THE PRESIDENT
OF THE
GENERAL ASSEMBLY

6 July 2017

Excellency,

I am pleased to enclose herewith the summary of the High-Level SDG Action event entitled SDG Financing Lab, held on 18 April 2017, that was convened at United Nations Headquarters, New York, in collaboration with the UNEP Inquiry and with support from the Group of Friends of SDG Financing.

The summary contains the key message and recommendations emanating from discussions in the panels held during the event, as well as from the intergovernmental plenary.

It is my hope that this summary will motivate further action in the area of sustainable finance as Member States, the UN system and other stakeholders continue to work towards the effective implementation of the 2030 Agenda for Sustainable Development, the Paris Agreement on Climate Change, and the Addis Ababa Action Agenda.

Please accept the assurances of my highest consideration.

Peter Thomson

All Permanent Representatives and
Permanent Observers to the United Nations
New York

President's Summary of Key Messages and Recommendations

Introduction

On 18 April 2017, the President of the 71st United Nations General Assembly, H.E. Mr. Peter Thomson, in collaboration with the UNEP Inquiry into the Design of a Sustainable Financial System, convened Member States for a High-Level Action Event entitled SDG Financing Lab.

The meeting followed a series of engagements by the General Assembly with relevant actors from the financial sector international organizations and academia, including the World Bank Group, the UNEP Inquiry, the Brookings Institution and the G-20. Those engagements were designed by the Office of the PGA to generate momentum on SDG implementation by increasing understanding among Member States in relation to sustainable finance.

The objective of the SDG Financing Lab was to highlight the critical importance of sustainable finance for the achievement of the SDGs, including climate action, and to strengthen the role of the United Nations in this area. Specifically, it focused on how to drive the transformation to align financial markets with sustainable development, as well as showcasing concrete ways in which Member States can approach the financing of different SDGs.

Overview of proceedings

The opening ceremony included statements from the President of the General Assembly, as well as from the Deputy Secretary-General, Ms. Amina Mohammed, and Mr. Mahmoud Mohieldin, Senior Vice-President of the World Bank Group for the 2030 Development Agenda, UN Relations, and Partnerships. In her remarks, the Deputy Secretary-General stressed the importance of strengthening the capacity of countries to implement the 2030 Agenda at the national level, including through increased domestic resource mobilization.

The SDG Financing Lab consisted of an opening segment, high-level panel entitled "Setting the Scene - What will it take to finance the SDGs?", which included a keynote statement from Mr. Sunil Mittal, President of the International Chamber of Commerce, an intergovernmental plenary including statements from 35 Member States, as well as three parallel workshops aimed at highlighting specific strategies to finance different clusters of SDGs.

Key messages

The key messages emerging from the SDG Financing Lab are as follows:

1. The financing needed to fund the SDGs already exists around the world. What is needed is to align global financial systems to sustainable development, and to get the right incentives and regulatory frameworks in place to shift investments towards sectors that advance SDG implementation. To this end, reporting criteria and guidelines, such as SDG-consistent certification standards, or 'SDG ratings', could be established for relevant business and financial sector actors.

2. For business, the SDGs make economic sense. Estimates suggest that SDG implementation has the potential to generate trillions of dollars in market opportunities, and many private sector actors are already reporting that the reputational gains from their SDG actions are improving their bottom lines. Nevertheless, despite support for sustainable investments, the availability of financing, and the ongoing development of bankable and sustainable projects, there continues to be a market failure that hinders the flow of financing towards sustainable investment options, and which requires further attention.

3. The United Nations has an important role to play in facilitating this discourse. In addition to its critical role in the follow up and review of Member States implementation of the SDGs through the High-Level Political Forum, the UN can also help to provide a platform to bring together the public and private sectors to facilitate dialogue and bridge understanding on shared interests and goals.

4. For many governments, the importance of Official Development Assistance (ODA) and the meeting international commitments remains critical. Some speakers also highlighted national efforts to establish an enabling regulatory environment to encourage investment and capacity building efforts to strengthen tax collection systems.

5. The need for inter-sectoral partnerships was noted, including the need for political partnerships, such as the Group of Friends of SDG Financing, co-chaired by the Permanent Representatives of Canada and Jamaica. The need to keep commitments related to the Addis Ababa Action Agenda (AAAA), the Technology Facilitation Mechanism, and the Technology Bank for Least Developed Countries, among others, was also stressed.

Additional recommendations

A number of more specific recommendations emerged from the parallel workshops. These include the following:

- Develop criteria to better measure SDG financing and its impact
- Change mindsets to make sure financing does not leave people behind
- Increase the UN's focus on fostering entrepreneurialism, particularly among the youth and women
- Ensure adequate focus on domestic resource mobilization
- Risk is a paramount concern and "suspicion is the name of the game"
- Public-private partnerships are, first and foremost, a risk-sharing scheme
- There is a huge gap in information in the financial sector about investment opportunities tied to the 2030 Agenda, particularly in developing countries, which often results in supervaluation of risks
- Private investors lack the capacity to carry out risk assessments and due diligence on investments in developing countries and emerging economies
- Member states should work with multilateral, regional and national development banks to help de-risk investments in sustainable development
- The UN can help foster a longer term perspective in investments through political signals
- Urbanization is an opportunity to put adequate governance and regulatory frameworks in place
- Formalization of jobs can be a triple win for workers, governments, and enterprises
- Aid must be used effectively, not only to leverage additional resources mobilization, but also to build human and institutional capacity where it is needed

- Create institutions that can build pipelines of bankable SDG projects, even while looking to go beyond project level
- Identify successful models that can be scaled and replicated: there are a lot of actors willing to be second in line after something is shown to work, but few willing to be first and try something new
- Formulate a new generation of investment promotion strategies that mainstream the SDGs, targets and indicators
- Need for political will – grand pact between governments and owners of institutional capital, as has been done in times of war
- Aligning different types of funding with different projects
- The UN must help to build the narrative that green paths can be successful. Rhetoric from political leaders can make a big difference
- The strength of the UN lies in its neutrality and convening power – governments and private sector listen
- The UN is in a good position to make the business case for reforming the financial system and investing in the SDGs
- There is a growing interest in intermediaries – financial institutions sitting in the middle, especially those with long term liabilities, such as pension funds

The present summary cannot do justice to the breadth and depth of discussions held during the course of the event. Videos of the entire event can be found online here .