



## ENSURING SUSTAINABLE FINANCING

### ... to deliver a sustainable future

In 2023–2024, UN DESA spearheaded its vital support to Member States and other stakeholders in tackling multiple global crises and supporting a coordinated response to finance recovery and the Sustainable Development Goals (SDGs). The Department initiated preparations for the fourth International Conference on Financing for Development to be held on 30 June–3 July 2025 in Spain. UN DESA also supported negotiations of draft terms of reference for a UN framework convention, aimed at establishing an inclusive, fair, transparent, efficient, equitable, and effective international tax system that supports sustainable development.

### UN DESA...

- Led research and analytical work to identify financing challenges in the lead up to the fourth International Conference on Financing for Development and presented possible solutions.
- Stepped up support to developing countries, strengthening capacities in tax policy and administration, mobilizing private investment for the SDGs and integrated national financing frameworks.
- Supported the Secretary-General's advocacy for an SDG Stimulus and for reform of the international financial architecture.
- Supported the UN intergovernmental process on tax, towards building a legitimate, fair, stable, inclusive, and effective international tax system that responds to the needs, priorities, and capacities of all countries, and accelerates progress towards the SDGs.

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## ENSURING SUSTAINABLE FINANCING

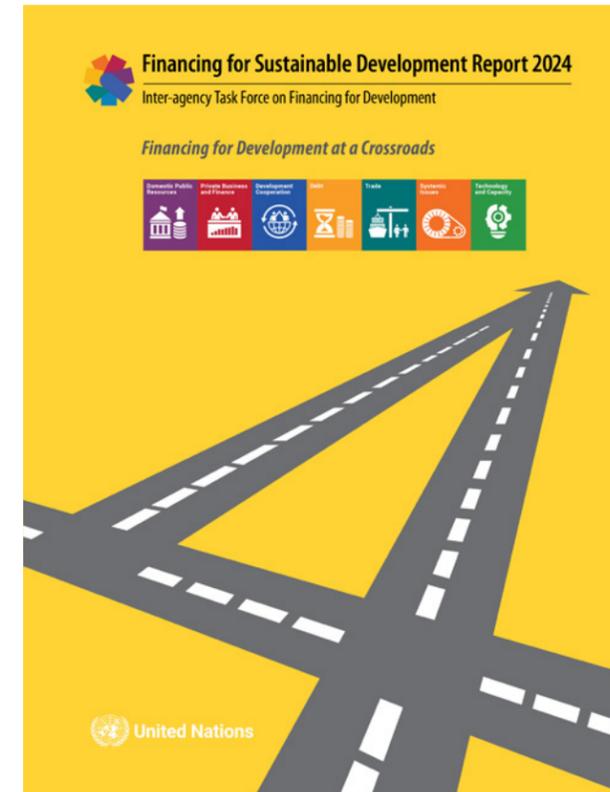
The world is facing a sustainable development crisis, with financing challenges at its heart imperiling the SDGs and climate action. Financing gaps for sustainable development are large and growing, with around \$4 trillion additional investment needed annually for developing countries. The finance divide has not been bridged, with developing countries paying around twice as much on average in interest on their total sovereign debt stock as developed countries. Many countries lack access to affordable finance or are experiencing debt distress. To support countries in addressing these challenges, UN DESA's support was centred around preparation for the fourth International Conference on Financing for Development in 2025, which will be a last chance to correct course if the SDGs are to be achieved by their 2030 deadline.

### Financing for development at a crossroads

The Inter-agency Task Force on Financing for Development, chaired by UN DESA Under-Secretary-General Li Junhua, sounded the alarm that the world is facing a sustainable development crisis, and that financing challenges are imperiling the SDGs and climate action. In its annual evaluation of the global sustainable finance landscape, the *Financing for Sustainable Development Report 2024: Financing for Development at a Crossroads*, the Task Force underscored the need to urgently close financing gaps through an investment push, close policy and architecture gaps to make the international financial architecture (IFA) fit for purpose in a crisis-prone world, and close credibility gaps, translating rhetoric into action to rebuild trust in multilateralism.

