



EXECUTIVE SUMMARY

UNITED NATIONS SECRETARY-GENERAL'S

Roadmap for Financing the 2030 Agenda for Sustainable Development

2019 - 2021



SUSTAINABLE
DEVELOPMENT
GOALS





"Our efforts to achieve the Sustainable Development Goals will require a surge in financing and investments."

— Secretary-General António Guterres

17 PARTNERSHIPS FOR THE GOALS



Sustainable Development Goal 17:

Strengthen the means of
implementation and revitalize
the global partnership
for sustainable development

sustainabledevelopment.un.org/sdg17#targets

Executive Summary

Financing Sustainable Development — The Challenge

Two thousand and fifteen was a landmark year for multilateral agreements. The 2030 Agenda, with its 17 Sustainable Development Goals (SDGs) and the Paris Agreement on climate change provide a pathway for a more prosperous, equitable and sustainable future. The Addis Ababa Action Agenda (AAAA) establishes a blueprint to support the implementation of the 2030 Agenda by providing a global framework for financing sustainable development that aligns all financing flows and policies with economic, social and environmental priorities. This year, 2019, is a defining year for the next, bolder and more urgent phase of implementation of the SDGs and the Paris Agreement. The upcoming 'decade of action' (2020 – 2030) requires significant public and private investment to bring the SDGs and goals of the Paris Agreement to life for all people, everywhere.

Financing for sustainable development is available, given the size, scale and level of sophistication of the global financial system — with gross world product and global gross financial assets estimated at over US\$ 80 trillion¹ and US\$ 200 trillion respectively.² However, available finance is not channeled towards sustainable development at the scale and speed required to achieve the SDGs and goals of the Paris Agreement. The financing gap to achieve the SDGs in developing countries is estimated to be US\$ 2.5 – 3 trillion per year,³ while coal-fired capacity has grown by 92,000MW, with another 670,000MW in the pipeline, driven

¹ World Bank Databank (2017). Gross Domestic Product.

² Allianz Global Wealth Report (2018).

³ UNCTAD (2014). World Investment Report.



by investments of over US\$ 478 billion by the financial industry since signature of the Paris Agreement.⁴ At the same time, global flows of foreign direct investment (FDI) have fallen by 23 per cent in 2017,⁵ and private investments in SDG-related infrastructure in developing countries were lower in 2018 than in 2012.⁶

Investments in sustainable development are growing in some areas and countries, and there is evidence that investing in the SDGs makes economic sense, with estimates highlighting that achieving the SDGs could open up US\$ 12 trillion of market opportunities and create 380 million new jobs, and that action on climate change would result in savings of about US\$ 26 trillion by 2030.⁷ The SDGs are increasingly incorporated into public budgets and development cooperation, and many countries have taken steps to 'green' their financial systems.⁸ Green bond issuance has increased tremendously — from US\$ 2.6 billion in 2012 to US\$ 167.6 billion in 2018;⁹ innovative SDG-related financial instruments are unlocking new sources of finance; and the digitalization of finance is demonstrating its potential to improve the mobilization and utilization of funds for the SDGs. Financial industry regulators are increasingly acknowledging the potential implications of climate-related risks on financial stability, and global sustainable investments — at US\$ 30.7 trillion in the five major developed markets in 2018¹⁰ — is reportedly on the rise. This highlights a growing recognition by the financial industry in the value of long-term sustainable investing and the importance of considering climate-related risks into investment decision-making. However, sustainable investments

⁴ Research released at COP 24 by Urgewald, BankTrack and 26 NGO partners. <https://urgewald.org/medien/new-research-reveals-banks-and-investors-financing-expansion-global-coal-plant-fleet>

⁵ UNCTAD (2018) World Investment Report.

⁶ Inter-agency Task Force on Financing for Development (2019). Financing for Sustainable Development Report.

⁷ Business and Sustainable Development Commission (2017). Better Business Better World; Report of the Global Commission on the Economy and Climate (2018).

