sustainable development report; UN-OHRLLS (2018). State of the LDC Report.

unique combination of vulnerabilities, including high exposure to natural disasters, economic shocks and debt levels, coupled with limited opportunities for private investment. In 2018, while 12 countries (majority being SIDS) met the criteria for graduation from the LDC category,[24] most remain vulnerable, indicated by high economic vulnerability index (EVI) values. Enhanced access to affordable finance and financing instruments, notably for climate change adaptation is critically needed in these countries.

The Secretary-General will:

- Encourage collaboration between public and private financial actors to unlock all sources of finance and financial innovation, notably for climate change adaptation and resilience.
- Urge the international development community to develop a package of incentives to further the development progress of graduating LDCs.

4. *Establish Global Platforms*

Redirecting private financial flows towards sustainable development can close the SDG investment gaps. However, institutional investors, commercial banks, capital market actors and corporations face a range of barriers to investing in sustainable development. These barriers include regulations that increase the costs of capital to certain types of assets and investments, short-term horizons, narrowly interpreted fiduciary duties, quarterly reporting cycles, and the lack of harmonized definitions and impact-oriented reporting for sustainable investing. While some progress has been made in tackling these impediments, such actions have not reached the required scale. Hence, there is a huge opportunity to identify and scale-up solutions at the policy, industry and firm levels to redirect private financial flows towards sustainable development. At the same time, digital technologies are revolutionizing every aspect of the financial system — from delivering cheaper and faster data, to analysing risk and making financing decisions, to increasing financial inclusion, and unlocking innovative business models that improve access to essential goods and services. The digitalization of finance can fundamentally change and make a meaningful difference to how the SDGs can be financed. However, the sustainable development dividend from digital financing is neither inherent in the technology nor a guaranteed outcome of market innovation, and the risks and unintended consequences must be better understood and mitigated.

24 Graduating LDCs usually refer to countries from the time they are found to be eligible for graduation from the LDC status by the Committee for Development Policy (CDP) until the time they have graduated, after which they may be referred to as 'newly graduated LDCs'. The CDP uses three criteria to identify countries for inclusion into and graduation from the LDC list by comparing criteria scores with thresholds established by the CDP. The three criteria are: gross national income per capita; human asset index; and economic vulnerability index. UN (2018). Handbook on the Least Developed Country Category.

The Secretary-General will establish a:

- CEO Alliance of Global Investors for Sustainable Development to increase long-term private investments in the SDGs.[25]
- Task Force on Digital Financing of the SDGs to catalyse game-changing action that harnesses the potential and mitigates risks of financial technologies for the SDGs.[26]

5. *Strengthen partnerships with international financial institutions (IFIs)*

Partnership lies at the heart of any approach to achieve the 2030 Agenda, and is particularly critical to address complex and multi-dimensional challenges. The UN has a long history of collaboration with IFIs, including multilateral development banks (MDBs). Stronger and more effective partnerships between the UN and IFIs focused specifically on addressing complex financing for sustainable development challenges could significantly accelerate multilateralism's contribution to achieving the 2030 Agenda and Paris Agreement. The experience and multifaceted work of the UN across all dimensions of sustainable development, particularly at country level, complements the mandate and institutional expertise of MDBs to provide and catalyse investments in sustainable development. Access to affordable finance for middle income countries is one complex financing for sustainable development challenge. The decline in the share of the world's population living in extreme poverty has contributed to the belief that economies rising into middle-income status are on track to end extreme poverty. However, while in 1987, nine out of 10 extremely poor people generally lived in low-income countries, by 2015 only four out of 10 lived in low-income countries, while the rest lived in middle-income countries.[27] Development assistance and concessional finance are limited in such countries, and while there are opportunities notably to leverage private finance, direct benefits to poor people may limited, particularly within a context where there is concern about job losses for low-skilled workers due to automation. Similarly, improving debt sustainability by addressing underlying structural causes and creating linkages with investment in resilience, particularly in SIDS, would significantly help developing countries to create the much-needed fiscal space for public investments in the SDGs.

The Secretary-General will

- Strengthen engagement with multilateral development banks (MDBs) to develop a joint framework of collaboration to improve regional and country-level synergies, including specific attention to middle income countries.

25 The Global Investors for Sustainable Development (GISD) Alliance, established by the Secretary-General, aims to address incentives for long-term investment for sustainable development by leveraging the unique insights of CEOs in identifying policy, institutional, market, and other impediments to financing sustainable development, as well as in advancing viable solutions. It will hold its inaugural meeting in September 2019.

26 The Secretary-General established the Task Force on Digital Financing of the SDGs in 2018 to help answer the question "how do we unlock the potential of digitalization of finance and manage the risks?".

27 https://epod.cid.harvard.edu/article/new-home-extreme-poverty-middle-income-countries

- Strengthen engagement with IFIs to improve debt sustainability in developing countries, notably for investment in disaster risk reduction (DRR) and resilience.

6. *Accelerate the work of the UN system*

The UN development system reform provides an exciting opportunity to strengthen the UN's capacity and work on financing sustainable development. The reinvigorated Resident Coordinator system, including economists and partnership and development finance specialists, enables UN country teams (UNCTs) better support Member States promote sustainable financial systems, leverage public finance, and crowd-in private investment to help realize national sustainable development goals. This is also the right time to leverage the UN's unique role to overcome barriers related to difficulties in identifying, measuring and reporting on sustainable investment, which impedes private investment in the SDGs.

The Secretary-General will call on the UN to:

- Leverage the UN development system reform to increase support to countries on strategic financing for the SDGs, including to unlock new sources of finance and leverage financial technologies.
- Create a shared understanding of sustainable investing practices, and improve the quality and availability of SDG related investment data in developing countries.

15 Key Asks

Based on the 6 action areas, the Secretary-General has '15 key asks', for various stakeholder groups: policy-makers and regulators; the financial industry; shareholders and citizens; IFIs; and the UN system. Positive efforts by stakeholders in response to these key asks will contribute to achieving the required outcomes across the 6 action areas. For example, the Secretary-General calls on policy-makers and regulators to price externalities into the economic and financial system which will both help align the economic and financial architecture with the SDGs and goals of the Paris Agreement (action area 1), and scale up climate finance (action area 2).

PART I

Call on policy-makers and regulators to:

1. Price externalities into the economic and financial system.
2. Integrate environmental, social and governance (ESG) issues into the concept of fiduciary duty.
3. Put in place policies and regulations that create incentives for market investment in green, low-carbon infrastructure and for divestment from carbon intensive technologies.
4. Prevent receipt of illicit flows, assist in repatriating such flows and prosecute perpetrators
5. Meet official development assistance (ODA) commitments, shift ODA from ex-post disaster management to ex-ante disaster risk reduction (DRR) and resilience in LDCs and SIDS, and support graduating LDCs to enhance access to new sources of financing.
6. Regulate new digital financial sectors to address cybercrime and money laundering, provide efficient financial intermediation for inclusion and remittances, and mitigate the risks of misuse and unintended consequences

Call on the financial industry to:

7. Disclose and incorporate long-term risk into investment decision making.
8. Implement sustainable investing strategies, scale up green financial instruments, measure and report on impact.
9. Engage with fossil fuel companies, divest from those unwilling to shift their business models towards low carbon trajectories, and scale-up investment in renewable energy and energy efficiency.