### Advancing Integrated National Financing Frameworks in Small Island Developing States

UN DESA supported SIDS to advance integrated national financing frameworks (INFFs), strengthening their capacity to align and mobilize financing with their national development priorities and the SDGs. The Financing for SIDS (FINS) initiative was launched by UN DESA in January 2023, with initial funding from Italy and further supported by Denmark. FINS places financing advisors within the relevant Ministry to assist with INFF implementation, and is currently being implemented in Dominican Republic, Fiji, and Seychelles. In Dominican Republic, an embedded financing advisor is providing



support for assessments and diagnostics, financing strategies and governance mechanisms, along with capacity-building workshops to ensure knowledge transfer. In Seychelles and Fiji, support will be provided in preparing a financing strategy for their respective national development plans, as well as technical advice on institutional arrangements and governance mechanisms to advance the INFF process.

### Scaling up long-term affordable financing for the SDGs

UN DESA worked to bring the Secretary-General's SDG Stimulus front and centre in intergovernmental negotiations. With the aim to offset the challenging market conditions that many developing countries face, the Stimulus called for a significant increase in financing and investment in the SDGs by at least \$500 billion per year.

The Department helped feature the SDG Stimulus as one of 12 High Impact Initiatives of the SDG Summit with the potential to accelerate efforts towards



Ken Ofori-Atta, Minister for Finance and Economic Planning of Ghana, speaking at the SDG Stimulus session during the SDG Summit in September 2023. | UN DESA

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**Financing challenges are at the heart of our inability to make sufficient progress on the SDGs.**

Li Junhua, Under-Secretary-General  
for Economic and Social Affairs

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just development transitions and SDG achievement. Ministers from both developed and developing countries, and representatives of multilateral development banks (MDBs), the private sector and other stakeholders gathered to discuss how to advance key tenets of the SDG Stimulus. Creation of a Leaders Group was announced by the Secretary-General to deliver clear steps to unlock the additional \$500 billion before the end of 2024.

### Mobilizing tax and domestic resources for the SDGs

Amid the economic and cost of living crisis, UN DESA helped countries in their efforts to raise domestic resources and align tax policies in support of the SDGs and climate action. Through its Secretarial role, the Department helped advance the work of the UN Committee of Experts on International Cooperation in Tax Matters on key topics including bilateral tax treaties, the taxation of the digitalized and globalized economy and the interaction of tax, trade and investment. This year the Committee released a *Handbook on the Taxation of Wealth*, along with guidance on transfer pricing for agricultural products and for the pharmaceutical industry. It also examined the role of carbon taxes and other measures in supporting the energy transition.

Responding to an increasing demand and growing need for training on complex tax topics, UN DESA also delivered a series of workshops – both virtual and

in-person – for tax officials from developing countries. These workshops built expertise in tax treaties, transfer pricing, and gender-responsive taxation, fostering collaboration among tax professionals from diverse backgrounds and regions, in support of SDG implementation.

### Promoting a framework for inclusive and effective international tax cooperation

Through the UN intergovernmental process on tax, Member States are working towards a legitimate, inclusive, and effective international tax system; one that responds to the needs, priorities, and capacities of all countries, and accelerates progress towards the SDGs. To this end, UN DESA supported the Ad Hoc Committee to Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation taking a holistic, sustainable development perspective that considers interactions with

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**This workshop has provided good guidance on how we should conduct our negotiations and update our treaty models/domestic law.**

Participant of the UN Regional Workshop  
on the Taxation of Services  
Held from 4–8 December 2023,  
in Addis Ababa, Ethiopia

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other important economic, social and environmental policy areas. International organizations, civil society, academia and business contributed to the Committee’s work throughout the process.