⁸ Inter-agency Task Force on Financing for Development (2019). Financing for Sustainable Development Report.

⁹ Climate Bond Initiative (2018). Green bonds. The State of the Market.

¹⁰ Global Sustainable Investment Review (2018). Major markets are: Europe, United States, Japan, Canada, Australia/New Zealand. Note, environmental, social and governance (ESG) related portfolios are mainly about ownership transfer rather than direct investment in the real economy.

represent only a small share of the US\$ 200 trillion in global private sector financial assets.¹¹ The lack of common definitions, standards, and impact measurements, as well as the fact that reported sustainable investments do not necessarily represent investing in real assets but also in financial assets, mean that such numbers should be treated with care. Similarly, the strong growth in green bond issuance still only represents about 2.5 per cent of total bonds issued globally.¹²

Channeling available finance towards the SDGs and the goals of the Paris Agreement are constrained by a range of challenges including:

- A difficult global context characterized by uneven economic growth and unsustainable patterns of production and consumption that do not reflect the full costs of negative externalities; rising inequality, debt levels and trade tensions; political polarization; and the devastating impacts of conflict and climate change, especially for most vulnerable.
- Limited fiscal space and institutional capacity to formulate a pipeline of bankable SDG investment projects, and weak financial systems, notably in countries most at risk of being left behind.
- Misaligned incentives and regulations, limited awareness, and difficulties in identifying, measuring and reporting on sustainable investments, which impede private investment in the SDGs at scale.

Overview of the Secretary-General's Strategy and Roadmap for Financing the 2030 Agenda

The United Nations (UN) has a long history of supporting Member States on financing for development, including through intergovernmental processes, technical and programmatic expertise, partnership-building, thought leadership and knowledge sharing. In order to enhance the UN's critical role in supporting and accelerating finance for sustainable development, the Secretary-General released his Strategy for [Financing the 2030 Agenda for Sustainable Development](#) in September 2018. The Strategy is designed to transform

¹¹ World Bank. The landscape of institutional investing in 2018.

¹² <https://www.reuters.com/article/greenbonds-issuance-idUSL5N22L3S3>



the financial system from global to local levels in support of the 2030 Agenda by addressing the barriers that constrain channeling finance towards sustainable development, and leveraging opportunities to increase investments in the SDGs at scale. The Strategy focuses on three objectives, namely:

1. Aligning global economic policies and financial systems with the 2030 Agenda.
2. Enhancing sustainable financing strategies and investments at regional and country levels.
3. Seizing the potential of financial innovations, new technologies and digitalization to provide equitable access to finance.

In his Financing Strategy, the Secretary-General commits to providing a **three-year Roadmap** of actions and initiatives to mobilize investment and support for financing the 2030 Agenda. Based on consultations across the UN system and with other stakeholders, the Secretary-General's Roadmap for Financing the 2030 Agenda has been developed with the following three parts:

Part I: Specific actions and 'key asks' championed by the Secretary-General, where his leadership can galvanise the required change. **See figure 1.**

Part II: Priority areas highlighted by the Secretary-General to enhance the work of the UN system to accelerate financing for sustainable development. **See figure 2.**

Part III: Detailed mapping of activities by the UN system itself, offering for the first time, a comprehensive overview of the UN's approach and value addition in financing for sustainable development. **See figure 3.** The mapping of UN activities is not intended to be exhaustive and will remain a living document, evolving with the UN's support to Member States in this area.

The Secretary-General's Financing Strategy and Roadmap complement the AAAA by prioritising areas of action by the Secretary-General and guiding the UN's contribution to support

implementation of the 2030 Agenda. The Roadmap has been prepared in close consultation with the UN system and has benefitted from substantive comments, notably from the International Monetary Fund (IMF) and the World Bank Group.

