



## HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT

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### Townhall - Unlocking Means of Implementation: Mobilizing Financing and STI for the SDGs

*Monday 14 July 2025, 11:00 - 13:00*

*General Assembly Hall*

#### Secretariat Background Note



Accelerating sustainable development in the final five years to 2030 hinges on closing two critical gaps: a \$4 trillion annual financing shortfall and persistent disparities in access to science, technology, and innovation (STI). These challenges are interdependent—without adequate financing, STI solutions cannot scale; without transformative STI, investments fail to deliver meaningful SDG impact.

The fourth International Conference on Financing for Development (FFD4) in Sevilla, Spain convening from 30 June to 3 July 2025, takes place amid profound global transformation, rising geopolitical uncertainty and growing systemic risks. The world faces a sustainable development crisis: the SDGs are severely off track and time is running out to avert catastrophic climate change. At the heart of this crisis lie financing constraints and a widening STI divide.

The Pact for the Future, adopted at the 2024 Summit of the Future, underscores the urgency of closing the SDG financing gap and bridging STI divides. It calls for scaled up investments in research, digital infrastructure, and capacity building to achieve the SDGs. In parallel, the 10<sup>th</sup> Multi-Stakeholder Forum on STI for the SDGs (STI Forum 2025) showcased actionable solutions to harness STI for sustainable development, including innovative financing models, public-private partnerships, and global research collaboration.



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### FFD4 and the Financing Challenge

In preparation for FFD4, Member States have negotiated an outcome document to establish a renewed global financing framework for sustainable development. The first draft, published in March 2025, reveals that the gap between development aspirations and the financing dedicated to meeting them has never been so large. To reverse course and rescue the SDGs, the \$4 trillion annual financing gap must urgently be closed. Substantive preparations for FFD4 have converged on two main areas of action: a large-scale, impact-focused investment push and ambitious reform of the international finance architecture (IFA).

STI can help to amplify the impact of such an investment by enhancing productivity and supporting the creation of decent jobs at scale. It can also target STI-enabled sectors that maximize impact, such as renewable energy and digital infrastructure.

To catalyze sustainable development investment at scale and close the financing gap, the Sevilla outcome outlines actions to:

- Increase investment to achieve universal, meaningful and affordable digital connectivity and close the digital divides, which, inter alia, involves enhanced international collaboration between national Governments, development finance institutions, multilateral development banks, and relevant international organizations and private sector actors;
- Scale up public development bank lending for STI infrastructure investment, with national, regional and multilateral development banks working together as a system;
- Address barriers to private investment in developing countries through innovative financial instruments like blended finance that to derisk investment;
- Reduce the cost of capital for developing countries, including through providing systematized liquidity and liability management support to developing countries facing high debt servicing costs and reviewing the role of credit rating agencies.

The investment push in digital public goods and infrastructure can support the implementation of the Sustainable Development Goals. The publicly-led





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investment push aims to mobilize private finance for impact on public purposes. It will support country-owned and led priorities, with countries defining their investment priorities and plans.

On IFA reform, the draft proposes ambitious actions to make the IFA more effective and inclusive across all areas, including on debt, credit ratings, the global financial safety net, governance reform in international financial institutions, and the development cooperation architecture – building on commitments in the Pact for the Future.

### STI as a Catalyst for SDG Financing

STI can serve as a transformative lever to convert financing commitments into tangible, measurable progress toward the Sustainable Development Goals. The townhall will highlight STI's critical role in de-risking investments, enhancing their alignment with SDG priorities, and ensuring that financial resources yield maximal impact. Drawing on key outcomes from the STI Forum 2025, participants will explore how cutting-edge solutions—such as digital infrastructure for universal connectivity, open-science platforms to democratize knowledge, STI roadmaps and mission-oriented research targeting specific SDG challenges—can mitigate investment risks and amplify returns.

A central focus will be on scaling up STI financing through innovative mechanisms that bridge existing gaps and enhance technology access. The discussions will build on proposals from the STI Forum, which highlighted the potential of catalytic capital to unlock private sector participation, sovereign wealth funds to channel national resources toward STI ecosystems, and blended finance models to incentivize cross-border collaborations. These approaches are particularly vital for low- and middle-income countries, where limited access to traditional financing often stifles innovation. By showcasing successful case studies such as public-private partnerships that have scaled affordable renewable energy technologies or regional funds supporting science, technology, engineering and math (STEM) education, the townhall will identify replicable strategies to mobilize resources in STI at the pace and scale required to achieve the 2030 Agenda.

Equally important is the need to strengthen research infrastructures, capacity and digital connectivity, ensuring that the global South can fully participate in



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the global STI landscape. The townhall will consider how the International Decade of Sciences for Sustainable Development (2024–2033) can be leveraged to address systemic barriers, such as unequal access to high-performance computing, data-sharing platforms, and advanced manufacturing technologies. The session will emphasize the importance of tailoring infrastructure and capacity investments to local needs, as outlined in national STI4SDG roadmaps, to avoid one-size-fits-all solutions that perpetuate disparities.

### Proposed questions for discussion

- How can public development banks and blended finance mechanisms be structured to prioritize high-impact, country-led STI projects that align with national SDG priorities—especially in low- and middle-income countries—while effectively de-risking private sector participation?
- What specific policy and institutional steps can governments take to integrate blended finance, catalytic capital, and public-private partnerships into national STI strategies, particularly in regions with low R&D investment and high vulnerability to technological exclusion (e.g., AI, digital infrastructure)?
- What institutional innovations or financing instruments are needed to translate high-level commitments—such as the Global Digital Compact and national STI4SDG roadmaps—into concrete, bankable projects that attract both public and private investment in underserved regions?