Call on shareholders and citizens to:

10. Increase demand for greener, more sustainable investments of their assets, and greater sustainability disclosure to increase accountability and transparency.

Call on IFIs to:

11. Work more closely with the UN system through country platforms, notably to increase climate finance, catalyse private finance, and promote financial innovation.

12. Improve debt sustainability by addressing structural issues, curbing illicit financial flows, and developing innovative debt instruments for investment in DRR and resilience.

Accelerate the work of the UN System to:

13. Increase support to countries to develop integrated national financing frameworks, identify and formulate a pipeline of bankable SDG projects, and improve progressive, gender-sensitive taxation.

14. Create a shared understanding of sustainable investing practices and improve the quality and availability of SDG investment data in developing countries.

15. Promote a healthy fintech environment in developing countries and strengthen partnerships with development and private finance providers to invest in digital finance solutions for the SDGs.

"By investing in the
Sustainable Development Goals,
we invest in the future,
ensuring a world in which we strive
for peace, stability and prosperity that
leaves no one behind."

— Secretary-General António Guterres

Part II
Priority Areas of the Secretary-General

In addition to specific actions that the Secretary-General will undertake, the Secretary-General has also prioritized a number of areas to enhance the work of the UN system to accelerate financing for sustainable development. The specific priority areas of the Secretary-General are noted below and are linked to the three objectives in his Financing Strategy.

Financing Strategy Objective

1. *Aligning global economic policies and financial systems with the 2030 Agenda*

Highlight the global financial and economic policies and actions needed to realize the 2030 Agenda by:

- Integrating sustainability considerations into macroeconomic policies and financial regulations.
- Promoting SDG-aligned trade and investment agreements; debt sustainability in the context of the 2030 Agenda; and inclusive global taxation cooperation on fundamental and frontier issues, including taxation in the digital economy and the relationship between tax and the SDGs (notably on gender equality, the informal economy and the environment), in collaboration with IFIs.

Galvanise the public and private sectors to scale-up climate finance by:

- Collaborating with public and private investors to increase green, renewable energy and energy efficiency investments, and to divest from fossil fuel, including through the Climate Finance Leadership Initiative[28] and the Global Investors for Sustainable Development Alliance.

- In collaboration with climate financing mechanisms and IFIs, expanding the use of green financing instruments.

Mobilize the financial industry to transform financing for sustainable development by:

- Supporting the Global Investors for Sustainable Development Alliance to identify and take forward solutions for scaling long-term investments in the SDGs.
- Collaborating with the financial industry to implement and report on global principles and standards for responsible financial practice and integrity, including the Principles for Responsible Banking.[29]
- Building a shared understanding of sustainable investing and promoting impact measurements.

Financing Strategy Objective

2. *Enhancing sustainable financing strategies and investments at regional and country levels*

Boost domestic resource mobilization efforts to increase financing for SDG priorities, notably for social services, by:

- In line with the UN reforms, increasing the UN's support to countries to develop and implement integrated national financing frameworks (including sustainable financing strategies) to achieve SDG plans.
- Mobilizing development and private partners to support countries increase the quantity and quality of financing for social protection, including to achieve universal health coverage.

PART II

28 The Climate Finance Leadership Initiative (CFLI), formed by Michael R. Bloomberg, the UN Special Envoy for Climate Action at the request of the UN Secretary-General, supports a global mobilization of private capital in response to the challenge of climate change. The CFLI works to fulfill the private financing objectives included in the landmark Paris Agreement, which reaffirmed the goal of mobilizing at least $100 billion per year by 2020 through a combination of public development finance and private foreign direct investment.

29 Banks, accounting for 90 per cent of financing in developing countries, must be onboarded for the SDGs and Paris Agreement to be delivered. The Principles for Responsible Banking have been developed by 28 banks from five continents, jointly representing more than US$ 17 trillion in assets. UN processes are at the heart of the Principles, which will be launched on 22 September, 2019 in New York. The accountability framework for the Principles is also about reporting on outcomes. Other principles include the Principles for Responsible Investment, Sustainable Stock Exchange Initiative, Principles for Sustainable Insurance, Operating Principles for Impact Management, Global Compact Principles.

Improve country access to sustainable and green finance, notably for disaster risk reduction and resilience in LDCs and SIDS by:

- In collaboration with climate financing mechanisms and IFIs, strengthening country capacity to increase access to green finance, promote carbon pricing, and remove inefficient fossil fuel subsidies.
- In collaboration with MDBs, DFIs, development and private partners, create more risk-taking space to promote financing opportunities and catalyse private finance for the SDGs in LDCs, graduating LDCs and SIDS, given their vulnerabilities.
- In collaboration with MDBs and DFIs, strengthening the UN's engagement with national development banks to enhance their role in SDG and climate finance.

Strengthen international and regional cooperation, and country capacity to prevent, reduce and recover illicit financial flows by:

- Influencing international and national policy-making to create systemic linkages between policies to combat illicit financial flows and sustainable development.
- Strengthening the UN's work on anti-corruption at country level to prevent related illicit financial flows.
- Collaborating with financial centres to eliminate safe havens for illicit funds and to enhance international cooperation for the expedite recovery and return of those funds.

Financing Strategy Objective

3. *Seizing the potential of financial innovations, new technologies and digitalization to provide equitable access to finance*

Accelerate innovative and digital financing mechanisms for the SDGs by

- Supporting the Task Force on Digital Financing of the SDGs to deeply explore the potential and the risks of digital financing for the SDGs, and taking forward recommendations, notably at country level.
- In collaboration with MDBs and DFIs, creating new strategic partnerships and mechanisms to unlock new sources of finance and financial innovation for investment in the SDGs.

"We need a green economy, not a grey economy. We need a rapid and deep change in how to do business, how to generate power, how to build cities and how to feed the world. That means putting a price on carbon, and ending subsidies to fossil fuels".

— Secretary-General António Guterres

Part III
Mapping of activities by the UN system on financing for sustainable development

The UN has a long history of supporting countries on financing for development. When aligned with the Secretary-General's Financing Strategy, the UN's approach is captured under the 10 areas below:

1. *Aligning global economic policies and financial systems with the 2030 Agenda*

1.1. Strengthen international cooperation to promote financial and economic policies in support of the SDGs.

1.2. Promote alignment of global financial flows with climate action.

1.3. Channel private investment towards the SDGs, notably in developing countries.

2. *Enhancing sustainable financing strategies and investments at regional and country levels*

2.2. In collaboration with IFIs, promote sustainable financial systems at country level.

2.3. Improve access to climate finance at regional and country levels.

2.4. Increase domestic resource mobilization and enhance the composition, effectiveness and efficiency of public spending in line with the SDGs.

2.5. Curb illicit financial flows related to the proceeds of crime.

2.6. Enhance official development assistance (ODA) and concessional finance for countries at risk of being left behind, notably for DRR and resilience.

