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

Ulukbek Usubaliev

Macroeconomic Policy and Financing for Development Division

Issyk-Kul, Kyrgyzstan
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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
<table>
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<th>6 Actions Areas</th>
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<td><strong>Advocacy</strong></td>
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<td>1. Integrate the SDGs and Paris Agreement into Economic &amp; Financial Policies and Practice</td>
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<td>2. Scale-up Climate Finance</td>
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<td>3. Highlight the needs of LDCs and SIDS</td>
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*UN ESCAP*
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
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.
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 ≈ $1 per person per day

It’s within reach!

≈ $1

12¢

37¢

43¢

CLEAN ENERGY FOR ALL

PROTECTION FOR NATURE

SUSTAINABLE INFRASTRUCTURE FOR ALL

NO POVERTY & ZERO HUNGER

HEALTH AND EDUCATION

UNIVERSAL ACCESS TO CLEAN ENERGY
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

Fiscal Revenues of Russia

Fiscal Revenues of Kazakhstan

Fiscal Revenues of Azerbaijan

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**

- 2014: 34.7%
- 2015: 41.8%
- 2016: 46.4%
- 2017: 45.8%

- 2014: 65.3%
- 2015: 58.2%
- 2016: 53.6%
- 2017: 54.2%

**Total Export of Goods of Kazakhstan**

- 2014: 33.2%
- 2015: 33.3%
- 2016: 42.4%
- 2017: 48%
- 2018: 44.7%

- 2014: 66.8%
- 2015: 66.7%
- 2016: 57.6%
- 2017: 52%
- 2018: 55.3%

**Total Export of Goods of Azerbaijan**

- 2013: 5.6%
- 2014: 5.8%
- 2015: 9.6%
- 2016: 10%
- 2017: 9.7%

- 2013: 94.4%
- 2014: 94.2%
- 2015: 90.4%
- 2016: 90%
- 2017: 90.3%

Source: the author’s estimations based on the national authorities’ data
Infrastructure financing needs in Asia’s LLDCs require 10.5% of GDP annually in average to close infrastructure gap within 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

Source: FSDR 2019
Increasing tax revenue. Better tax administration, higher tax revenue

The value of Tax Administration Index

Source: ESCAP Survey 2018
Leveraging private finance through public-private partnerships. More enabling policy environment, larger PPP value

Source: ESCAP Survey 2018
Enhancing the role of domestic capital markets

Capital market development levels in Asia-Pacific in 2016

Source: IMF
Scale-up Climate Finance

- **Mitigation**
  - ODA (e.g. improved cook stoves in Mali)
  - Not ODA (TOSD, e.g. wind turbines in Kazakhstan, China, etc.)

- **Adaptation**
  - ODA (e.g. climate-resilient infrastructure in Nepal)
  - ODA (e.g. climate-resilient agriculture in Kyrgyzstan, Vietnam, etc.)

**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).


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

ESCAP Economic and Social Survey of Asia and the Pacific 2019

ESCAP Financing for Development in Asia and the Pacific 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

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