

The Secretary-General's Strategy for Financing the 2030 Agenda, and financing development challenges and priorities

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Main Messages

Key issues in financing sustainable development to achieve the 2030 Agenda in North and Central Asia:

- Large investment gap and its estimating issues
- Weak economic diversification which reduces financial resources
- Limited public and private financing the 2030 Agenda

Key priorities of the region in financing development framework :

- Comprehensive financing strategies and integrated policy frameworks are necessary to achieve the 2030 Agenda
- Estimating investment gaps
- Resource mobilization: tax revenue, private finance through capital market development and Public-Private Partnerships, climate finance

How the UN including ESCAP is supporting:

- Secretary-General's strategy and integrated national financing framework.
- Analytical work, research and capacity building

1. The Secretary-General's strategy for financing the 2030 Agenda and integrated national financing frameworks

1 Goal

3 Objectives

Aligning global
economic policies
and financial
systems with the
2030 Agenda

Enhancing
sustainable
financing strategies
and investments at
regional and
country levels

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

6 Actions Areas

Advocacy	1	2	3
	Integrate the SDGs and Paris Agreement into Economic & Financial Policies and Practice	Scale-up Climate Finance	Highlight the needs of LDCs and SIDS
Engagement	4	5	6
	Establish Global Platforms	Strengthen Partnerships with IFIs	Accelerate the work of the UN System

Integrated national financing frameworks: overview

- Most national development plans are not accompanied by financing strategies.
- Integrated national financing frameworks help:
 - Align financing with long-term priorities
 - Focus on binding constraints to mobilize resources
 - Identify targeted policies and reforms
 - Facilitate sequencing of reforms

Integrated national financing frameworks: *building blocks*



The Survey 2019 estimated **investment gaps** which is **one of the initial steps to develop an integrated financing framework.**

It also shows **the range of policy interventions** needed to achieve SDGs

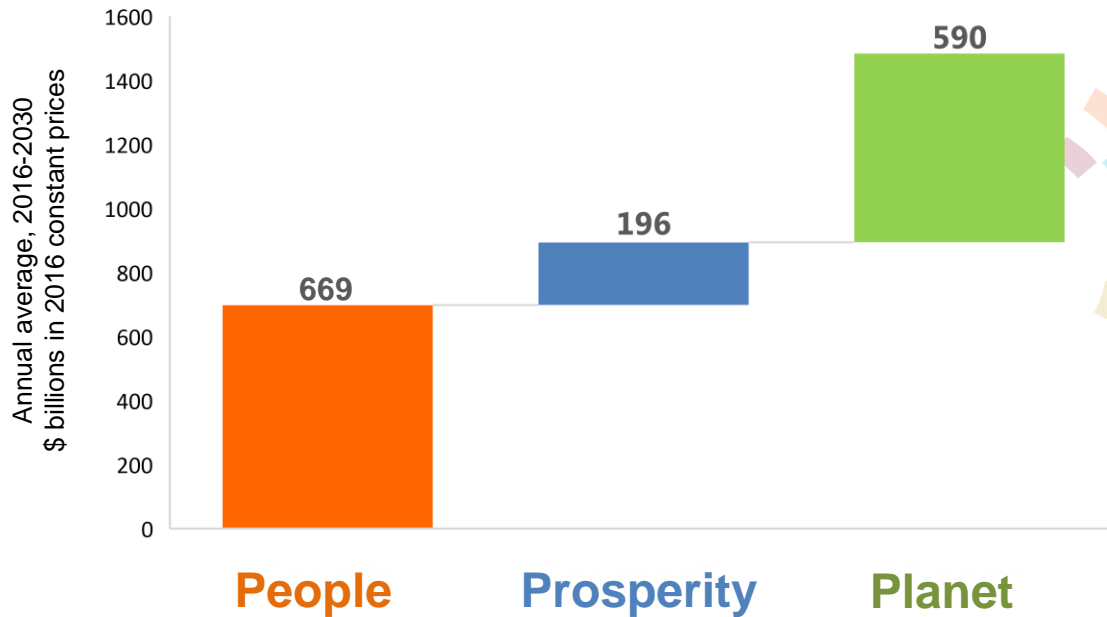
Source: FSDR 2019

2. Key challenges in financing sustainable development in North and Central Asia

From 17 Goals to 3 dimensions...
spanning **people**, **prosperity** and **the planet** ...
supported by good governance and strong partnerships



ESCAP's Survey 2019 estimates an **investment gap** of **\$1.5 trillion per year** or 5% of GDP for developing Asia-Pacific ...



