

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

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**Item 9: Investment for development: Investing in
the sustainable development goals**

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Wednesday, 17 September 2014

*Not checked against delivery **

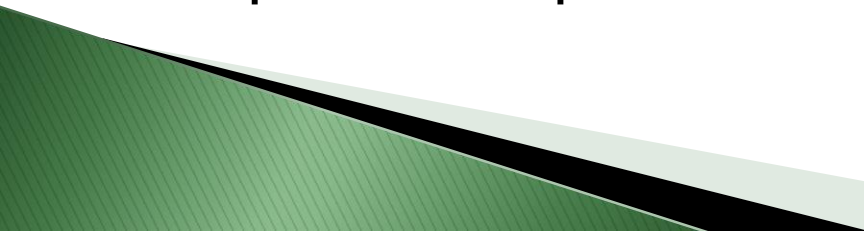
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Financing for Sustainable Development

**UNCTAD
16 September 2014
Shari Spiegel,
Financing for Development Office, UN DESA**

The Report of the Intergovernmental Committee of Experts on Sustainable Development Financing

*To propose policy options for an effective sustainable
development financing strategy*

- Develops a new analytical framework for financing sustainable development
 - Proposes a basket of policy options for countries to choose from
 - Suggests areas for advancement of the global partnership for sustainable development
- 

Building on existing agreements

- ▶ Universal values expressed in the United Nations Millennium Declaration
 - ▶ Rio Declaration and Rio + 20
 - ▶ Monterrey Consensus
-
- *Need to update the framework to meet new challenges*

A FLOW OF FUNDS FRAMEWORK

Domestic Enabling Environment and Policy Framework

Sources*

- National public sources
- National private sources
- International public sources**
- International private sources

Intermediaries

Public institutions, e.g.

- Governments
- National and regional development banks
- Bi- and multilateral aid agencies
- International financial institutions

Blended institutions, e.g.

- Innovative partnerships, e.g. Global Health Funds, potential public-private infrastructure funds

Private investors

Investors with long-term liabilities, e.g.:	Investors with short- and medium term liabilities, e.g.:
<ul style="list-style-type: none">• Pension funds• Life insurance• SWF	<ul style="list-style-type: none">• Banks• Cooperative banks• Mutual funds• Hedge funds

Instruments, e.g.

- Domestic public spending
- Grants
- Subsidies
- Loans
 - Concessional
 - Non-Concessional
- PPPs
- Guarantees
- Bank loans
- Money markets
- Bonds
- Equities
- Derivatives

and direct investors

Goals and Uses

National
(e.g. poverty/social needs and investments in national development)

Economic ↔ **Environmental**

Social

International
(e.g. global public goods)

International Enabling Environment
(including fair-trading system, macroeconomic stability, systemic issues, etc.)

What's new

- ▶ Global public goods, as well as domestic development
- ▶ 3 dimensions of sustainable development in an integrated manner
- ▶ The Committee framework emphasizes
 - Interactions between sources
 - Underlying incentives/mandates
 - the importance of intermediary institutions and financial instrumentsto address the question of *how* to design policies to incentivize the flow of financing towards global goals.

Strategic Approach

- 1 Ensure country ownership and a supportive international enabling environment
- 2 Adopt effective government policies as the lynchpin of a sustainable development financing strategy
- 3 Make use of all financing flows in a holistic way
- 4 Match financing flows with appropriate needs and uses
- 5 Maximize the impact of international public finance

