

PGA SDG Action Event

High-Level SDG Financing Lab – How to finance the SDGs?

18 April 2017, Trusteeship Council

CONCEPT NOTE

As part of his SDG Action Events to push for momentum on SDG implementation across all 17 sustainable development goals, the President of the General Assembly is convening a high-level SDG Financing Lab.

This one-day event, organized in collaboration with the UN Environment Inquiry into the Design of a Sustainable Financial System, will highlight the critical importance of sustainable finance for the achievement of the Sustainable Development Goals, including climate action. It will focus on how to drive the transformation to align financial markets with sustainable development, as well as showcase concrete ways in which Member States can approach the financing of different SDGs.

Context

The 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda, and the Paris Agreement on Climate Change constitute a masterplan for combatting poverty and inequality, generating shared prosperity, protecting our natural environment and achieving more peaceful and inclusive societies. The implementation of this masterplan, however, requires action across all sectors and from all actors.

Financial flows in particular need to be more aligned with long term sustainable development objectives. The Addis Ababa Action Agenda recognizes that funding from all sources, public and private, bilateral and multilateral, domestic and international, as well as alternative sources will need to be tapped into in order to achieve the SDGs. However, while there is agreement that the global stock of financial assets is sufficient to address the needs of the 2030 Agenda, including climate action, many countries face challenges in mobilizing the right mix of resources to achieve their development objectives. While some goals and targets lend themselves to financing primarily through private investments or blended finance, others may be most efficiently financed through international and/or domestic public finance. Furthermore, depending on the specific country context, different financial instruments may be available or can be more suitable for addressing the development priorities set by each Member State.

The right conditions need to be created to unlock these resources, ensuring that both public and private finance is channeled in ways that contribute towards sustainable development. This will require a significant transformation of policy frameworks, regulatory measures and incentives, market practices, and norms and standards, among others. Getting the policies right can unleash a host of business opportunities that can usher in inclusive economic growth, social justice, and environmental stewardship.

While there is no “one size fits all” approach to financing sustainable development, fostering the sharing of experiences and information, can help identify strategies that are best-suited to specific country contexts.

The SDG Financing Lab will bring together a range of stakeholders for an in-depth discussion on what is needed to finance the SDGs. It will take stock of what the main public and private financial sector actors are doing to align financial markets and investment patterns with sustainable development, and consider the business case for the SDGs. It will also provide a platform to showcase concrete approaches to financing groups of SDGs – social, environmental and economic goals - including through innovative instruments such as green bonds, and impact investing.

Objectives

Whereas the FFD Forum in May 2017 will review implementation of the entire Addis Ababa Action Agenda (AAAA), the overall objective of the PGA’s Financing Lab is to generate momentum for SDG implementation by growing support for the alignment of the global financial system with sustainable development and the SDGs, and strengthening the role of the UN in fostering sustainable finance, in line with Chapter II of the AAAA.

By providing a platform to take stock of what is currently being done in SDG Financing, the SDG Financing Lab aims to increase awareness among Member States of the significant business opportunities provided by the SDGs, and of different strategies to finance sustainable development. The Lab will offer opportunities for interaction between Member States and private sector actors involved in SDG implementation, with a view to fostering new partnerships and implementation initiatives.

Format

This one-day event will comprise an opening ceremony, to be followed by a panel discussion that will set the scene for thinking and action around SDG financing. The morning will be concluded with a high-level intergovernmental plenary debate. In the afternoon, three parallel workshops will showcase concrete approaches to financing specific groups of SDGs. A summary of the takeaways from each Workshop will be discussed in a final plenary session, which will be followed by a short closing segment.

Participants

The SDG Lab will be open to all Member States, as well as accredited civil society and private sector organizations. Public and private financial sector actors will also be invited. Member State participation at ministerial level is encouraged. Speakers will include government officials, UN system representatives, CEOs, investors, international organizations, as well as representatives from civil society and academia.

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ANNOTATED PROGRAMME

10:00-10:30 Opening Ceremony by SG and PGA

10:30-11:45 Setting the scene

What will it take to finance the SDGs? – From ambition to reality

This panel discussion will give an overview of the major sources of finance that have to be channeled into financing the Sustainable Development Goals, and what it will take to mobilize them. It will focus on the transformations needed to align the global financial system with sustainable development, particularly at the regulatory and policy levels, and consider the role of various actors, such as central banks, stock exchanges, financial regulators, standard setters, asset managers, pension funds, insurance companies, institutional investors, philanthropists, among others. It will also touch on how the challenges posed by sustainable development will drive business opportunities and foster innovative development solutions, bringing changes to the real economy in areas such as health, education, and agriculture, among others.