Implementation of the Secretary-General's Strategy and Roadmap for Financing the 2030 Agenda

The Deputy Secretary-General leads the implementation of the Financing Strategy and Roadmap initiatives on behalf of the Secretary-General, and in coordination with heads of entities within the UN system. At the country level, within the context of the UN development system reform, the new generation of UN country teams (UNCTs), including economists and partnership and development financing specialists within Resident Coordinator Offices, are strengthening the UN's capacity to support Member States on strategic finance. Implementation of specific actions at country level, notably related to developing financing strategies and investing in key initiatives that leverage public and private financing to advance the SDGs, are linked to the UN Joint SDG Fund.¹³

At global level, a UN Network of Economists has been established to enhance thought leadership, including to support UNCTs in terms of the analytical and research work required for effective policy advice.

The UN system collaborates with international financial institutions (IFIs), including the World Bank Group, IMF and multilateral development banks (MDBs), development finance institutions (DFIs) and other financing institutions at global, regional and country levels to accelerate actions towards financing sustainable development.

¹³ The first of its kind in the United Nations, the Joint SDG Fund is an inter-agency, pooled mechanism for strategic financing and integrated policy support. <http://mptf.undp.org/factsheet/fund/IPS00>





The Secretary-General will champion a selected number of actions to unlock and scale-up the systemic and transformative changes needed to increase the speed and scale of financing for the 2030 Agenda and Paris Agreement.



The Secretary-General has '15 key asks', for various stakeholder groups: policy-makers and regulators; the financial industry; shareholders and citizens; IFIs; and the UN system.

Specific Actions of the Secretary-General across 6 Areas

Objectives

Secretary-General's Financing Strategy

1. Aligning global economic policies and financial systems with the 2030 Agenda
2. Enhancing sustainable financing strategies and investments at regional and country levels
3. Seizing the potential of financial innovations, new technologies and digitalization to provide equitable access to finance

Actions across 6 Areas	Advocacy	<p>✓ Integrate the SDGs and Paris Agreement into Economic & Financial Policies and Practice</p> <ul style="list-style-type: none"> Advocate with global leaders to embed the principles of the 2030 Agenda in economic and financial policies and regulations Call on the financial industry to set strategies and targets that progressively align financial portfolios with the SDGs and the Paris Agreement, and to report on progress 	<p>✓ Scale-up Climate Finance</p> <ul style="list-style-type: none"> Urge countries to meet the commitment of US \$100 billion/year by 2020 from public and private sources, including through the 2019 Climate Action Summit Call on governments to create an enabling investment environment for green, climate-resilient development Call on the financial industry to scale-up financing for pathways consistent with low carbon trajectories 	<p>✓ Highlight the needs of LDCs and SIDS</p> <ul style="list-style-type: none"> Encourage collaboration between public and private actors to unlock all sources of finance and financial innovation, notably for climate action and resilience Urge the international development community to develop a package of incentives to further the development progress of graduating LDCs
	Engagement	<p>✓ Establish Global Platforms</p> <ul style="list-style-type: none"> CEO Alliance of Global Investors for Sustainable Development to increase long-term private investments in the SDGs Task Force on Digital Financing of the SDGs to catalyse game-changing action that harnesses the potential and mitigates the risks related to financial technologies and the SDGs 	<p>✓ Strengthen Partnerships with IFIs</p> <ul style="list-style-type: none"> Joint framework of collaboration with MDBs to strengthen regional and country-level synergies, including specific attention to middle income countries Strengthen engagement with IFIs to improve debt sustainability in developing countries, notably for investment in disaster risk reduction and resilience 	<p>✓ Accelerate the work of the UN System</p> <ul style="list-style-type: none"> Leverage the UN development system reform to increase support to countries on strategic financing for the SDGs, including to catalyse new sources of finance and leverage financial technologies Create a shared understanding of sustainable investing practices, and improve the quality and availability of SDG-related investment data in developing countries



15 Key Asks across the Secretary-General's 6 action areas

Across the 6 action areas, the Secretary-General has 15 'key asks' for policy-makers and regulators, the financial industry, shareholders and citizens, IFIs, and the UN system. Positive change in response to these key asks will both address systemic impediments and leverage high impact opportunities to increase financing sustainable development.