... or \approx \$1 per person per day

It's within reach!



CLEAN ENERGY
FOR ALL

PROTECTION
FOR NATURE

37¢

\approx \$1

43¢

NO POVERTY
& ZERO
HUNGER

HEALTH AND
EDUCATION

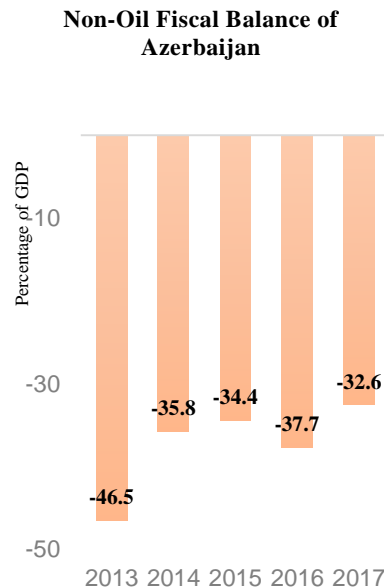
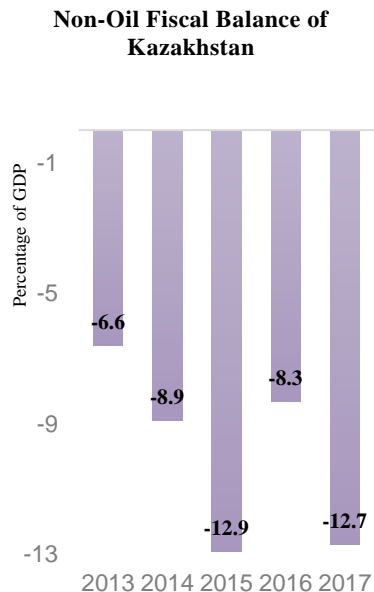
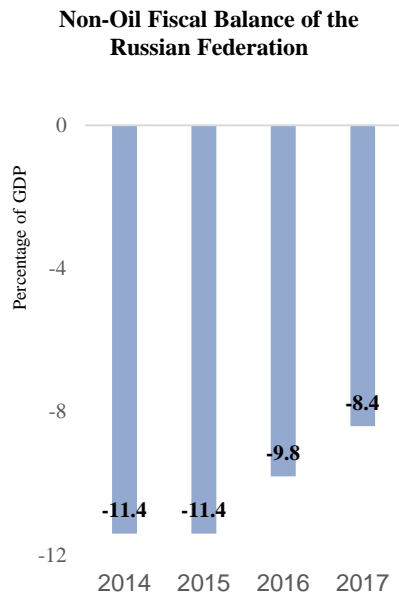