Guiding questions for discussion:

- How are global financial resources currently invested and how can they be redirected to finance the SDGs?
- How can international financial regulatory frameworks continue to be improved while at the same time contributing to sustainable development?
- How can the global asset pools and the different forms of available financing be channeled and combined to fund innovative development solutions in developing countries? Can we scale up what is already happening?
- How can the global finance ecosystem engage to catalyze investments in the SDGs? Who are the key actors that will drive this transformation towards sustainable financial systems?
- How can technological progress, particularly fintech, accelerate achievement of the SDGs?

11:45-13:00pm – High Level Segment and Intergovernmental Plenary Debate

13:00 – 15:00 Lunch Break

15:00-17:00pm – Plenary Debate continued

15:00-17:00pm Workshop 1 – Building an inclusive and peaceful future for all (SDGs 1-5, 16)

Given the overall objective of ending poverty and hunger, social and governance goals are at the heart of the 2030 Agenda for Sustainable Development. Tackling poverty and its consequences, hunger, food insecurity and malnutrition, poor health and inadequate access to education, including the unfinished business from the MDGs, is an essential element of building a future where no one is left behind. Full coverage of social protection schemes, gender equality, the empowerment of women and girls, and building peaceful societies with inclusive institutions are also crucial. Achieving the social goals will require sizable public and private investment, increased institutional capacity, and new technical and technological means adapted to recipient communities. The workshop will review strategies available to finance these objectives.

Guiding questions for discussion:

- What is the business case for pro-poor and social investments?
- What are the challenges of financing technical and institutional capacity building?
- How can social protection systems be financed? Are there innovative models being put in place?
- How can public-private partnerships provide more effective delivery of services in health and education? What are the challenges involved?
- How can the efficiency of domestic tax collection be improved to increase the quality and quantity of public spending? What is the specific role of ODA here? What is the role of UN partnerships?
- How do we develop new, climate resilient agriculture practices that contribute to increased food security?
- How can gender responsive budgeting contribute to promoting gender equality and the achievement of the SDGs?

15:00-17:00pm Workshop 2 – Fostering economic growth and development, building resilient infrastructure, and tackling inequality (SDGs 7-11)

Achieving the SDGs represents a significant opportunity for private sector development. Greater momentum on the economic goals will put humanity firmly on a path towards shared prosperity and sustainable growth, a world of better and more productive job opportunities, and inclusive access to energy, finance and communications. This workshop will consider different approaches to financing sustainable infrastructure, as well as productive investments that generate sustainable economic growth, decent jobs, and reduce income inequality. Speakers will discuss the business case for investment in

the SDGs, as well as how to create the conditions to unlock private resources for investment in sustainable development.

Guiding questions for discussion:

- How can we accelerate access to sustainable energy for all, particularly those furthest behind?
- What can be done to accelerate the development of bankable projects? How to create and finance capacity and expertise?
- How to generate the necessary scale for investment and domestic capital market development in small and fragile economies?
- How can governments facilitate the development of local capital markets and foster entrepreneurship? What can be done at the global level?
- What are the strategies that will foster the creation of decent jobs in the coming years?
- How can cities galvanize implementation efforts and serve as hubs for cross-cutting solutions in SDG implementation? Where will the money come from?

15:00-17:00pm Workshop 3 – Protecting our world in the present and the future (SDGs 6, 12-15)

Preserving the environment is vital for the well-being of future generations. Economic growth and social inclusion can only be sustainable if the ecosystems around us are healthy and capable of sustaining the current and future needs of society. The workshop will address strategies for financing environmental sustainability including clean water, land and ocean conservation, sustainable consumption and production patterns, as well as climate action, with a focus on the role of different types of finance, and the necessary regulatory and institutional arrangements to unlock them.

Guiding questions for discussion:

- What are the challenges in mobilizing financing for sanitation infrastructure?
- How can innovative technologies contribute to accelerating access to safe, affordable drinking water for all?
- How can investments in food waste reduction contribute to positive outcomes in food security, health, air and water pollution? Are there innovative models that could be scaled up?
- How will climate finance and development finance complement each other for the achievement of the SDGs?
- How to ensure the preservation and restoration of land ecosystems while promoting productive investment and economic growth. Is tourism the only way?

17.15-18.00pm – Interactive discussion on workshop results and closing

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DRAFT PROGRAMME

10:00-10:30	Opening Ceremony			
10:30-11:45	Setting the scene – interactive panel discussion on: - What will it take to finance the SDGs? – From ambition to reality			
11:45-13:00	High-level segment			
LUNCH BREAK				
15:00-17:00	<u>Plenary Debate</u> (continued)	<u>Workshop 1</u> Building an inclusive and peaceful future where no one is left behind (SDGs 1-5, 16,17)	<u>Workshop 2</u> Fostering economic growth and development, and tackling inequality (SDGs 7-11, 17)	<u>Workshop 3</u> Protecting our world in the present and the future (SDGs 6, 12-15,17)
BREAK				
17:15-17:50	Interactive discussion on workshop results			
17:50-18:00	Closing segment			