Strategic Approach

6

Mainstream sustainable development criteria in national financing strategies

7

Exploit synergies across the 3 dimensions of sustainable development

8

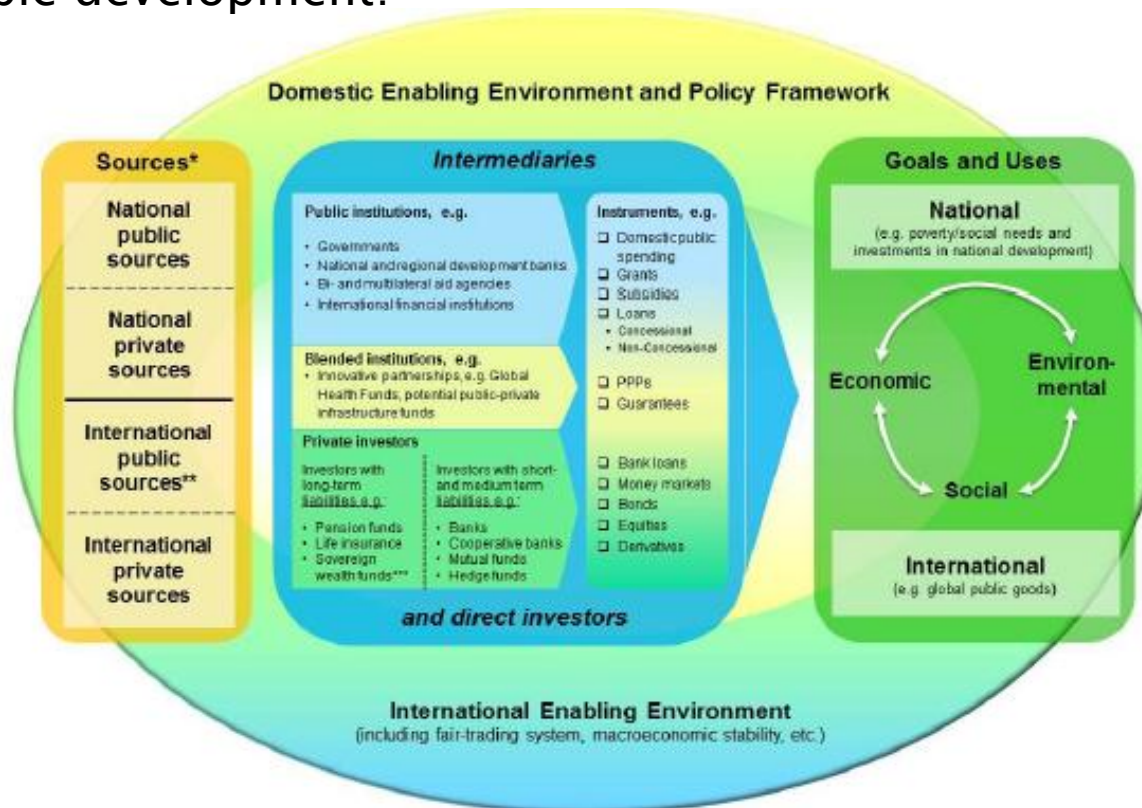
Adopt a multi-stakeholder, people-centered inclusive approach

9

Ensure transparency and accountability of financing at all levels

Strategic Approach

- ▶ Flows of funds from international and national financing sources for sustainable development:



* The size of boxes does not represent financing volumes/importance

** There can be cases where international public finance also directly supports the implementation of international objectives