12¢

SUSTAINABLE
INFRASTRUCTURE
FOR ALL

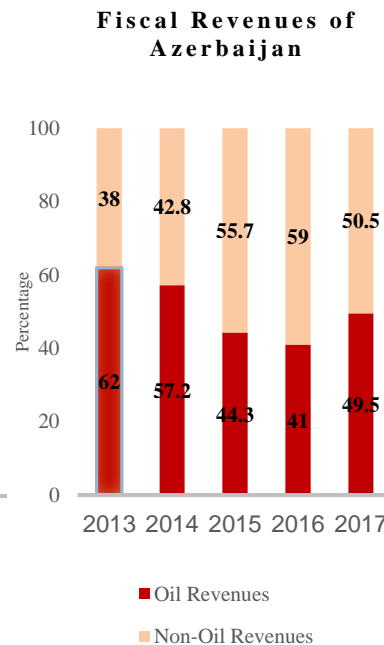
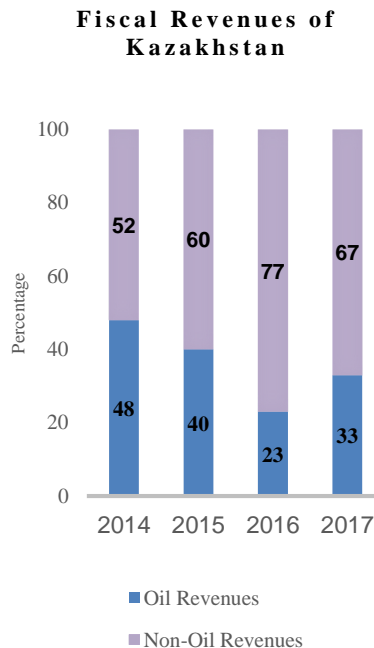
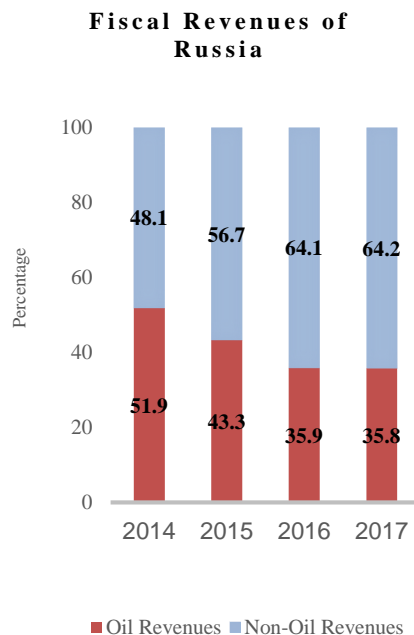


Weak economic diversification. Strong commodity dependence substantially reduces capacity to finance for achieving the 2030 Agenda



Source: the author's estimations based on the national authorities' data

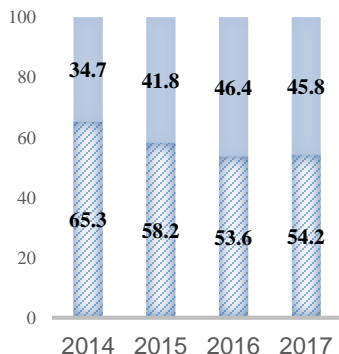
Significant dependence on oil revenue and commodity prices volatility



Source: the author's estimations based on the national authorities' data

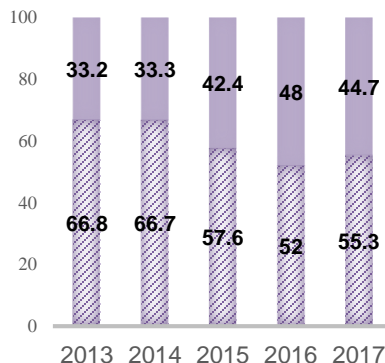
Significant dependence on commodity export and commodity prices volatility