3. *Seizing the potential of financial innovations, new technologies and digitalization to provide equitable access to finance*

3.1. Catalyse new sources of finance and financial innovations to scale-up investment in the SDGs.

3.2. Promote global collaboration and country action to harness the potential and mitigate the risks of digital financing for the SDGs.

Specific actions and further details on activities are fleshed out in the section below. This section is not intended to be exhaustive. It remains a 'living document', updated in line with the UN's support to Member States in the area of financing for sustainable development. Internally, the UN maps at the activity level 'who is doing what' to avoid duplication and promote synergies across the UN system.

Financing Strategy Objective

1. *Aligning global economic policies and financial systems with the 2030 Agenda*

1.1. Strengthen international cooperation to promote financial and economic policies in support of the SDGs

1.1.1. Enhance global analysis and engagement to inform and support the adoption of financial and economic policies and regulations in support of the SDGs, in collaboration with IFIs.

a. Conduct substantive research and analysis with partners to identify systemic risks and barriers, and use the analytical work conducted by the UN Inter-agency Task Force on Financing for Development and their recommendations to take actions to embed the principles of the 2030 Agenda in global financial and economic policies.

b. Advocate with global leaders and regulators to remove barriers and promote aligned policies, principles and standards, as well as financing approaches, tools and products with sustainable development, through various forums including the Financing for Development (FfD) Forum, G20, High Level Political Forum (HLPF), UN General Assembly (UNGA), the World Economic Forum (WEF), the Global Infrastructure Forum, World Bank Group/IMF meetings, and pertinent regional platforms.

c. Collaborate with the IMF to integrate the 2030 Agenda as a component of Article IV Consultations.

d. In collaboration with IFIs, engage with financial regulators (including the network of central bankers) to promote the integration of inclusion and sustainability issues into macroeconomic policies and regulations (this could include focusing on the inequality implications of existing financial policies, a review of Basle III and IV and sharing of best practices, among others).

1.1.2. Enhance South-South cooperation and on-going collaboration with regional organizations to align policies with financing the SDGs.

a. Conduct analytical work, with partners, at regional level to support regional and sub-regional organizations identify opportunities and policies that increase financing for the SDGs (e.g. taxation, public sector spending efficiency, financing for small, medium enterprises, public-private partnerships, intra-regional trade, FDI).

b. Promote regional and South-South dialogues and exchanges to encourage collaboration on financing for the SDGs.

c. Support regional organizations and member countries align and adopt policies that enhance financing for the SDGs.

d. Facilitate South-South and triangular cooperation to increase financing for the SDGs, notably in vulnerable countries.

1.1.3. Promote trade regimes, trade financing and aid for trade that support the SDGs.

a. Advocate for one set of trade rules for all countries, with special treatment for LDCs[30] maintained or reinforced and special consideration for SIDS and landlocked least developed countries (LLDCs).

b. Promote greater dialogue on aligning new trade agreements with the SDGs, including the potential of provisions on gender, labour, and green technology goods and services.

c. Encourage development partners and IFIs to strengthen country trade capacity by narrowing physical and digital infrastructure gaps, improving trade logistics and resilience, simplifying and harmonizing border crossing procedures, and lowering trade costs to meet rising private and public standards, including through Aid for Trade, and especially for LDCs.

d. Promote intra-regional trade and the development of regional value chains, particularly in Africa.

e. Support export agencies and MDBs to explore further development of trade and supply chain transparency and finance programmes, and promote greater standardization in global trade rules and practices.

f. Support national governments on trade finance for the SDGs, including harnessing the potential of e-commerce to promote inclusive trade growth, through greater coordination between UN agencies, including through eTrade for all.[31]

30 The 2030 Agenda calls for an increase in exports from LDCs. Notably, SDG target 17.12 calls for "DFQF (duty-free, Quota-free) market access on a lasting basis for all LDCs…".

31 https://unctad.org/en/Pages/DTL/STI_and_ICTs/eTrade-for-All.aspx

1.1.4. In collaboration with IFIs, promote more responsible and transparent borrowing and lending practices and strengthen multilateral support to improve debt sustainability in developing countries.[32]

a. Enable greater open dialogue between debtors and creditors to encourage sustainable lending terms and debt management strategies, promote the implementation of soft law tools for crisis prevention and resolution,[33] and encourage greater debt transparency.

b. Engage with multilateral partners to discuss debt relief initiatives, debt re-structuring mechanisms, state contingent instruments, particularly for LDCs, as well as eligibility criteria for access to concessional finance for low and middle income SIDS (e.g. debt swap initiative scheme of the Caribbean and possible applicability to other situations).

c. Promote greater policy analysis on the impact of the SDG-related investment requirements on debt sustainability and an enhanced approach to, and definition of debt sustainability in the context of the 2030 Agenda, notably for LDCs, taking into account their structural constraints and long-term investment requirements for implementation of the SDGs.[34]

d. Promote multilateral initiatives to expand support for capacity building and technical assistance in the area of debt management, improving debt data recording and analysis, and enhancing the dissemination of debt data in light of investment requirements for the 2030 Agenda.

e. Strengthen the capacity of borrowing countries to negotiate sustainable, responsible and transparent terms and conditions.

1.1.5. Promote intergovernmental cooperation on international tax matters to encourage a more inclusive and effective approach in addressing tax-related issues in support of the 2030 Agenda.

a. Support and advocate for the UN Tax Committee and intergovernmental discussions on tax matters at global and regional levels, and promote implementation of the UN Model

32 Draws on recommendations from the SG's report to the General Assembly on external debt, July 2018 prepared by UNCTAD's Debt and Finance Analysis Unit.

33 Such as the Principles on Promoting Responsible Sovereign Lending and Borrowing; the Basic Principles on Sovereign Debt-Restructuring Processes, adopted by the General Assembly in 2015, with Operational Guidelines for Sustainable Financing, endorsed by the G20 in 2017.

34 This call for LDCs was made by the General Assembly in resolution A/RES/73/242, Paragraph 17. http://unohrlls.org/custom-content/uploads/2019/02/A_RES_73_242-on-Follow-up-to-Istanbul-Programme-of-Action-for-LDCs.pdf

Tax Convention and other developing country and SDG-focussed tax guidance, such as on extractives taxation, profit shifting and taxing the digitalized economy.

b. Promote the work of the Platform on Collaboration on Taxation, a partnership between the UN, World Bank, IMF and Organization for Economic Cooperation and Development (OECD), and Tax Inspectors without Borders. Ensure the Platform has an SDG focus, with the interests and priorities of developing countries at the forefront.

c. Advocate for an effective multilateral approach to address emerging issues in international tax cooperation, with an emphasis on cooperative practical solutions that internalise the SDGs in the global taxation discourse, including the gender and environmental aspects, and the legitimate interests of all stakeholders, including the poorest.

d. In relation to the taxation of the digitalized economy, provide analysis, advocacy and guidance to support countries who are seeking to understand the issues, and determine the domestic resource mobilization impact of options 'on the table' and other potential solutions. Encourage tax cooperation between countries.

e. Convene experts and create networks to build regional and inter-regional alliances between countries with similar interests and priorities.

f. Support and advocate for a deeper involvement of developing countries, especially the least developed, in global policy deliberation.

