



Synopsis: The Secretary-General's Strategy for Financing the 2030 Agenda for Sustainable Development (2018 – 2021)

Background: The United Nations has a critical role in supporting the mobilization of finance for sustainable development. The Secretary-General's Strategy sets out the key elements of this role, and the actions the UN will take to help accelerate and deepen the transformation of financial systems to provide development finance efficiently. The Strategy also leverages the convening power of the UN to bring together the relevant actors to accelerate mobilization of finance for the 2030 Agenda, and builds on the Addis Ababa Action Agenda (AAAA) – as the global framework for financing sustainable development with concrete policy actions for the 2030 Agenda for Sustainable Development, as well as the Paris Agreement on Climate Action. It draws on the work of the Inter-Agency Task Force on Financing for Development, as well as on-going work on financing within the UN and with its key partners.

Objectives: The Strategy aims to accelerate progress in key areas where the leadership of the Secretary-General can galvanize action from the global to the local arena.

Objective 1: Aligning global economic policies and financial systems with the 2030 Agenda. Public policies that are firmly and consistently formulated to achieve sustainable development can realign incentives and alter market perceptions of risk. Making the necessary changes to the policy framework must ensure specific financial sector policies and regulations that encourage the rising demand for, and supply of, finance for sustainable activities. There are still no globally agreed definitions of concepts such as impact and sustainable investing, despite growing private interest in them. The UN plays a unique role in setting the global norms with which economic policies and financial systems should be aligned, including through the comprehensive vision set by the Monterrey Consensus, Doha Declaration, and AAAA. The UN has been working closely with global policymakers and regulators to foster a deeper understanding of the role of public policy in developing a sustainable financial system. Private financial institutions have also been working with the UN to understand today's environmental, social and governance challenges and why they matter to finance.

Objective 2: Enhancing sustainable financing strategies and investments at the regional and country levels. The UN development system will support the development of sustainable financing strategies at the country and regional level, particularly through its country offices and regional teams. Member States will thus be better equipped to attract capital for the SDGs. Countries must also strengthen and increase the effectiveness of their tax systems to generate the domestic resources for funding the government contribution to meeting the SDGs. The UN will continue providing capacity-building support for domestic resource mobilization in countries that need assistance, while working with other international institutions to help developing countries address challenges in international taxation that complicate their domestic resource mobilization efforts, such as illicit financial flows, tax evasion, tax transparency and base erosion and profit shifting.

Objective 3: Exploiting the potential of financial innovations, new technologies and digitalization to provide equitable access to finance. Access to finance is one of the pre-requisites of sustainable and equitable development. While the digitalization of finance has allowed for major progress in financial innovation, large gaps remain in the poorest countries, for women and micro, small and medium-sized enterprises. Financial innovation, including new financial instruments, as well as new financial technologies, institutions and markets have great potential to help close these gaps, although they also raise potential risks. This poses challenges to financial regulation and consumer protection. The UN will bring together policy makers and financial regulators, as well as the innovators in the space of digital finance and fintech, to exchange information and experience on innovative financial instruments and good practices.

Way forward: The Secretary-General will provide a three-year (2018-2021) roadmap of actions and initiatives, building on current and future activities of key stakeholders, to mobilize investments and support for funding the 2030 Agenda. The Deputy Secretary-General will lead its implementation.