**Total Export of
Goods of the Russian
Federation**



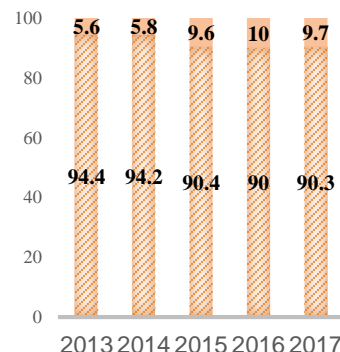
■ Energy (Oil and Gas)
■ Non-Energy

**Total Export of Goods
of Kazakhstan**



■ Energy (Oil and Gas)
■ Non-Energy

**Total Export of Goods
of Azerbaijan**

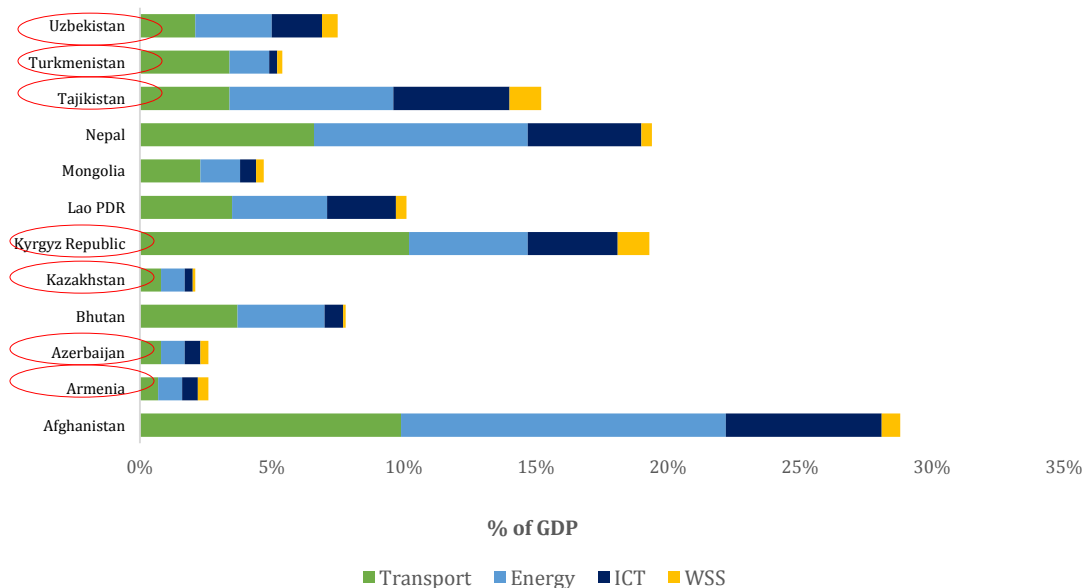


■ Energy (Oil and Gas)
■ Non-Energy



Infrastructure financing needs in Asia's LLDCs require 10.5 % of GDP annually in average to close infrastructure gap within 2018-2030

2018-2030



Infrastructure has a direct influence on over 80 per cent of the Sustainable Development Goals targets (UNEP, 2019).

