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71st session of the General Assembly

Statement by H.E. Peter Thomson, Informal briefing on Sustainable Finance

Excellencies,

Today's briefing is part of the ongoing efforts of my Office throughout the 71st Session to drive implementation of the Sustainable Development Goals. It intends to stimulate discussion on sustainable finance and means of implementation of the SDGs.

Today's meeting builds on the Ministerial-level event held in September during the General Assembly's High-level week, and which brought together senior representatives of Government, the UN system, and the financial and private sectors, to discuss sustainable financing of the SDGs.

It is also one part of our plan to use the convening power of my Office to organize several further discussions on this issue throughout the Session, including by holding a High-Level event on Sustainable Finance in April, that aims to foster greater engagement between senior representatives of Government, the UN system, international financial institutions, investors, and civil society.

Excellencies,

As Governments and partners look to turn the 2030 Agenda into action, sustainable financing has been identified as fundamental to our efforts to drive implementation of the SDGs on the scale necessary for them to be reached in the next 14 years.

Current estimates suggest that implementing the SDGs will require annual investments of between US\$5-7 trillion. According to one of the reports being presented here today, investments of this order of magnitude are already taking place – but without being dedicated to the pursuit of the SDGs. We therefore need to redirect existing financing streams and increase investments from new sources.

In order for this to happen, all sources of finance will need to be tapped into.

It is possible to establish sustainable financial systems that promote long-term investments for sustainable growth over short-term rent and profit-seeking; foster social inclusivity; and encourage environmentally sustainable practices.

But it requires hard choices to be made by Governments, including reforms of policy and regulatory frameworks, governance structures, and incentive schemes. Key stakeholders need to be involved and to

support these efforts, including central banks, market and financial regulators, standard-setting bodies, international organizations, civil society, and the private sector itself.

These processes have already begun to take place, particularly at the national level. However, these efforts are widely dispersed, and need to be scaled up considerably in order to become part of a systematic effort. Achieving this requires all actors in the global financial system to be involved.

Excellencies,

While both domestic and international public funds are vital to driving implementation of the 2030 Agenda, private investments are also essential.

Even though private capital flows largely respond to risk and return considerations, they are also a function of regulatory environments, incentives, market practices and governance structures. Therefore, in order to harness these flows towards sustainable development, it is essential that policy-makers look at ways to influence investment decisions so that private and institutional finance is not only directed away from high-carbon sectors and into more sustainable investments, but also accelerated and intensified towards SDG implementation.

Without further delay, let us move on to the program for today.

First, Mr. Simon Zadek. Since 2014, Simon Zadek and Nick Robins have co-directed the UNEP Inquiry into the Design of a Sustainable Financial System, which has been exploring policy options to mobilize and direct capital towards sustainable development, by examining innovative national experiences. The results of this work indicate that transforming the global financial system is possible, through policy decisions.

Also here is Dr. John McArthur of the Brookings Institution. Dr. McArthur, together with Dr. Homi Kharas, produced a policy brief entitled “Links in the Chain of Sustainable Finance: Accelerating private investments for the SDGs, including climate action”, which explores ways in which actions by regulators, financial managers, policymakers and businesses can help to ensure private financing is oriented towards achievement of the SDGs.

Following the presentations of our distinguished panelists we will be opening up the floor for questions and comments.