Participants of the UN Regional Workshop on the Taxation of Services, held on 4 – 8 December 2023 at UN ECA, Addis Ababa, Ethiopia. | UN DESA



Participants of the first session of the Ad Hoc Committee to Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation, New York, August 2024. | UN DESA

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**We have to take fully into account the different realities, needs, priorities, and capacities that countries have. This is how we can make real progress towards an international tax system for sustainable development that works for all.**  
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**Mr. Ramy Youssef**  
 Chair of the Ad Hoc Committee to Draft Terms of Reference for a UN Framework Convention on International Tax Cooperation

**Building political momentum and commitments to finance development and climate**

UN DESA delivered the High-level Dialogue on Financing for Development in September 2023, which showcased new financing commitments, presented ambitious but achievable solutions for reforms, and provided momentum for a new SDG-aligned investment push at the highest political level. 17 Heads of State or Government, four Vice-Presidents and Deputy Prime Ministers, and over 50 Ministers and Vice-Ministers attended the High-level Dialogue, which considered ways to foster debt sustainability and strengthen the global financial safety net; promote inclusive and effective international tax cooperation and mobilize

domestic resources; generate innovative approaches and partnerships to boost private finance for the SDGs; and scale up affordable and accessible international public financing for sustainable development. The Dialogue also served as an opportunity for some Member States to announce new pledges and actions to scale up development and climate finance.

**Preparing for the fourth International Conference on Financing for Development**

Through its support to the 2024 ECOSOC Forum on Financing for Development in April 2024, UN DESA provided a launchpad for the preparatory process of the fourth International Conference on Financing for Development (FfD4). Held under the theme “Embarking on

the path towards the fourth International Conference on Financing for Development”, the Forum was a milestone in advancing ambitious commitments that can be elevated to the highest political level. It provided opportunities for in-depth exchange between UN Ambassadors and Executive Directors of the International Monetary Fund and the World Bank Group. Its outcome document advanced key financing issues, surpassing previous commitments on high priorities such as the SDG Stimulus, international tax cooperation and measures of sustainable development that go beyond gross domestic product (GDP).

The first session of the Preparatory Committee for FfD4 was held in Addis Ababa, Ethiopia in July 2024. Around 800 participants, including 29 Ministers/Vice Ministers, representing over 100 countries joined the



Justin Trudeau, Prime Minister of Canada, speaking at the High-level Dialogue on Financing for Development in September 2023. | UN DESA



UN Deputy Secretary-General, Amina Mohammed, at the opening of the first FfD4 Preparatory Committee on 22 July 2024 in Addis Ababa, Ethiopia. | ECA

session. Participants emphasized that addressing the myriad financing for development challenges will require rebuilding trust in global institutions and multilateralism through concerted actions. There was a shared understanding of the urgent need for reforming the IFA to unlock financing with speed and scale, as well as the rules and governance of international taxation, building a development-friendly debt architecture, creating fiscal space for investment in the SDGs and reforming international development cooperation.

### Mobilizing joint UN support to the G20 for rescuing the SDGs and IFA reform

UN DESA represented the UN at the first G20 Sherpa and Joint Sherpa and Finance Deputies meetings under the Brazilian G20 Presidency in December 2023, led by Under-Secretary-General Li Junhua in his capacity as UN G20 Sherpa.

During the meeting, the UN called on the G20 to step up efforts to 1) meet the targets endorsed by world leaders at the SDG Summit, including the SDG Stimulus; 2) take more ambitious climate actions, and 3) advance the reform of the IFA. The UN further invited the G20 to lead in the implementation of the SDG Stimulus. The G20 was urged to present concrete proposals on IFA reform, thereby injecting political impetus to the Summit of the Future. The UN also stressed the importance of inclusive AI governance and asked the Group to consider the work of the Secretary-General’s High-level Advisory Board on AI.



UN system meeting convened by UN DESA Under-Secretary-General Li Junhua in Brasilia, Brazil in December 2023 to coordinate contribution to the G20. | UN DESA

These calls resonated well with the priorities of G20 under the Brazilian Presidency. The Presidency is keen to capitalize on the synergy between the UN and G20 priorities in 2024, with the UN system to play a visible role in the work of the G20. Under-Secretary-General Li Junhua convened a meeting of eight participating UN organizations as well as the Resident Coordinator on the margins of the Sherpa meeting to coordinate positions and ensure that the UN speaks with one voice.