3. What should the priorities be for the North and Central Asian region in financing framework?

Mobilization of public and private resources

Domestic
Public
Resources



Private
Business
and Finance



Development
Cooperation



Trade



Debt



Systemic

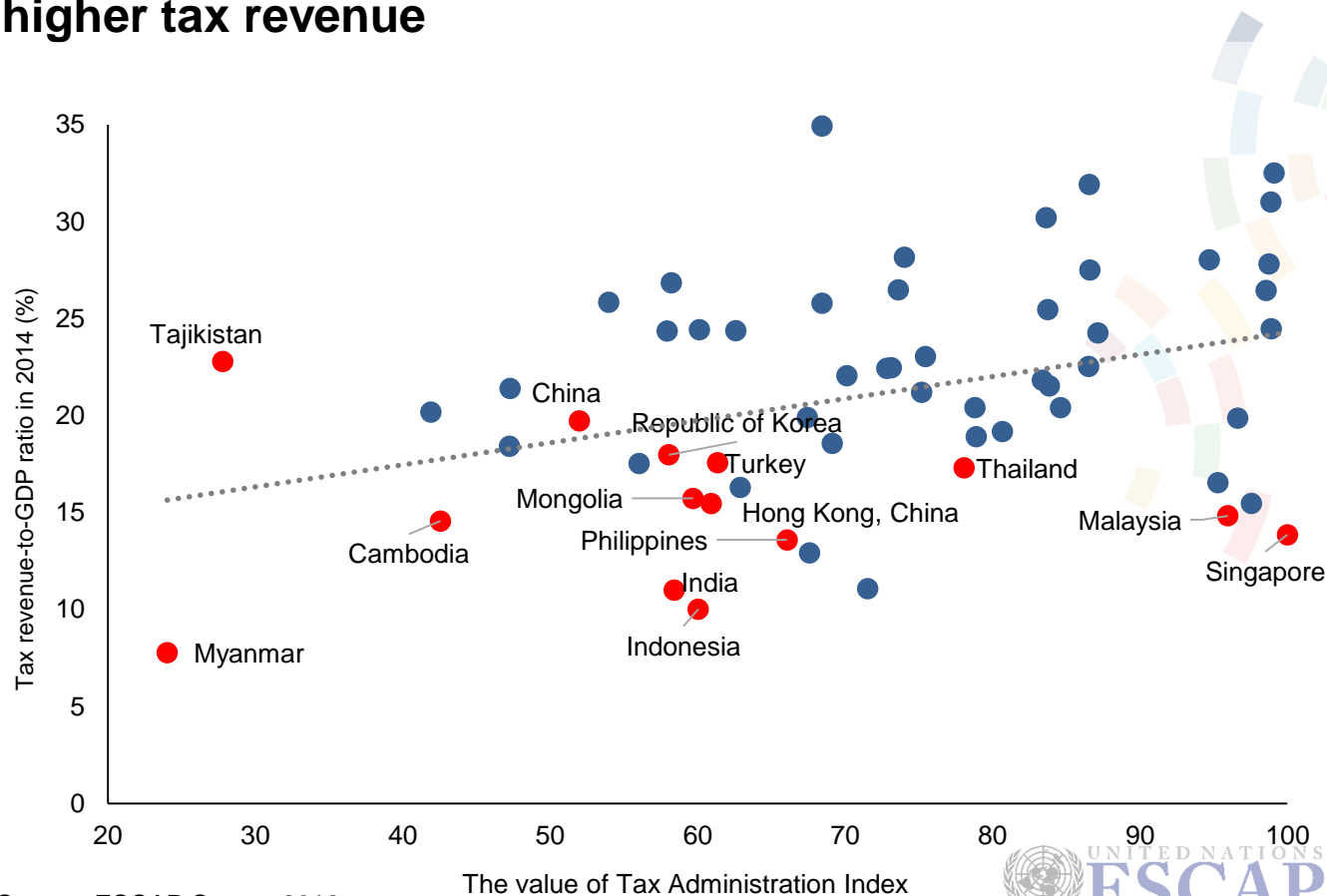


Technology
and Capacity



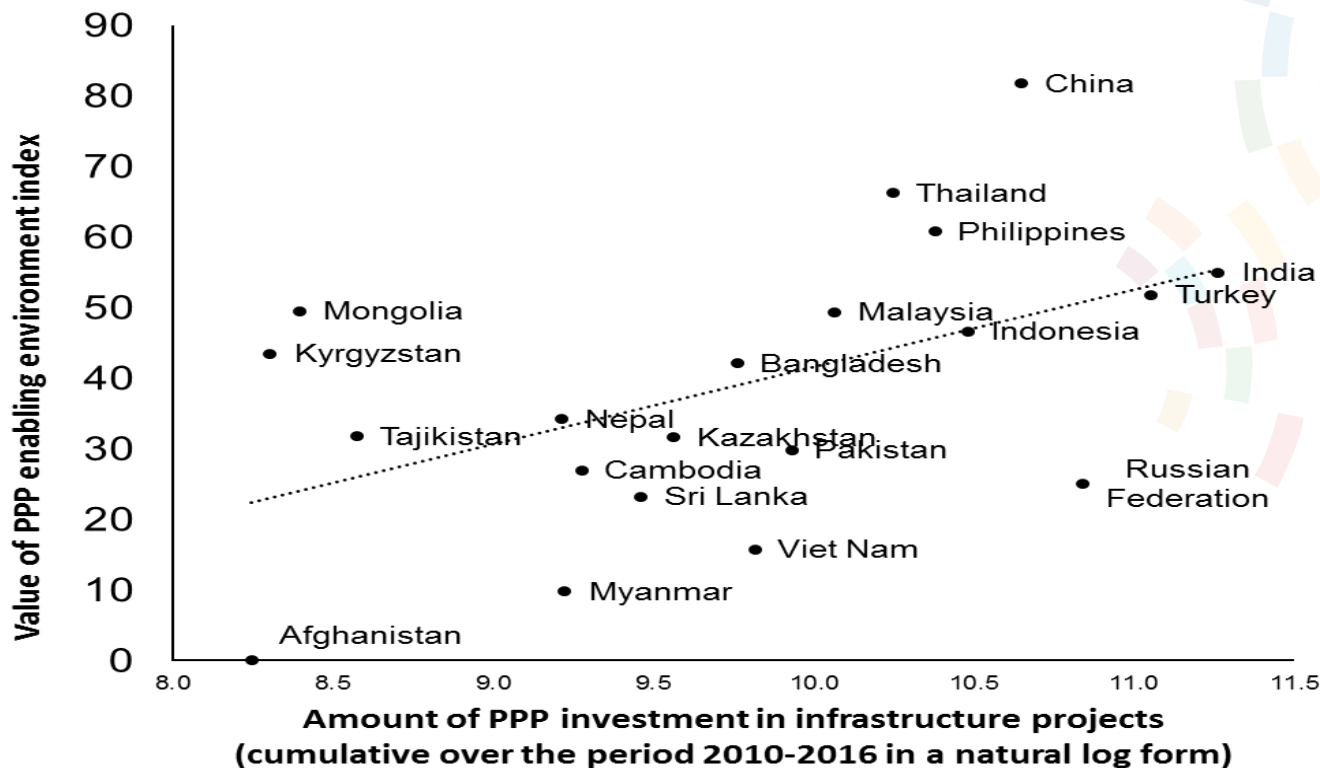
Source: FSDR 2019

Increasing tax revenue. Better tax administration, higher tax revenue