1.2. Promote alignment of global financial flows with climate action

1.2.1. Urge countries to meet the Copenhagen commitment of $100 billion/year by 2020 from public and private sources and align finance to increase nationally determined contributions (NDC) ambitions.

a. Conduct independent research on the status of the Copenhagen commitment of $100 billion/year by 2020 from public and private sources.

b. Advocate with global leaders at the highest level through the Conference of the Parties (COP), FfD Forum, G20, WEF, World Bank/IMF Meetings, HLPF, UNGA, 2020 High Level Meeting of the Development Cooperation Forum (DCF).

c. Promote the climate finance work with Member States under the Secretary General's 2019 Climate Summit to create a supportive environment to meet the Copenhagen commitment and increase NDC ambitions.

d. Advocate for the end of public fossil fuel subsidies (including clear timelines and targets) with supporting actions to mitigate the impact on the vulnerable.

1.2.2. Promote private sector alignment of investment policies and practices with the Paris Agreement.

a. Convene, engage with, and support initiatives with the private sector to identify barriers and recommended actions required to fulfill the private financing objectives included in the Paris Agreement.

b. Support the adoption of recommended actions (in particular, full divestment from fossil fuel by 2025 at the latest) by the private sector at global, regional and local levels.

c. Encourage the integration of climate impact into investment decisions and strategies to improve climate-risk management strategies, leveraging the potential of digital technologies.

d. Galvanise citizens and civil society to create investor demand for greener investment portfolios.

1.2.3. Support implementation of recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).[35]

a. Widely disseminate and advocate for the implementation of the TFCD recommendations, and support actions towards making TCFD practices mandatory (as is the case in some countries) by industry and group.

b. Improve the quantity and quality of publicly available environmental data to support climate-related financial disclosures.

c. Track implementation of recommendations and use tracking data to inform advocacy efforts.

d. Encourage shareholder and consumer engagement to create demand for companies to implement the TCFC recommendations and supporting disclosures.

35 https://www.fsb-tcfd.org/wp-content/uploads/2017/06/FINAL-TCFD-Report-062817.pdf

1.2.4. In collaboration with IFIs and climate financing mechanisms, invest in knowledge generation and public goods to expand green financing instruments.

a. Conduct research to better understand experiences with green financial instruments, identify public goods to facilitate greater private investment in climate action (e.g. measuring and reporting tools to limit 'green washing'), and recommend actions to increase up-take of such instruments, particularly in LDCs, LLDCs and SIDS.

b. Convene partners and support the development of public goods, including standards and definitions to expand investment in green financial instruments, such as green bonds and green Sukuks.

c. Widely disseminate knowledge and global experiences with green financial instruments to enable countries to leapfrog forward.

d. Promote the pricing of externalities including through carbon pricing initiatives.

1.2.5. Promote better quality and availability of climate finance data.[36]

a. Promote continued enhancement of the transparency, consistency, comparability and reporting of data on climate finance.

b. Encourage climate-finance providers to improve the availability of granular country-level data on mitigation and adaptation finance.

c. Improve information provided by the UN to the UN Framework Convention on Climate Change (UNFCCC) Secretariat on how UN development assistance and climate finance programmes incorporate climate-proofing and climate-resilience measures, in line with new available scientific information and encourage other international, regional and national financial institutions to do the same.

1.3. Channel private investment towards the SDGs, notably in developing countries

1.3.1. Promote global principles, standards, measurement and reporting frameworks related to sustainable and impact investing.

a. Convene, support the development of, and encourage the financial sector to adopt, implement and report on global

36 Draws from recommendations from the UNFCCC Biennial Assessment and Overview of Climate Finance Flows, 2018

principles for responsible financial practice, including the Principles for Responsible Investment, Responsible Outsourcing, Sustainable Stock Exchange Initiative, Principles for Sustainable Insurance, Principles for Responsible Banking, the Operating Principles for Impact Management, and the Global Compact Principles.

b. In collaboration with other entities, create a shared understanding related to SDG impact investments in terms of definitions, standards and methodologies to measure and report on SDG impact.

c. Support mandatory reporting against a core set of indicators as developed by the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR).

d. Support the work of leading entities (including the Global Reporting Initiative, the Sustainability Accounting Standards Board, the World Benchmarking Alliance) to develop non-financial performance metrics, standards and pricing mechanisms for positive and negative externalities to increase investment in companies creating long-term value.

e. Develop principles and tools for corporate finance to support companies in their financing and investment activities that impact sustainable development.

1.3.2. Improve the quality and availability of data to assess risk/return profiles, monitor and report on the impacts of private investments in the SDGs.

a. Promote improvements in the transparency, consistency, comparability and reporting of data on SDG-impact investment in developing countries to demonstrate returns on SDG investments (e.g. methodologies that enable the translation of development data into investment data).

b. Provide support to develop tools, notably by leveraging the potential of digital technologies, to increase the availability and accessibility of publicly available environmental and social data in developing countries (e.g. UN Environment Live[37] provides open access to data on the environment at global, regional and country levels).

c. Support developing countries to strengthen the capacity of companies to improve the quality and availability of data on their

37 http://environmentlive.unep.org/

environmental, social and governance (ESG) performance, and social and environmental impact.

1.3.3. Strengthen partnerships with the financial industry, business, policy-makers and regulators, and increase engagement with the public in support of financing the 2030 Agenda.

a. Support the establishment of the Secretary-General's Global Investors for Sustainable Development (GISD) Alliance to identify and promote actions that create incentives for, and address the obstacles to long-term investment in the SDGs across financial institutions, capital markets and corporations.

b. Advocate with investment chain actors to implement recommendations from such networks and alliances in order increase investment in the SDGs, notably in developing countries.

c. Promote dialogue between financial industry regulators and investment chain actors to encourage the integration of ESG factors into the concept of fiduciary duty and address other regulatory barriers to long-termism (i.e. for investors to take a longer-term view when making and evaluating their investment decisions).

d. Advocate for policies that require companies to report on non-financial performance according to a set of standards.

e. Engage and disseminate information widely around sustainable investing in order to create greater demand amongst asset owners and the public for more sustainable investment products.

f. In line with the AAAA and 2030 Agenda, advocate to reduce the average transaction cost of migrant remittances to less than 3 per cent of the amount transferred and to ensure that no remittance corridor charges higher than 5 per cent by 2030.

1.3.4. Promote 'matchmaking' between sustainable investment opportunities in developing countries and the private investors.

a. Strengthen engagement with existing platforms and create platforms if needed that bring together private sector investors with developing countries (particularly LDCs and SIDS) to showcase investment opportunities (e.g. SDG Fairs and SDG Investment Forums).

b. Support developing countries to prepare for and participate in such matchmaking opportunities, and support the creation of investment promotion environments.

c. Where investment matchmaking is currently taking place, introduce elements of SDG analysis, assessment, and promotion.