Call to policy-makers and regulators to:

1. Price externalities into the economic and financial system.
2. Integrate environmental, social and governance (ESG) issues into the concept of fiduciary duty.
3. Put in place policies and regulations that create incentives for long-term market investment in climate-resilient infrastructure, and for divestment from carbon intensive technologies.
4. Prevent receipt of illicit financial flows, assist in repatriating such flows, and prosecute perpetrators.
5. Meet official development assistance (ODA) commitments, shift ODA from ex-post disaster management to ex-ante disaster risk reduction (DRR) and resilience in least developed countries (LDCs) and small island developing states (SIDS), and support graduating LDCs¹⁴ to enhance access to new sources of financing.
6. Regulate new digital financial sectors to provide efficient financial intermediation for inclusion and remittances, prevent cybercrime and money laundering, and mitigate the risks of misuse and unintended consequences.

¹⁴ Graduating LDCs usually refers to countries from the time they are found to be eligible for graduation from the LDC status by the Committee for Development Policy (CDP) until the time they have graduated, after which they may be referred to as 'newly graduated LDCs'. The CDP uses three criteria to identify countries for inclusion into and graduation from the LDC list by comparing criteria scores with thresholds established by the CDP. The three criteria are: gross national income per capita; human asset index; and economic vulnerability index. UN (2018). Handbook on the Least Developed Country Category.

Call on the financial industry to:

7. Disclose and incorporate long-term risk into investment decision making.
8. Implement sustainable investing strategies, scale up green financial instruments, measure and report on impact.
9. Engage with fossil fuel companies, divest from those unwilling to shift their business models towards low carbon trajectories, and scale-up investment in renewable energy and energy efficiency.

Call on shareholders and citizens to:

10. Increase demand for greener, more sustainable investments of their assets, and for greater sustainability disclosure to increase accountability and transparency.

Call on IFIs to:

11. Work more closely with the UN system through country platforms, notably to increase climate finance, catalyse private finance, and promote financial innovation.
12. Improve debt sustainability by addressing structural issues, curbing illicit financial flows, and developing innovative debt instruments for investment in DRR and resilience.

Accelerate the work of the UN system to:

13. Increase support to countries to develop integrated national financing frameworks, identify and formulate a pipeline of bankable SDG projects, and improve progressive, gender-sensitive taxation and budgeting.
14. Create a shared understanding of sustainable investing practices and improve the quality and availability of SDG investment data in developing countries.
15. Promote a healthy fintech environment in developing countries and strengthen partnerships with development and private finance providers to invest in digital finance solutions for the SDGs.



1.

Aligning global economic policies and financial systems with the 2030 Agenda

Highlight the global financial and economic policies and actions needed to realize the 2030 Agenda

- Integrate sustainability considerations into macroeconomic policies and regulations
- Promote SDG-aligned trade and investment agreements; debt sustainability in the context of the 2030 Agenda; inclusive global taxation cooperation on fundamental

Galvanise the public and private sectors to scale up climate finance

- Collaborate with public and private investors to scale-up green, renewable energy and energy efficiency investments, and divest from fossil fuel, including through the Climate Finance Leadership Initiative and

Mobilize the financial industry to transform financing for sustainable development

- Support the Global Investors for Sustainable Development Alliance to identify and take forward solutions to increase long-term SDG investments
- Collaborate with the financial industry to implement and report on global principles

2.

Enhancing sustainable financing strategies and investments at regional and country levels

Boost domestic resource mobilization efforts to increase financing for SDG priorities, notably for social services

- In line with UN reform, increase the UN's support to countries to develop and implement integrated national financing frameworks for SDG plans (including sustainable financing strategies)

Improve country access to sustainable and green finance, notably for DRR and resilience in LDCs and SIDS

- In collaboration with climate financing mechanisms and IFIs, strengthen country capacity to increase access to green finance, promote carbon pricing and remove inefficient fossil fuel subsidies
- Promote financing opportunities for graduating LDCs & SIDS, given their vulnerabilities,

Strengthen international and regional cooperation, and country capacity to prevent, reduce and recover illicit financial flows

- Influence international and national policy-making to create systemic linkages between combating illicit financial flows and sustainable development
- Strengthen the UN system's work on anti-corruption at country level to prevent

3.