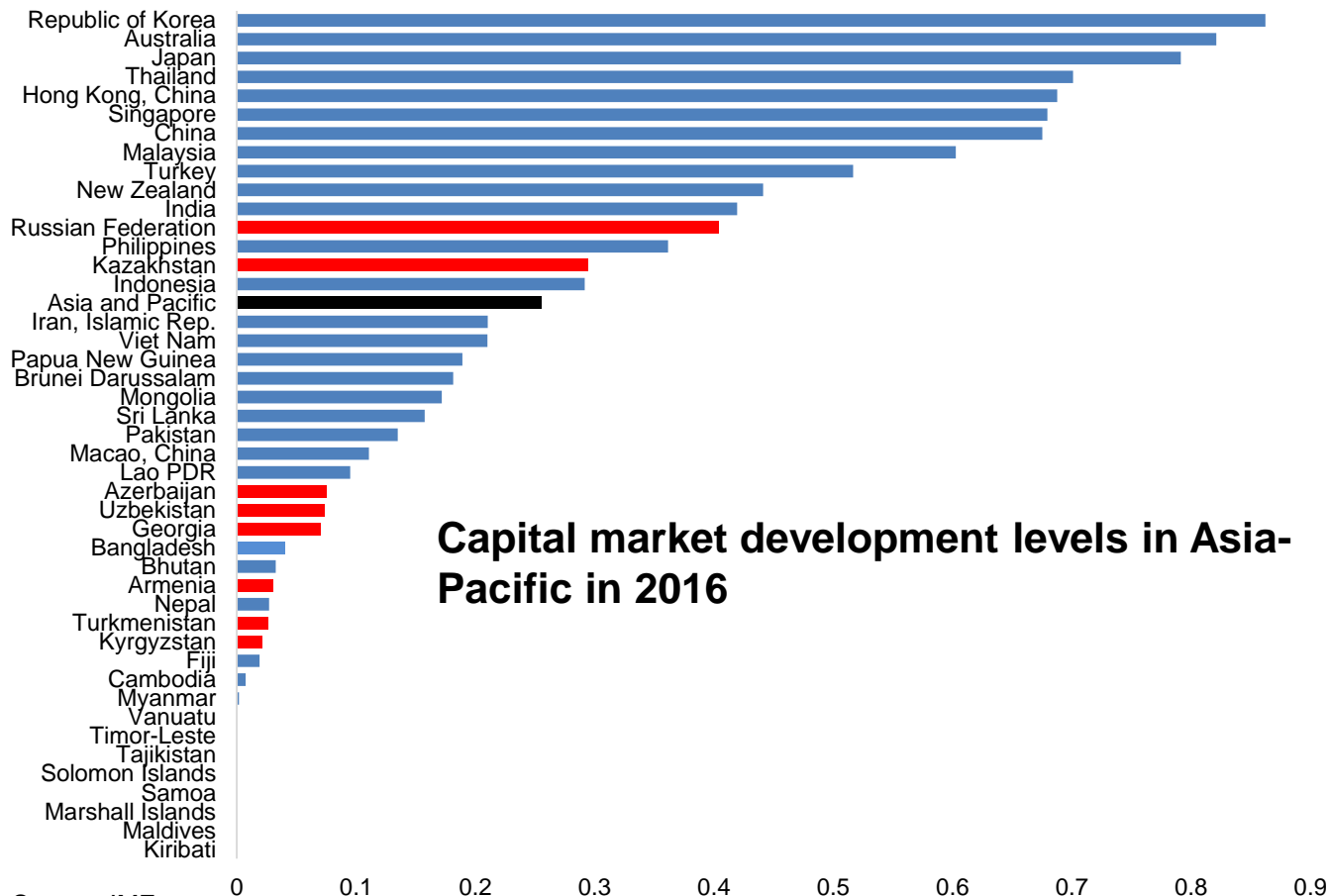


Source: ESCAP Survey 2018

Leveraging private finance through public-private partnerships. More enabling policy environment, larger PPP value

