



**HIGH IMPACT
INITIATIVES**



SEPTEMBER 2023

THE SDG STIMULUS

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

BACKGROUND

A “great finance divide” has sharply curtailed the ability of many developing countries to invest in recovery, climate action, and sustainable development.

The global economy is facing multiple shocks that are threatening to further reverse progress on the Sustainable Development Goals (SDGs). Even prior to the recent rise in interest rates, the high cost of borrowing for least developed countries is inhibiting investment in the SDGs, battering the economies of many developing countries and raising the risk of debt crises.

The SDG Stimulus aims to offset challenging market conditions faced by developing countries, including limited access to capital and high cost

of borrowing, to mitigate the finance divide and accelerate progress towards the SDGs. To this end, it calls for an increase in financing for sustainable development of at least \$500 billion per year.

Most of the elements in the SDG Stimulus are already on the international agenda, but they need a political push to make the ambition a reality. This session will bring together Ministers and representatives of the MDBs, the private sector and other stakeholders to discuss (i) how to advance key tenets of the SDG Stimulus and realize a concerted investment push in the SDGs; and (ii) how MDBs and private investors can support this effort.

THE SDG STIMULUS AS AN INVESTMENT AGENDA

The first panel will bring together representatives of Member States to present their perspective and lend support to the implementation of the SDG Stimulus, both at global and at national levels.

There is growing recognition that financing challenges – or indeed the ‘great finance divide’ – are a central cause of weak SDG progress. Many developing countries did not have the financial means to respond to the series of global shocks, nor access to financing at affordable terms to invest in recovery.

The SDG Stimulus identifies three areas for immediate action: tackling the high cost of debt and rising risks of debt distress; massively scaling up affordable long-term financing, especially through public development banks (PDBs); and expanding contingency financing to countries in need.

Calls for a significant scaling up of long-term affordable financing, which are at the heart of the SDG Stimulus Plan, are echoed in discussions at the G20 and the boards of the international financial institutions, and in initiatives such as the Summit for a New Global Financial Pact and the Bridgetown Initiative.

Indeed, most of the elements in the SDG Stimulus – scaling up MDB lending, strengthening the system of MDBs and PDBs, addressing debt risks, ensuring contingency finance when needed, and national actions to develop investment plans – are already on the international agenda. But they need a political push to achieve sufficiently ambitious outcomes in ongoing discussions. Proposals currently on the table often do not suffice to close financing gaps.

Panellists will discuss how they intend to move forward with elements and proposals within the SDG Stimulus, both in global policy discussions and decision-making bodies and at national levels.

Key questions addressed include:

- Why is it so critical at this moment to pursue the SDG Stimulus and its key proposals?
- What are the most promising financing reforms, initiatives and instruments that will allow us to reach scale and deliver on the SDG Stimulus? Which steps is your country taking to advance policy proposals within the SDG Stimulus and to scale up long-term affordable financing?
- What are most pressing financing needs at national levels, and how could scaled up affordable long-term financing most effectively support countries in their SDG implementation?
- What role can integrated financing frameworks (INFFs) play in developing project pipelines and investment plans to absorb additional financing effectively?

PUTTING THE SDG STIMULUS INTO ACTION

The second panel will address the role of MDBs and private investors, and how these actors can scale up the financing needed for the SDGs

MDBs play a critical role as catalysts for implementation of the SDG Stimulus, both through their ability to channel global savings to provide long-term affordable financing to sovereigns, and their ability to leverage private finance and investment for the SDGs.

Reform discussions in the MDBs are well under way, with measures discussed ranging from balance sheet optimization to SDR re-channelling and capital increases, and greater efforts to mobilize private capital and investment, including through risk mitigation instruments. Key questions addressed include:

- What are the most promising initiatives ripe for implementation by MDBs and their shareholders to dramatically scale up SDG financing? What are the remaining obstacles to such initiatives and how can they be overcome?
- What do private sector actors need to better engage with MDBs and invest in sustainable development?



Sunday, 17 September 2023 | 15:00 – 16:30 | Conference Room 4

The SDG Stimulus

SESSION PROGRAMME

Section of Session	Timing	Speakers and Moderator
Welcome & Setting the Scene	15:00 – 15:05	Rebeca Grynspan, Secretary-General UNCTAD
<p>Panel One: "The SDG Stimulus as an investment agenda: moving forward at global and country levels"</p> <p><i>Moderated by Rebeca Grynspan, Secretary-General, UNCTAD</i></p>	15:05 – 15:45	<ul style="list-style-type: none">• H.E. Ken Ofori-Atta, Minister of Finance, Ghana• H.E. Chrysoula Zacharopoulou, Minister of State (Development, Francophonie and International Partnerships), France• H.E. Francisco André, Secretary of State for Foreign Affairs and Cooperation, Portugal• H.E. Pilar Cancela Rodríguez, State Secretary for International Cooperation, Spain• H.E. Andrew Mitchell, Minister of State (Development and Africa), United Kingdom• H.E. Phonevanh Outhavong, Vice Minister of the Ministry of Planning and Investment, Lao PDR• Achim Steiner, Administrator, UNDP
<p>Panel Two: "Putting the SDG Stimulus into Action – the role of MDBs and the private sector"</p> <p><i>Moderated by Mahmoud Mohieldin, Special Envoy on Financing 2030 Agenda for Sustainable Development</i></p>	15:45 – 16:25	<ul style="list-style-type: none">• Woonchong Um, Managing Director General, Asian Development Bank• Sir Danny Alexander, Vice President for Policy and Strategy, Asian Infrastructure Investment Bank• Francisco Carneiro, Economic Advisor, Development Finance Vice Presidency, World Bank• Jay Collins, Vice Chairman, Banking, Capital Markets and Advisory, Citigroup• Mariana Mazzucato, Professor in the Economics of Innovation and Public Value, University College London
Closing remarks	16:25-16:30	Li Junhua, Under-Secretary-General for Economic and Social Affairs, DESA