*** Sovereign wealth funds handle public money, but are managed like private investors

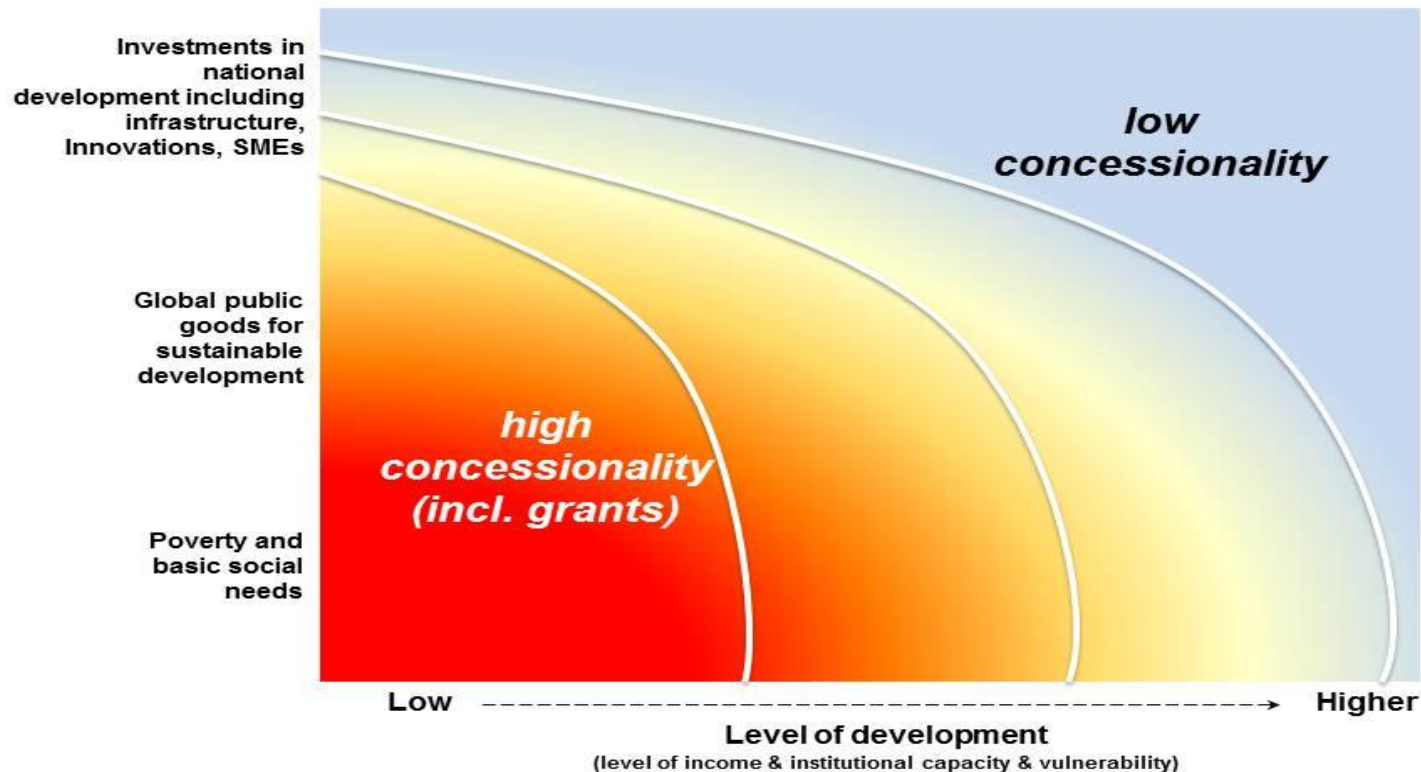
A Basket of policy options

No one simple
policy solution.

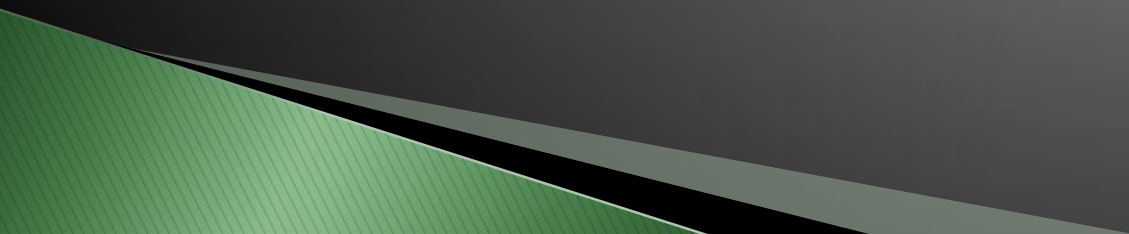
A toolkit of options, from
which governments can
choose.

A cohesive approach, based
on national financing
strategies

International public finance concessionality



Global partnership for sustainable development and systemic issues



Global partnership for sustainable development:

- Actions are needed in the areas of global economic governance, trade, investment, the international financial system, taxation, debt, regional cooperation, monitoring and accounting and effective development cooperation

The way forward

- ▶ Provide a basis for future discussions on financing sustainable development
- ▶ Inform, together with the report of the Open Working Group, the intergovernmental negotiations for the post-2015 development agenda, including the Third International Conference on Financing for Development



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Thank you.