Financing Strategy Objective

2. *Enhancing sustainable financing strategies and investment at the regional and country levels*

2.1. In collaboration with IFIs, promote sustainable financial systems at country level[38]

2.1.1. Support countries create an enabling policy and regulatory environment to align national and sub-national financial systems with SDG priorities.

a. Promote joint analysis, (including through UN Sustainable Development Cooperation Frameworks), of national and sub-national financial systems to identify barriers and opportunities for greater alignment with SDG priorities, including through regulatory, policy and financial incentives.

b. Strengthen the capacity of policy makers and regulators to put in place policies and regulations that create market incentives for long-term sustainable investment and FDI, and promote inter-ministerial collaboration.

c. Leveraging international experience, support countries and regional economic communities to develop guidelines for creating sustainable national and regional financial systems, as well as to measure and report on sustainable finance flows.

d. Analyse the barriers to domestic savings and their channelling to productive investments, and propose actions to address barriers, including leveraging digital saving models.

e. Strengthen analytical and upstream efforts to advance reforms in key sectors (e.g. infrastructure, urban design, clean energy).

2.1.2. Support the financial sector at regional and country level to align its policies and practices with sustainable development.

a. Support regional country level financial actors to adopt global principles and international standards for responsible financial practices, including practices related to transparency, disclosure and ESG standards, and support the replication of global networks with investment chain actors at regional and country levels.

b. Promote dialogues between governments and the private sector on investments to advance the SDGs at regional levels,

PART III

38 Including through the UN-World Bank Strategic Partnership Framework and in partnership with other IFIs and DFIs.

and disseminate information widely to the public to increase the demand for SDG-related investment products.

c. Promote collaboration between the banking sector, national and local governments and financial regulators to identify opportunities to increase long-term lending from banks including through concessional loans in priority sectors for sustainable development.

d. Support the financial sector to develop high quality sustainable financial products.

e. Assist countries in developing their national and regional capital markets, particularly sovereign and corporate bond markets to support green investment.

2.1.3. Enhance collaboration with DFIs, regional and national development banks to promote SDG investments and financial instruments.

a. Engage with DFIs, regional, and national development banks, and promote collaboration with the private sector at country level to identify SDG-investment opportunities and catalyse finance, notably in under-served sectors (including small, medium enterprises) in LDCs and conflict-affected countries.

b. Strengthen national and sub-national capacity to issue SDG-bonds and similar financial products, including by identifying a pipeline of potential SDG bond issuances in corporations.

c. Promote the implementation of ESG standards in companies and banks as a way to lower risks of private investment in developing countries.

2.1.4. Strengthen credit markets to promote the growth of small and medium enterprises (SMEs).

a. Learning from good practices, support countries create an enable environment for financing SMEs by improving legal and regulatory frameworks and creating a supportive financial sector infrastructure (e.g. collateral, insolvency and creditor rights laws, credit information systems, secured transaction registries for moveable property, payment systems, credit reporting).

b. Develop a wide range of financial services and products for SMEs with governments, national development banks, and commercial banks, including combining government grants and soft loans with commercial loans, public credit guarantee schemes, and equity-based financing.

c. Improve financial literacy and skills of SMEs, particularly women-owned SMEs, to ensure SMEs have the capacity to prepare required business and financial plans to access credit from commercial banks.

d. Improve credit assessment for SMEs by independent market institutions capable of rating SME credit worthiness (e.g. establishing domestic credit bureaus for SMEs as a public-private partnership).

2.1.5. Promote a "new generation" of investment policies at global, regional and country level that place inclusive growth and sustainable development at the heart of efforts to attract and benefit from investment.[39]

a. At global level, encourage the modernization of international investment agreements to strengthen their sustainable development dimension, balance the rights and obligations of States and investors, and manage the systemic complexity of international investment regimes.

b. At the regional level, foster regional investment compacts to improve cross-border infrastructure development, build absorptive capacity and develop partnerships between investment promotion agencies (IPAs).

c. At national level, support countries to implement the 2015 Investment Policy Framework for Sustainable Development launched at the Financing for Development Conference in Addis Ababa that provides a set of core principles for investment policymaking and a menu of actions to promote investment in sustainable development.

d. Strengthen countries' capacity to implement investment promotion and facilitation measures, including improving the capacity of IPAs on sustainable development investment projects to increase the pipeline of bankable, green and inclusive projects at country level.

e. Realign investment incentives towards the SDGs, most notably to increase investment in climate mitigation, adaptation and resilience.

39 Draws from UNCTAD 2015 Investment Policy Framework for Sustainable Development launched at the Financing for Development in Addis Ababa.

2.2. Improve access to climate finance at the regional and country levels

2.2.1. Support countries to address regional and national climate finance challenges and align finance with increasing nationally determined contributions (NDCs) ambitions.

a. Identify regional and country challenges to access climate finance and strengthen capacities to address such challenges.

b. Collaborate with climate financing mechanisms to improve the speed, predictability and accessibility of climate financing, including for adaptation, particularly for LDCs, LLDCs and SIDS.

c. Work with partner organizations to increase resources for existing high impact financing mechanisms, and proactively source and pilot new climate finance instruments that address specific structuring challenges at country level.

d. Support countries to align climate finance with increasing NDC ambitions.

e. Align fiscal and budgetary incentives with climate objectives to discourage emissions intensive behaviours or investments by economic actors.

2.2.2. Strengthen national and sub-national capacity to develop and implement bankable, transformational projects to scale up climate action.

a. Support and strengthen the capacity of developing countries, particularly LDCs and SIDS to design and formulate a high-quality bankable project pipeline in partnership with national and sub-national stakeholders, IFIs, and the private sector. This includes providing greater upstream support including for project feasibility studies, and economic, social and environmental impact assessments

b. Strengthen the capacity of countries to manage, monitor and report on project implementation.

c. Build partnerships and strengthen engagement with public and private stakeholders, including local investors, and showcase bankable demonstration and pipeline projects to new and traditional sources of climate finance.

2.2.3. Promote carefully designed and fiscally responsible public-private partnerships to increase climate finance for nationally determined contributions (NDCs).

a. In partnership with IFIs, DFIs, and climate financing mechanisms, convene public and private sector actors to assess the opportunities and risks (including fiscal risks) of collaborative partnerships to increase financing for NDCs.

b. Strengthen public sector institutional capacity to carefully design, manage and monitor such partnerships for financing NDCs.

c. Strengthen the capacity of developing countries to replicate proven solutions in local contexts, leveraging global experiences.

2.2.4. In collaboration with MDBs, promote investment in climate-resilient infrastructure.

a. Support countries create an enabling investment and climate policy environment to orient the economy towards investment in low emission infrastructure alternatives.

b. Strengthen national, local and city government capacity to improve long-term climate resilient infrastructure planning, and promote a systemic, forward-looking and whole-of-government approach to infrastructure decisions.

c. Build project finance and implementation capacity at national and local levels to efficiently finance and deliver complex low-emission, resilient infrastructure projects.

d. Promote knowledge transfer and experience exchanges, as well as reflections on innovative ways to increase financing for climate-resilient infrastructure.