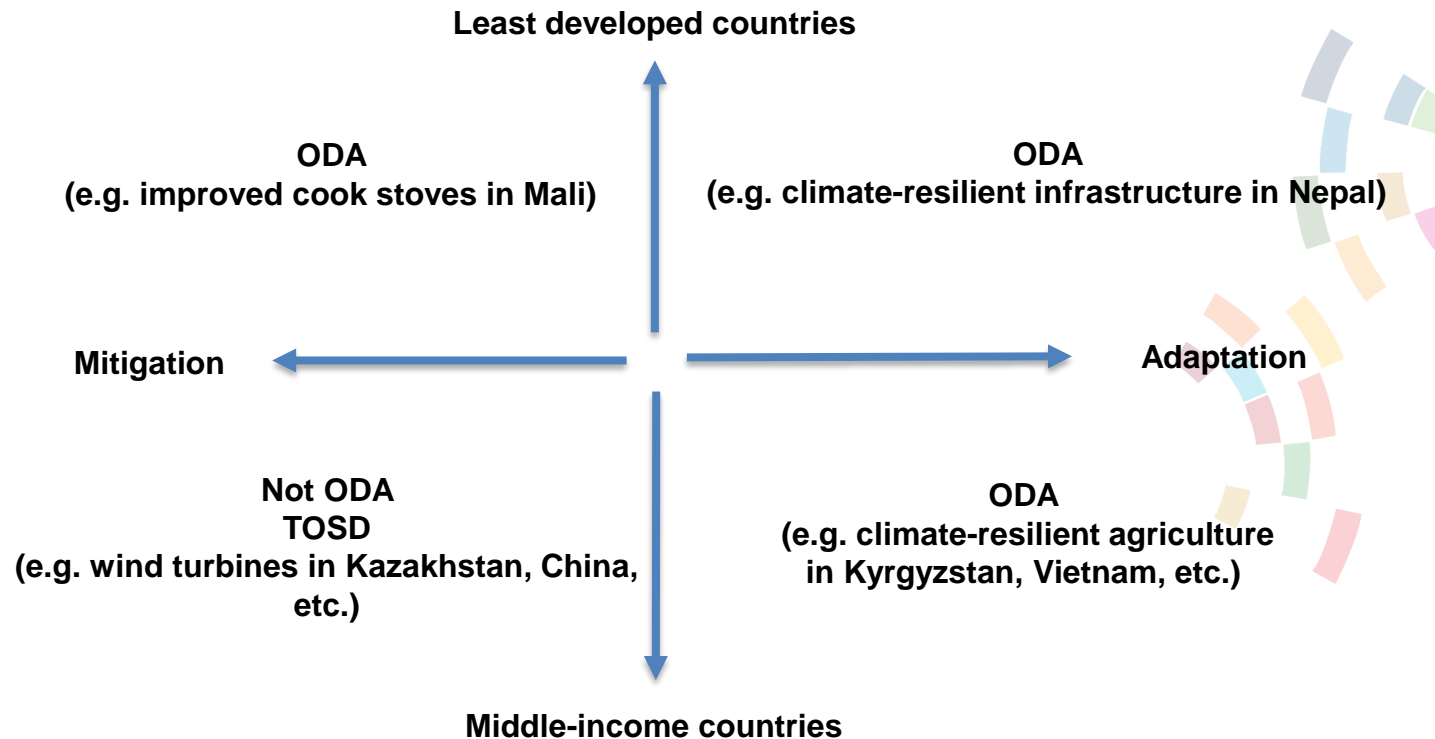


Enhancing the role of domestic capital markets



Source: IMF

Scale-up Climate Finance



Climate Finance allows to address:

- environmental dimensions of the 2030 Agenda;
- weak economic diversification;
- diversification of sources of financing

4. ESCAP's work supports sustainable development goals 1, 8, 9, 10, 16, and 17, along with strengthening finance as a mean to implement them

Research work and knowledge products:

1. "The Economic and Social Survey for Asia and the Pacific". The Survey for 2019 focused on **estimating the cost of achieving the SDGs by 2030 in Asia and the Pacific**. Recent editions have analyzed issues such as **mobilizing finance for sustained, inclusive and sustainable economic growth** (2018), **improving governance and fiscal management** (2017), and **nurturing productivity** (2016).
2. "The Countries with Special Needs Development Report" for 2019 explored the **role of structural transformation in poverty reduction** in CSN of Asia and the Pacific region. Recent editions have discussed issues such as **sustaining peace for sustainable development** (2018), **investing in infrastructure** (2017), and **adapting the 2030 Agenda at the national level** (2016).
3. Financing for Development book, Financing in Asia and the Pacific: situation and challenges. The 2019 issue focused on **infrastructure financing strategies for sustainable development**. The 2017 issue discussed **Tax Policies for Sustainable Development**.
4. ESCAP also publishes research studies, working papers and policy briefs on various financing for development issues.

Further, ESCAP provides capacity building services

ESCAP provides technical support and capacity building services in a host of areas:

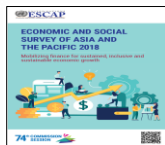
- Supporting policymakers to leverage domestic financial resources more effectively and mobilize innovative financing strategies for sustainable development;
- Building countries' capacity to implement public-private partnerships to finance infrastructure projects, and develop a PPP and infrastructure financing network;
- Supporting the design and implementation of finance strategies and related fiscal governance issues.

TAKEAWAY MESSAGES

Key challenges such as investment gap including estimating issues, weak economic diversification, and very limited mobilization of public and private resources should be the priorities for North and Central Asia for achieving the 2030 Agenda

UN provides an overarching support to member States to address financing development challenges and priorities of the countries to achieve the 2030 Agenda

Thank you!



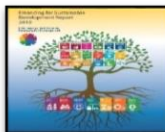
ESCAP Economic and Social Survey of Asia and the Pacific 2018
www.unescap.org/publications/economic-and-social-survey-asia-and-pacific-2018



ESCAP Economic and Social Survey of Asia and the Pacific 2019
www.unescap.org/publications/economic-and-social-survey-asia-and-pacific-2019



ESCAP Financing for Development in Asia and the Pacific 2019
www.unescap.org/resources/financing-development-asia-and-pacific-highlights-context-addis-ababa-action-agenda-2019



DESA Financing for Sustainable Development Report 2019
www.developmentfinance.un.org/fsdr2019



ESCAP Asia-Pacific Countries with Special Needs Development Report 2019: Structural transformation and its role in reducing poverty
www.unescap.org/publications/asia-pacific-countries-special-needs-development-report-2019



UN Secretary-General's Strategy for Financing the 2030 Agenda

<https://www.un.org/sustainabledevelopment/sg-finance-strategy/>