Seizing the potential of financial innovations, new technologies and digitalization to provide equitable access to finance

Accelerate innovative and digital financing mechanisms for the SDGs

- Support the Task Force on Digital Financing of the SDGs to deeply explore the potential and risks of digital financing for the SDGs, and take forward recommendations, notably at country level

enhance the work of the UN system

Areas (2019 – 2021)

UN Action Areas

and frontier issues, including taxation in the digitalized economy and the relationship between the tax and the SDGs (notably on gender equality, the informal economy and the environment)

the Global Investors for Sustainable Development Alliance

- In collaboration with climate financing mechanisms and IFIs, expand the use of green financing instruments

and standards for responsible financial practice and integrity, including through the Principles for Responsible Banking

- Build a shared understanding of sustainable investing and promote impact measurements

- 1.1.** Strengthen international cooperation to promote financial & economic policies in support of the SDGs
- 1.2.** Promote alignment of global financial flows with climate action
- 1.3.** Channel private investment towards the SDGs, notably in developing countries

- Mobilize development and private partners to support countries increase the quantity and quality of financing for social protection, including to achieve universal health coverage

including through thought leadership and partnerships with development and private sources of finance

- In collaboration with MDBs and DFIs, strengthen the UN's engagement with national development banks to enhance their role in SDG and climate finance

related illicit financial flows

- Collaborate with financial centres to eliminate safe havens for illicit funds and enhance international cooperation for their expedite recovery and return

- 2.1.** In collaboration with IFIs, promote sustainable financial systems at country level
- 2.2.** Improve access to climate finance at regional and country levels
- 2.3.** Increase domestic resource mobilization and enhance the composition, effectiveness and efficiency of public spending
- 2.4.** Curb illicit financial flows related to the proceeds of crime
- 2.5.** Enhance ODA & concessional finance for countries at risk of being left behind, notably for DRR and resilience

- In collaboration with MDBs and DFIs, create new strategic partnerships and mechanisms to unlock new sources of finance and financial innovation for investment in the SDGs

- 3.1.** Catalyse new sources of finance & financial innovations to scale-up investment in the SDGs
- 3.2.** Enhance global collaboration & country action to harness the potential and mitigate the risks of digital financing for the SDGs

Mapping of UN activities on

The UN system supports countries to mobilize financing for

1 Goal	Accelerate the Mobilization of Finance for			
3 Objectives	1. Aligning economic policies and financial systems with the 2030 Agenda			2. Enhancing sustainable
10 Action Areas	<p>1.1. Strengthen international cooperation to promote financial & economic policies in support of the SDGs</p>	<p>1.2. Promote alignment of global financial flows with climate action</p>	<p>1.3. Channel private investment towards the SDGs, notably in developing countries</p>	<p>2.1. In collaboration with IFIs, promote sustainable financial systems at country level</p>
Key Actions supported by the UN in partnership with governments, the private sector and IFIs	<ul style="list-style-type: none"> • Global norms, principles & policies aligned with the SDGs • South-South and regional cooperation • Trade regimes, financing & aid that support the SDGs • Responsible and transparent borrowing and lending • Inclusive and effective cooperation on international tax matters 	<ul style="list-style-type: none"> • Advocacy with global leaders on climate finance • Alignment of private investment policies & practices with the Paris Agreement • Implementation of recommendations of the Task Force on Climate-related Financial Disclosures • Knowledge and global public goods to expand green financing instruments • Better quality and availability of climate finance data 	<ul style="list-style-type: none"> • Global principles, standards, measurement and reporting frameworks related to sustainable investing • Better quality and availability of SDG investment data • Engagement with the financial industry, policy-makers, regulators, and the public • Investment 'matchmaking' between developing countries and private investors 	<ul style="list-style-type: none"> • Enabling policy and regulatory environment • Alignment of financial sector policies and practices with sustainable development • Collaboration with regional and national development banks to promote SDG investments • Credit markets to promote SME growth • 'New generation' of investment policies

financing for sustainable development

the 2030 Agenda by promoting actions across the 10 areas below

the 2030 Agenda for Sustainable Development

financing strategies and investment at the regional and country levels

3.