2.3. Increase domestic resource mobilization and enhance the composition, effectiveness and efficiency of public spending in line with the SDGs

2.3.1. Support countries to adopt and implement integrated national financing frameworks (INFFs) to implement SDG plans.

a. In collaboration with IFIs, develop the required methodologies and tools to develop high quality and action-oriented INFFs (including assessment of needs, financial flows, risks and binding constraints; a financing strategy that identifies required public and private financing policy actions; monitoring and review frameworks; and governance and coordination mechanisms to provide political backing and ownership), leveraging the opportunities provided by digitalization.

b. Promote multi-stakeholder national dialogues involving government, social partners, development partners, IFIs, civil society and other stakeholders in order to develop quality and action-oriented INFFs.

c. Support countries to apply methodologies to local contexts and develop INFFs.

d. Support countries to build partnerships and funding compacts to meet required sustainable financing gaps, including through sovereign and municipal SDG bonds.

e. Strengthen institutional capacity to establish high level government coordination mechanisms, and to monitor and review the impact of different financing flows and policies (including the gender differential impact).

f. Promote cross-country learning and experience exchanges at regional level and ensure such experiences feedback into methodologies and tools.

2.3.2. Strengthen national SDG-responsive revenue system[40] & capacity to address international tax challenges.

a. Provide technical assistance and strengthen national capacity to develop medium-term revenue strategies that improve revenue administration and promote more progressive, gender-sensitive taxation, with partner institutions of the Platform for Collaboration on Tax.

b. Strengthen the capacity of sub-national governments to improve tax revenue collection and mobilize other resources at local levels, including social contributions paid by workers and employers to finance social protection systems.

c. Support countries create an enabling regulatory environment for taxation and effectively address challenges in international taxation that complicate their domestic resource mobilization efforts.

d. Strengthen the capacity of country tax administrators in the application and evaluation of, and in advocating for international tax standards supporting the SDGs, including outputs of the UN Tax Committee.

e. Assist countries to leverage guidance by the UN Tax Committee, including addressing the informal economy, and the effective use of tax systems to address gender and environmental issues.

f. Support countries to modernize custom systems through the adoption of an appropriate automated data processing system (e.g. the Automated Systems for Customs Data — ASYCUDA).

40 Revenue systems includes both tax and customs policies and administrations.

2.3.3. Strengthen regional cooperation and national capacity to improve tax transparency, and curb tax avoidance and tax crime.

a. Convene regional stakeholders and support the establishment of regional cooperation mechanisms to curb tax avoidance and tax crime.

b. Provide technical assistance and strengthen national capacity to improve tax transparency, counter profit shifting and tax base erosion, and reduce corporate tax avoidance and tax crime at country level, including through the Platform for Collaboration on Tax and Tax Inspectors without Borders.

c. Support countries to leverage the potential of automated information systems to improve compliance, widen the tax base, and enable revenue authorities to more quickly and easily identify and mitigate risks related to tax avoidance and evasion, and make enforcement more effective by enabling revenue authorities to share information across borders.

d. Cultivate the new Network of Experts on International Tax Cooperation as an agent for increased regional and inter-regional cooperation.

e. Support government efforts to increase inter-agency cooperation between revenue authorities and anti-money laundering and countering the financing of terrorism authorities.

2.3.4. Support countries to develop equitable, SDG-costed and gender-responsive budgets and enhance the effective and efficient use of public budgets aligned with SDG plans .

a. Conduct joint analysis at country level with IFIs on SDG costing, budgeting and planning, including through the newly established Working Group on SDG Costing to better support low-income developing countries to assess their SDG budgetary needs.

b. Strengthen the capacity of national and sub-national governments to design and implement gender responsive budgets, based on thorough gender analysis, and promote cross-country and cross-regional sharing of best practices and lessons learned.

c. Strengthen the capacity of national and sub-national governments for planning and budgeting, including to develop medium-term expenditure or budgetary frameworks, and to spend more efficiently.

d. Strengthen inter-governmental transfers and systems to support more equitably distribution of resources.

e. Strengthen legal, institutional and procedural arrangements to leverage public procurement practices and indirect spending through state-owned enterprises, export credit agencies and public investments to align with low-emission sustainable development objectives in a transparent and accountable manner.

f. Improve the availability and transparency of budget and expenditure data to promote greater accountability.

2.3.5. Assist countries to mobilize financial resources and improve financing efficiency to provide quality social services, including health, education and social protection.

a. In view of the key role for social services for social and economic development, emphasize the importance of financing social services, (including to achieve universal health coverage and social protection, delinked from employment), within the agenda on financing for sustainable development.

b. Conduct national assessments to understand domestic capacity to mobilize resources for social services and where insufficient, support identification of potential ODA.

c. In collaboration with the IFIs, conduct joint analysis on increasing fiscal space for social services, and provide countries with integrated policy advice on financing options to progressively achieve universal social protection.

d. In collaboration with IFIs, explore diverse financing mechanisms (including contributory social insurance and tax financing) and new sources of finance and financing mechanisms for social services at country-level, particularly for countries at risk of being left behind and in special circumstances.

e. Strengthen countries' capacity for transparent, accountable and sound financial management and administration of social service programmes.

f. Promote cross-country sharing of experiences and best practices.

2.4. Curb illicit financial flows related to the proceeds of crime

2.4.1. Promote global, regional and country level analysis and advocacy to curb illicit financial flows.

a. Support analytical work and develop diagnostic tools on illicit flows, its components and underlying drivers, and make recommendations to curb such flows, at global, regional and country level.

b. Engage with global, regional and national policy makers and relevant stakeholders to create linkages between policies to combat illicit financial flows and financial development (including by strengthening the UN's existing relationship with the Financial Action Task Force).

c. Advocate with leaders from countries that receive illicit outflows to help prevent these financial streams, assist in repatriating illicit funds, and prosecute perpetrators.

d. Support analytical work on the role of technology in abetting illicit flows, as well as its potential for combatting them.

2.4.2. Strengthen regional and national institutional capacity to tackle illicit financial flows and address corruption to prevent related flows.

a. Strengthen regional cooperation and the capacity regional networks[41] to tackle illicit financial flows, notably by promoting the principles of good financial governance and fiscal transparency.

b. Support country efforts to implement existing normative frameworks and build robust, effective and risk-based anti-money laundering and countering the financing of terrorism frameworks.

c. Support country efforts to increase access to beneficial ownership information and make such information available to requesting countries in a timely manner.

d. Provide technical assistance to countries to address the risks of money laundering, terrorism financing and corruption.

e. Strengthen the integrity of public administration systems and public sector financial management strategies, and create public awareness to more effectively prevent corruption and related illicit financial flows.

f. Strengthen domestic coordination, including between the public and private sector to strengthen capacity to identify illicit financial flows and combat corruption.