### Connecting private capital to the SDG investment ecosystem

Over \$60 billion in investment opportunities aligned to the SDGs have been presented through UN DESA’s SDG Investment Fair platform since its inception. Considering the critical contribution of private capital in achieving the SDGs, the platform provides a valuable arena and accelerator for development financing and for building an “investment ecosystem” aligned to SDG impact.

The ninth edition of the Fair – held alongside the ECOSOC Financing for Development Forum – took place at UN Headquarters in New York on 23–25 April 2024. It connected government and private sector representatives from Bahrain, Brazil, Colombia, Ecuador, Kyrgyzstan, Indonesia, Mauritania, Nepal, Pakistan, Serbia and Suriname with development finance institutions, investors, and UN finance experts. The Global Investors for Sustainable Development (GISD) Alliance also used the Fair to launch a new guidance report on thematic SDG bond issuance, while the Government of Serbia launched its “SDG Investment Map”. Following the Fair, UN DESA organized a workshop for 18 countries to prepare bankable projects that could attract sustainable investment.

### Scaling up blended finance for sustainable development

UN DESA brought together key actors at the World Bank/IMF Spring Meetings for an interactive dialogue on scaling up blended finance transactions. The side event of the GISD Alliance “Scaling up private capital

mobilization through blended finance”, hosted by the UN Foundation, brought together key actors for an interactive dialogue with the objective of understanding challenges that hinder scaling up blended finance transactions and identifying solutions to spur actions. Experts from multilateral development banks, private sector, governments, and other relevant stakeholders, including UN DESA, discussed concrete examples of successful private capital mobilization in developing countries and cases where blended finance approaches have not produced the desired results.

### Presenting new guidance on sovereign bonds for countries and investors

In April 2024, the GISD Alliance, under the leadership of UN DESA and UNDP, launched the integrated guidance for countries considering SDG bonds and investors looking to scale up investments in sustainable development using these instruments. It considers the benefits, challenges, and lessons learned from recent issuances of sovereign SDG bonds by developing countries. It also presents key recommendations that



Discussion during the SDG Investment Fair in April 2024 on unlocking private capital in SIDS and LLDCs to meet the SDGs. | UN DESA

can be advanced by the UN and multilateral development banks, as well as by donor countries, governments, investors, and banks.

### Investing in forests to address the triple planetary crisis

While forests are central to the SDGs and play a critical role in addressing the interconnected crises facing our planet today, there is a significant financing gap in addressing the issues of deforestation and ecosystem degradation and to achieve the Global Forest Goals and related SDGs.

The Global Forest Financing Facilitation Network (GFFFN), managed by UN DESA, has been central to

bridging financing gaps for sustainable forest management. It supports countries and regions in developing forest financing strategies, identifying and overcoming barriers to financing mobilization. GFFFN also offers capacity-development for securing financing, assisting 13 countries and 2 subregions. Additionally, GFFFN offers up-to-date online databases on funding opportunities, and practical information and learning materials on how to access existing resources, as well as best practices in mobilizing financing. A new database tracking financing flows to forests will be launched by the end of 2024.

UN DESA is also co-leading a \$2 million medium-sized Global Environment Facility (GEF)-funded project on strengthening the conservation of primary forests in collaboration with the International Union for

Conservation of Nature, the Food and Agriculture Organization of the United Nations (FAO) and Griffith University. The project aims to raise the profile of primary

forests among UN Member States and other stakeholders and highlight the need to increase investment in their management and conservation.



GISD Alliance launches guidance on sovereign SDG bonds in April 2024 in New York. | UN DESA



Participants at a capacity-building workshop organized by UN DESA on Forest Landscape Restoration in Fiji. | UN DESA