

F I N A N C I N G
S U S T A I N A B L E
D E V E L O P M E N T

Financing sustainable development

Achieving the SDGs requires both a surge in investments and adoption of national and international policies in support of sustainable development. In 2018-2019, attention to diversifying and accelerating sustainable development financing was a major priority for the entire UN system. Leading the follow-up to the Addis Ababa Action Agenda on Financing for Development, UN DESA supported the development of both government-focused and multi-stakeholder initiatives for guiding policy and securing partnerships for investment.



LOOKING FORWARD

High-level Dialogue on Financing for Development

The High-level Dialogue on Financing for Development is mandated to take place every four years to review the implementation of the Addis Ababa Action Agenda. The first High-Level Dialogue took place at UN Headquarters in New York on 26 September 2019. The Dialogue elevated the issue of financing for sustainable development to a higher political level and mobilized the political capital and actions needed to implement the Addis Ababa Action Agenda. UN DESA provides primary substantive support to the Dialogue and its follow-up.

Supporting financing for development follow-up and facilitating global policy consensus

UN DESA, as the secretariat for the annual ECOSOC Financing for Development Forum, spearheaded support to the 2019 FfD Forum. Against an increasingly challenging global context, the Forum demonstrated the growing importance and convening power of the UN on financing issues. It offered space to discuss issues such as the governance of e-commerce, sovereign debt restructuring, illicit financial flows and taxation of the digital economy. It also identified issues to take to the highest political level at the 2019 General Assembly High-level Dialogue on Financing for Development. The Forum adopted an intergovernmentally agreed outcome document by consensus which was considered a major success given the highly divergent views in some areas. UN DESA's support to the negotiations was acknowledged by Member States.

Promoting effective SDG financing

UN DESA supported the September 2018 High-level Meeting on Financing the 2030 Agenda for Sustainable Development, where the Secretary-General launched his Strategy for Financing the 2030 Agenda for Sustainable Development. This common UN narrative on financing sustainable development proposes concrete actions to better align global



economic policies and financial systems with the 2030 Agenda and to enhance sustainable financing strategies at the regional and country levels.

UN DESA is supporting implementation of the Secretary-General's Strategy through concrete initiatives, including: (i) toolkits to support countries in designing and implementing integrated national financing frameworks (INFFs); (ii) methodological work to build a shared understanding on what sustainable investing means and how to measure its impact. UN DESA also examined how budget processes can be harnessed to better support the implementation of the 2030 Agenda for Sustainable Development and the SDGs through its **2019 World Public Sector Report**.



UN DESA supported municipalities in four LDCs (Bangladesh, Nepal, Uganda and Tanzania) to improve essential services through enhanced management of physical assets (land, buildings and infrastructure). Through the project, the Department helped Governments to review municipal assets in an integrated way; trained city officials in using customized asset management action plans; and increased dialogue among government agencies. Our work helps the countries to identify critical areas for improvements, better understand the impact of policies on municipal asset management and implement a long-term sustainable development strategy.



At the request of developing countries, and with sustainable development considerations front of mind, UN DESA expanded its capacity-building efforts on issues such as double taxation, transfer pricing and carbon taxation.

Building capacities for effective taxation

UN DESA made concrete progress during the past year in its ongoing effort to ensure that taxation plays an effective role in domestic resource mobilization for sustainable development. The Department worked to provide a forum for developing country leadership in discussions on tax policy and administration. Through support to the Committee of Experts on International Cooperation in Tax Matters and related capacity-development, UN DESA is equipping countries to better identify and address prevailing threats to their tax bases and take advantage of opportunities to more effectively mobilize resources in an increasingly digitalized economy.

UN DESA supported a successful 18th session of the Committee this year. In a notable achievement, the Committee agreed to an accelerated workplan for ensuring

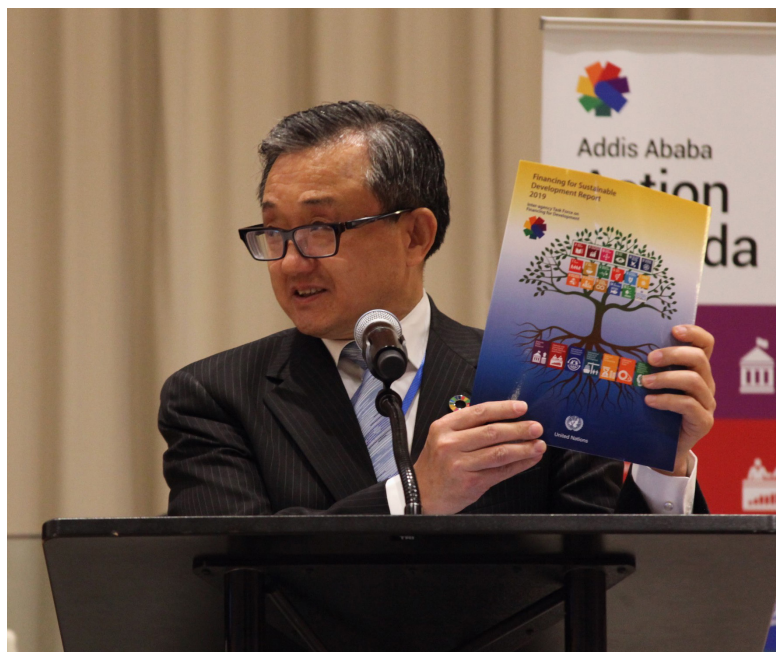
that digitalized ways of doing business do not result in tax avoidance and erosion of tax bases. UN DESA also supported the ECOSOC special meeting on International Cooperation in Tax Matters. The special meeting provided an opportunity to address emerging issues of tax policy and administration related to digitalization of the economy, taxation and environmental protection, and taxation and inequality. The vibrant discussion on the digitalized economy made clear the important role of the Committee and the need for a multilateral solution.

Mobilizing development cooperation for the SDGs

UN DESA serves as the substantive secretariat to the Development Cooperation Forum (DCF), which generates policy recommendations for both the HLPF and FfD Forum. Through its support to the DCF, UN DESA animates the international community to enhance the quantity and quality of Official Development Assistance (ODA); strengthen policy, technical and institutional capacities, including for domestic resource mobilization and blended financing; facilitate the development and transfer of science, technology and innovation solutions, including through South-South and triangular cooperation; and achieve more results-based and effective cooperation and multi-stakeholder partnerships.

2019 ECOSOC Forum on Financing for Development follow-up, April 2019. Photo: UN DESA/P. Vasić





UN DESA Under-Secretary-General Liu Zhenmin launches the Financing for Sustainable Development Report at the 2019 ECOSOC Forum on Financing for Development follow-up, April 2019. Photo: UN DESA/P. Vasić



Identifying financing needs and making policy recommendations

UN DESA convenes the Inter-agency Task Force on Financing for Development, which comprises over 60 international organizations, including the United Nations, the International Monetary Fund and the World Bank. The Department led the preparation and analytical work for the **2019 Financing for Sustainable Development Report**, the main substantive input to the ECOSOC Financing for Development Forum. The report emphasized that multilateral arrangements in trade, debt, tax cooperation and other areas are under stress due to growing inequality and changes in technology and geopolitical factors. However, these challenges provide an opportunity for reform to make the

international system fit for purpose to advance sustainable development in a rapidly changing world.

At the national level, the report put forward building blocks for countries to operationalize integrated national financing frameworks. These building blocks – assessments of financing needs, opportunities and risks; a financing strategy that matches resources with needs; monitoring and review mechanisms; and a governance and coordination structure – will also inform the strengthened UN country teams as they advise governments on financing strategies for SDG achievement.