2.4.3. Strengthen collaboration with financial institutions and centres to curb illicit financial flows.

a. Engage with financial centres (national, regional and globally systemic, as well as offshore) to prevent, detect and deter the

41 For example, the African Organisation of Public Accounts Committees; the African Organisation of Supreme Audit Institutions; the African Tax Administration Forum; and the Collaborative Africa Budget Reform Initiative

use of their banking and financial systems as safe havens for illicit financial flows, including by introducing measures to increase transparency of beneficial owner and enhancing international cooperation for the expedited recovery and return of those funds.

b. Develop and strengthen partnerships with financial institutions (notably the banking sector) to strengthen commitments and actions to improve financial integrity without undermining financial inclusion and remittance flow.

2.4.4. Strengthen the recovery and return of stolen assets and proceeds of corruption to contribute to sustainable development.

a. Develop good practices on asset return and identify good practices that address the administration of seized and confiscated assets with a view to contributing to sustainable development.[42]

b. Support government efforts to confiscate, return and dispose[43] of the proceeds of corruption.

c. Support international cooperation in the areas of tracing illicit financial flows, identifying, seizing and confiscating crime proceeds, domestic management, use and disposal of seized and confiscated assets, and management of returned assets in asset recovery cases.

d. Advocate with financial centres to enhance international cooperation for expedited recovery and return of assets.

e. Through international efforts including the Stolen Asset Recovery Initiative and the Global Programme Against Money Laundering, work with developing countries and financial centres to implement sound and coherent policies to prevent and combat money laundering, and to facilitate more systematic and timely return of stolen assets.

2.5. Enhance ODA and concessional finance for countries at risk of being left behind, notably for DRR and resilience

2.5.1. Promote enhanced access to ODA and philanthropic finance.

a. Advocate for net ODA provided by members of the Development Assistance Committee (DAC) of the OECD to meet the UN target of 0.7% of donor gross national income (GNI), as well as the

42 In line with Resolution 6/3 of the Conference of the States Parties to the United Nations Convention against Corruption on "Fostering effective asset recovery".

43 "disposal" as per Art.57, Chapter V of United Nations Convention Against Corruption.

specific target of 0.15–0.2% of donors GNI for LDCs and in this respect increase the share of ODA for LDCs, LLDCs, SIDS and conflict-affected countries.

b. Enhance the quality, effectiveness and impact of ODA, in line with the principles of country ownership and results-orientation of the 2030 Agenda.

c. Strengthen the project development, implementation and reporting capacity of LDCs, LLDCs, SIDS and conflict-affected countries.

d. Promote partnerships between LDCs, LLDCs, SIDS and conflict-affected countries with philanthropic finance, guided by SDG country plans.

e. Work with OECD/DAC to map ODA allocation to the SDGs.

2.5.2. Promote careful deployment of blended and special financing instruments for LDCs, LLDCs, SIDS and conflict -affected countries in line with established principles on effective development cooperation related to the use of ODA.

a. Build on existing collaboration between the UN, development, and IFI partners (notably in conflict-affected countries), to analyse and highlight the challenges that countries in special situations face in terms of attracting private finance and FDI for the SDGs and assess the potential for blended and special financing instruments that bring both sustainable development and financial additionality.

b. In collaboration with IFIs and DFIs, support countries to develop partnerships and design and capitalize blended and special financing instruments that are aligned with national priorities, and that have sound fiscal risk management frameworks.

c. Collaborate with providers of concessional finance to find innovative ways to take more risk in LDCs to catalyse additional sources of finance to achieve the SDGs, with the aim of generating demonstration effects that can inform subsequent scale up and replication.

d. Promote integrated approaches and partnerships to shift development finance from ex-post disaster management to ex-ante DRR and resilience building, including through the provision of early stage high risk capital to unlock other sources of finance.

e. Monitor and evaluate the impact of blended finance, identify good practices and promote knowledge sharing.

2.5.3. Improve access to finance for LDCs, graduating and newly graduated LDCs[44] and SIDS for DRR and resilience, including through debt instruments and management strategies.

a. Work with IFIs to develop debt sustainability management strategies and innovative debt instruments and that increase fiscal space for DRR and resilience in LDCs, graduating and newly graduated LDCs, and SIDS.

b. Work with OECD/DAC to promote additional "vulnerability" criterion for ODA allocation beyond GNI per capita.

c. Advocate for development partners to pledge financial support to countries graduating, and newly graduated from the LDC category.

d. Promote public-private partnerships to provide graduation facilities with medium-term SDG financing and technical assistance to graduating LDCs to complement public finance.

44 Graduating LDCs usually refers to countries found eligible for graduation by the Committee for Development Policy until the graduation.

Financing Strategy Objective

3. *Seizing the potential of financial innovations, new technologies and digitalization to provide equitable access to finance*

3.1. Catalyse new sources of finance and financial innovations to scale-up investment in the SDGs

3.1.1. Promote strategic partnerships and approaches to scale up social impact and gender lens investment.

a. Convene SDG impact investors from the private and public sectors to adopt and operationalize global principles.

b. Support countries identify a 'critical pathway' of national SDG investment opportunities that generate private financial returns, and positive social, gender and environmental impacts.

c. Strengthen the capacity of countries to formulate a pipeline of SDG impact and gender lens investment projects, with clear metrics, particularly for LDCs and SIDS.

3.1.2. Encourage faith-based finance to invest in the SDGs and develop innovative financing instruments for the SDGs.

a. Building on existing and growing experiences engaging faith-based finance partners, and linked to the UN Inter-Agency Task Force on Religion and Development and Country Focused SDG Financing Task Team, conduct a landscape analysis of achievements and challenges across the system in engaging different faith-based financing partners and modalities.

b. Develop common UN standards, policy enablers and capacities needed to more efficiently leverage faith-based finance and preserve the UN's religious neutrality.

c. Engage with faith-based finance partners (including national authorities, MDBs and private sector) to explore, design and invest in high-impact innovative financing instruments (e.g. SDG Waqf [endowment] or SDG Sukuk [bond]).

3.1.3. Invest in financial innovations to access new, lower-cost sources of private capital for the SDGs, notably for climate action and resilience.

a. Drawing on lessons learned, promote multi-sectoral collaboration between public and private partners to explore and test financial innovations, particularly for LDCs and SIDS.

b. Review and assess the potential of emerging models to unlock new, lower cost sources of finance for the SDGs (e.g. financial aggregation for small-scale clean energy assets).

c. In collaboration with IFIs and other partners (including climate financing mechanisms) support developing countries to design and implement financial innovation transactions.

d. Monitor and evaluate the impact of financial innovations, identify and showcase good practices and promote knowledge sharing.

3.2. Enhance global collaboration and country action to harness the potential and mitigate the risks of digital financing for the SDGs

3.2.1. Promote multi-stakeholder engagement at global and regional levels to catalyse dialogue and action to encourage digital financing for the SDGs.

a. Support the Secretary-General's Task Force on Digital Financing of the SDGs to develop actionable strategies and recommendations that harness the potential and mitigate the risks of digital finance for the SDGs, and encourage Task Force members, other industry players and regulators to take recommendations forward, particularly at country level.

b. Conduct and crowd-in research and analysis to deepen understanding about the potential, opportunities and risks of the application of digital technologies to achievement of the SDGs, including through a gender lens.

c. Convene and engage with multi-stakeholders to raise awareness, capture and share country experiences, lessons learned, and best practices related to digital financing of the SDGs.

d. Promote continued regional and international collaboration in the area of digital financing of the SDGs, particularly to create consensus on definitions and standards, address cross boarder regulatory issues, risks and opportunities, and promote regional-level coherence.

