

Financing the SDGs: What will it take?



United Nations Secretary-General António Guterres addresses his High-level Meeting on Financing the 2030 Agenda for Sustainable Development on 24 September 2018 – UN Photo/Evan Schneider

The [2030 Agenda for Sustainable Development](#) reflects an ambitious plan for humanity and the planet, and will require a significant mobilization of investments, resources and capacities to be achieved.

In 2015, world leaders met in Ethiopia and committed to financing the 2030 Agenda and the [17 Sustainable Development Goals \(SDGs\)](#). The [Addis Ababa Action Agenda](#), which was subsequently adopted, provides a global framework for financing sustainable development by aligning finance with economic, social and environmental priorities. It also sets out a list of over 100 concrete measures, touching on domestic public resources, private finance, international development

cooperation, trade, debt, technology, innovation, and data to reach the SDGs.

Honoring its principles requires transitioning from business as usual. The challenge of achieving the SDGs by 2030 is immense. Even when combined, current government resources and private funding towards the SDGs simply are not enough. Moving from billions of dollars in financing to trillions in investments is necessary. Based on a [recent estimate done by the International Monetary Fund](#), achieving the SDGs in a subset of 49 developing countries—focusing on health, education, water and sanitation, roads and electricity—would require additional spending of about US\$ 520 billion a year, or an increase of 14 percentage points of GDP on average.

The challenge is not only quantitative, but also concerns the quality of resources made available as well as their impact on sustainability. Increasingly, finance needs to be channeled towards sustainable growth and development, working with new partners to deliver. As highlighted in the [2018 report of the Inter-Agency Task Force on Financing for Development](#), too much current investment remains short-term and volatile, and the systemic change needed to transform economies and societies is not yet happening. Governments need to make it easier for business to finance and invest in sustainable development projects, the private sector needs to mobilize for long-term investment, and new solutions for financing the SDGs must be created.

Often, the perceived risks for sustainable investments are too high. As a result, essential needs such as water and energy are under-financed, inhibiting growth and development. Furthermore, many communities most in need of financing are unable to access it. Typically, investments bypass the poorest countries where local resources are constrained.

To address these challenges, the Secretary-General organized a High-level Meeting and launched a [Strategy for Financing the 2030 Agenda for Sustainable Development](#) on 24 September 2018 at UN Headquarters. The Strategy aims to put the world on a more sustainable path by providing strong UN support to efforts to mobilize finance for the SDGs. It focuses on three priority areas for building momentum. First, global financial and economic policies urgently need to be aligned with the 2030 Agenda, making sustainable development a core component of the global economy. Second,

sustainable financial strategies need to be enhanced at the national and regional levels. Third, the potential of financial innovations, new technologies and digitalization for financial inclusion and overcoming investment gaps should be more fully exploited.

The United Nations is working with partners, across many countries to improve [financing for sustainable development](#), and a roadmap for the Secretary-General's strategy will clearly outline how it will do so between 2018 and 2021. Getting this right means shared prosperity, fairer societies and a healthier planet.

The year 2019 will be a year of several milestones, including the ECOSOC Financing for Development Forum (FFD Forum) and SDG Investment Fair in April, as well as the High-level Dialogue on Financing for Development and SDG Summit in September. Providing resources where they are most needed and scaling up new innovations to finance sustainable development will help to ensure that no one is left behind with regard to progress on the SDGs.