Financial innovations, new technologies & digitalization

2.2. Improve access to climate finance at regional and country levels

2.3. Increase domestic resource mobilization and enhance the composition, effectiveness and efficiency of public spending

2.4. Curb illicit financial flows related to the proceeds of crime

2.5. Enhance ODA and concessional finance for countries at risk of being left behind, notably for DRR and resilience

3.1. Catalyse new sources of finance and financial innovations to scale-up investment in the SDGs

3.2. Enhance global collaboration and country action to harness the potential and mitigate the risks of digital financing for the SDGs

- Address regional and national climate finance challenges and align finance with increasing NDC ambitions
- Bankable, transformational projects to scale up climate action
- PPPs to increase climate finance for NDCs
- Investment in climate-resilient infrastructure

- Integrated national financing frameworks
- SDG-responsive revenue systems
- Tax transparency, curb tax avoidance and tax crime
- SDG-costed and gender-responsive budgets & SDG aligned public expenditure
- Sustainable financing for social services, including social protection, education and health

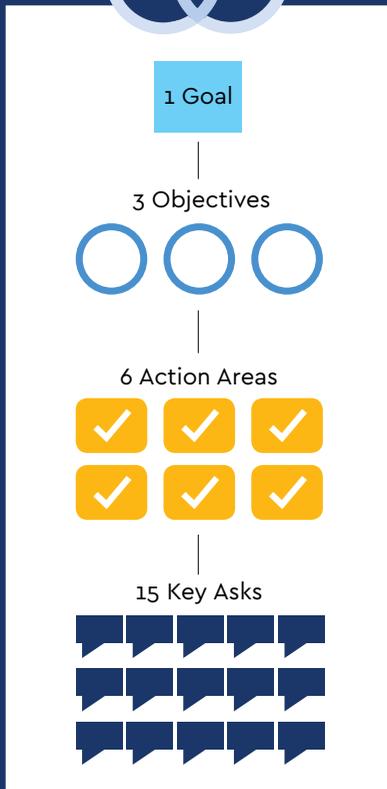
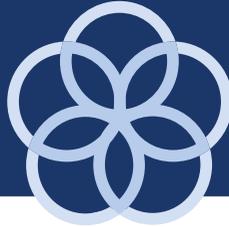
- Global, regional and national analysis and advocacy to curb illicit financial flows
- Regional and national capacity to tackle illicit financial flows and corruption
- Strengthen collaboration with financial institutions and centres to curb illicit financial flows
- Recovery and return of stolen assets for sustainable development

- Improve access to ODA and philanthropic finance
- Blended and special financing instruments for LDCs, LLDCs, SIDS and conflict-affected countries
- Improve access to finance for LDCs, LLDCs, graduating LDCs, and SIDS, including through debt management strategies and instruments

- Strategic partnerships and approaches to scale up social impact investment
- Encourage faith-based finance to invest in the SDGs and develop innovative financing instruments
- Invest in financial innovations to access new, lower-cost of private capital for the SDGs, notably for climate action and resilience

- Multi-stakeholder engagement and partnerships at global and country levels to mitigate risks and catalyse action
- Enabling environments and investments in digital solutions at country level
- Enhance digital financial inclusion and skills, particularly for women
- Promote safe digital environments and mitigate risks of criminal misuse

including the IMF, World Bank Group, BIS and FSB



un.org/sustainabledevelopment/sg-finance-strategy