3.2.2. Strengthen enabling environments and investments in digital solutions for sustainable development at country level, particularly for LDCs, LLDCs and SIDS.

a. Promote collaboration between policy-makers, regulators, development experts, fintechs, MDBs/DFI, and financial institutions at country level to develop local strategies that address country-specific barriers and unlock the potential of digital technologies for financing the SDGs, (including boosting the broadband economy in LDCs, reducing technology costs, and creating an enabling regulatory and policy environment, with possible 'regulatory sandboxes'[45] to foster innovation in a safe environment).

b. Strengthen the capacity of policy-makers, regulators and supervisors to better understand the rapidly changing digital finance landscape, as well as to identify and address the policy/regulatory opportunities and gaps.

c. Promote a healthy fintech environment in developing countries, including by supporting the development of fintech hubs, and creating partnerships between technology and financial ecosystems to develop and test innovative digital finance solutions for the SDGs.

d. Encourage investment and replication of SDG digital finance solutions by creating a conducive environment for startup venture capital financing, supporting the development of new sustainable financial products that are easily accessible online and through mobile applications, and improving the visibility and the transparency of sustainable digital finance solutions.

e. Developing more standardized tools and instruments for translating financial purchases data into environmental and social data that can be used by citizens to better price externalities.

3.2.3. Support country efforts to enhance digital financial inclusion and skills, particularly for women, youth and rural populations.

a. Support countries to develop and implement financial inclusion strategies, particularly to reach those populations that have historically been left behind (women, rural populations, youth, small entrepreneurs).

b. Work with public and private partners to identify strategies to improve the quality and increase the usage of financial services, including through digital technologies.

c. Improve financial and digital literacy skills of historically excluded populations to enhance understandings about savings, risks and personal SDG investments.

45 The Financial Conduct Authority defines a regulatory sandbox as a 'safe space' in which businesses can test innovative products, services, business models and delivery mechanisms without immediately incurring all the normal regulatory consequences of engaging in the activity in question. The sandbox concept allows innovators to experiment without the usual regulatory impediments and long delays associated with traditional oversight. https://www.fca.org.uk/publication/research/regulatory-sandbox.pdf

3.2.4. Promote safe environments, protect investments and mitigate risks of criminal misuse of digital finance solutions.

a. Develop and promote good practices for regulation of new digital financial sectors to protect investors and consumers, provide effective financial intermediation for inclusion and remittances, and mitigate risks of criminal misuse of new financial technologies (including with respect to cryptocurrencies).

a. Support international cooperation at bilateral, regional and global levels between financial market supervisors, anti-money laundering agencies, law enforcement and judiciary authorities to prevent and combat criminal misuse of new digital financial technologies and laundering proceeds of cybercrime.

Looking Ahead

As the world moves into the final decade for achieving the 2030 Agenda, the Secretary-General's Financing Strategy and Roadmap puts accelerating investments in sustainable development at the heart of the UN's efforts to support Member States ramp-up implementation of the AAAA to realize the SDGs and the goals of the Paris Agreement.

The release of the Secretary-General's Financing Roadmap in 2019 is particularly relevant within the context of the 74th session of the UN General Assembly. Key summits and high-level meetings will be held in September 2019, taking stock of progress made on the SDGs since 2015, increasing commitments to scale up SDG implementation and raising ambition on climate action.

Notably, the specific actions of the Secretary-General and the work of the UN system on financing sustainable development in collaboration with its partners will support Member States identify pathways that can unleash the might of the global financial system and real economy to meet the ambitions of realizing the 2030 Agenda. For instance, during the 2019 High-Level Dialogue on Financing for Development, the Secretary-General's Task Force on Digital Financing of the SDGs will share their interim report with insights gathered through cutting edge research and a wide range of consultations across the global financial system and fintech ecosystem. The GISD Alliance established by Secretary-General will hold its inaugural meeting to begin to identify ways to unblock impediments and implement solutions for scaling long-term investment for sustainable development.

Progress on execution of Parts I and II within Roadmap will be shared through the UN Sustainable Development Group. The UN regularly reports on progress against its activities highlighted in Part III. This Roadmap is a living document. It will evolve and adapt to leverage new opportunities and mitigate risks, in order to ensure that the Secretary-General and the UN system provide relevant, timely and effective support to Member States to turn the tide of financing to invest in sustainable, inclusive development for all.

"Financing is crucial to
assist the world's
most vulnerable communities
and countries."

• • •

"The 2030 Sustainable Development
Agenda has a powerful vision,
but we must ensure financing is
sufficient. That means making creative
use of digital technologies that are
revolutionizing the financial markets."

— Secretary-General António Guterres

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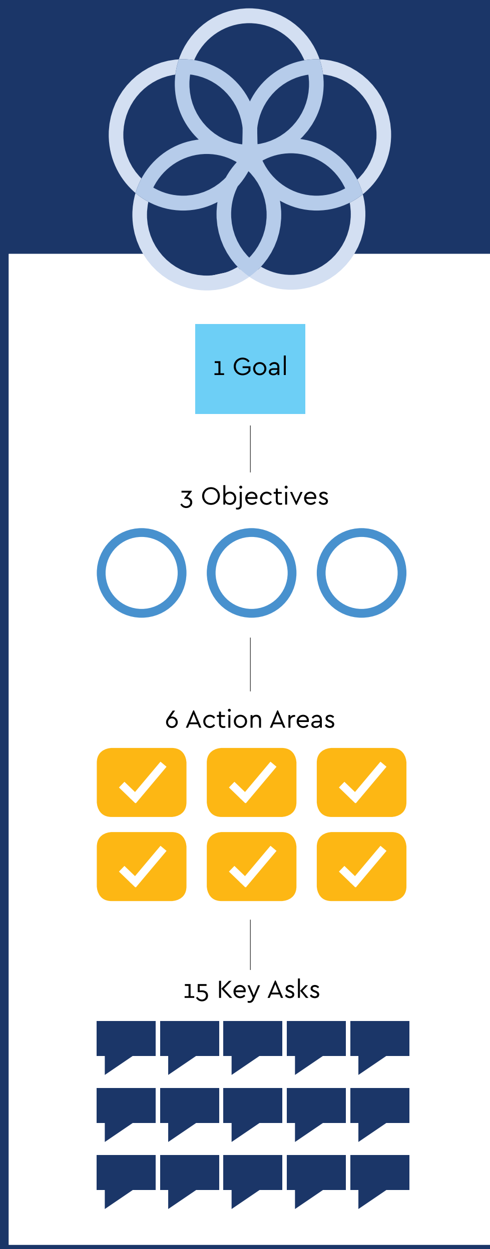

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