



- Good morning excellencies, distinguished delegates and colleagues, thank you for having me.
- It is critical that the LDC5 Conference delivers concrete solutions that make finance work better for the LDCs and graduating and graduated countries.
- The Sustainable Graduation Support Facility (SGSF) is one such measure that can provide graduating and graduated countries the capacity support they need to achieve a smooth transition and address the loss of LDC-specific international support measures.
- The LDC5 outcome document also calls for a dedicated financing mechanism that uses catalytic capital to mobilize sustainable private finance.
- Together, these two dedicated facilities can play a complementary role in providing graduating LDCs access to finance.

- In this context it is critical for us in UNCDF to think about how we can be more ambitious and further increase our support in responding to the calls for these dedicated support facilities.
- In the coming years, UNCDF aims to accelerate the transition to become a hybrid organization between a development agency and development finance institution.
- This means that we will pursue integrated approaches to support SDG achievement by providing a combination of policy and technical support along with catalytic financing and financial advisory services.
- Our work to support inclusive digital economies and finance, along with municipal development finance and infrastructure investments, remains a critical foundation for our work.
- This helps strengthen the enabling environment, public and private capabilities and domestic market ecosystems that allow countries to

increasingly attract investments, including from external public and private capital providers.

- For example, to support transformation to digital economies, we work with fintech firms and digital platforms to help link small and medium-sized enterprises (SMEs) to markets, to financial services and to integrate digital solutions in their business models.
- We also explore innovative ways for how digital technologies can help mobilize SDG investments. In Bangladesh for example, we have a project underway to digitally mobilize small balance savings and invest them in green infrastructure which provides a return. This could help unlock some of the billions of dollars of savings in the country and transform Bangladeshi citizens from micro-savers to micro-investors.
- In our support for increasing flows of finance to the municipal level, one example is how we help mobilize and channel climate finance to the local level. In Cambodia, for example, we have brought localized climate adaptation finance to over 50 districts for investments in local climate resilient infrastructure. We also supported direct access to the Green Climate Fund for local authorities in Cambodia.

- UNCDF can also use its financial instruments to provide catalytic capital to growth SMEs and strategic small investment projects with transformative SDG potential, to crowd in much needed additional investments.
- Our BRIDGE Facility allows us to directly provide flexible loans and guarantees to de-risk and help attract additional commercial and semi-commercial resources to small businesses and other SDG-aligned investments. If properly resourced, the BRIDGE Facility can fulfill its mandate to serve as a dedicated financing mechanism for LDCs and graduating countries.
- To facilitate access to additional finance, we also established and support two third party managed **blended finance funds** that provide commercial investment finance to graduating and graduated countries.

- This includes the \$250 million BUILD fund to support SMEs, and EUR350 million International Municipal Investment Fund for infrastructure and other municipal investments.
- We are also positioning UNCDF strategically as the UN **flagship catalytic financing agency** serving the wider UN development system, providing financial expertise, instruments and solutions that other UN entities do not have. This will allow our financing support to achieve greater scale and allow us to continue providing these instruments to graduating and graduated LDCs.
- To further help attract investments, we are also expanding support to countries to identify and develop pipelines of bankable enterprises and projects with SDG impacts.
- UNCDF looks forward to working with the Sustainable Graduation Support Facility to address challenges faced by graduating and graduated LDCs in accessing finance and attracting additional resources from the private sector to SDG-aligned investments.
- Thank you.