

IATF and Expert Meeting on the thematic chapter of the 2019 FSDR

National Financing Strategies for the SDGs

Tuesday, 30 October 2018, UN HQ, CR 9, New York

Background

As countries strive to implement the 2030 Agenda, mobilizing sufficient financing for SDG investments has emerged as a critical challenge. At the global level, the Addis Ababa Action Agenda provides a comprehensive financing framework for the SDGs. There is widespread agreement that implementation of the SDGs will require public, private, domestic and international financial and non-financial resources, as laid out in the Addis Agenda. How this framework can be translated into coherent national frameworks and strategies that mobilize and align all financing with the SDGs needs to be elaborated. The Addis Agenda notes that “integrated national financing frameworks that support nationally owned sustainable development strategies” will be at the heart of countries’ efforts, supported by an enabling international economic environment and international cooperation. Since 2015, there has been much discussion of strategic and integrated approaches to national planning and financing. In the outcome of the 2018 FfD Forum, Member States committed to “operationalize national financial frameworks into investable projects and pipelines.” The thematic chapter of the 2019 Financing for Sustainable Development Report (FSDR) will explore how to operationalize the Addis Agenda at the country level and implement the SDGs.

The chapter will (i) set out elements of national financing frameworks for the SDGs; (ii) propose actions for integrating these elements into effective financing strategies, responding to specific national priorities, needs, country circumstances and the global environment; and (iii) map out available support measures from the international community. It will build on ongoing work by Task Force members on integrated financing frameworks and strategies, including UNDP, the OECD and the World Bank.

The 2017 and 2018 FSDRs identified related and more targeted ongoing efforts, such as medium-term revenue strategies, financial inclusion strategies, investment plans, development cooperation policies, and many others. The chapter will also explore how these efforts can be made— (i) coherent and integrated with national sustainable development strategies and long-term planning, (ii) coherent across different financing policies and regulatory frameworks, and (iii) more coherent institutionally across different ministries, regulatory bodies and other stakeholders.

Objective and structure of the meeting

The Task Force has held two scoping meetings, in April and July 2018, to start preparations for the thematic chapter. This initial work has produced an annotated outline that is guiding the Task Force's analytical work. The expert meeting on 30 October will bring together relevant Task Force members and several outside experts to discuss progress of this work and facilitate agreement on key messages and recommendations of the chapter. It will guide the Task Force in preparing the first draft of the chapter before the end of 2018.

In the **introduction and opening session**, FSDO will provide a brief overview of the state of preparations of the chapter, introducing the annotated outline and laying out key questions to be addressed in the meeting. The remainder of the morning sessions will provide a broad overview of financing strategies.

In **setting the scene**, we will discuss the backdrop to the call for financing strategies: countries' aspirations to implement ambitious sustainable development strategies to realize the 2030 Agenda and the SDGs, in the context of a more complex financing landscape. So far, national strategies and plans often do not address financing mechanisms in a comprehensive manner.

As a result, there is growing interest in **national financing strategies for the SDGs**. The session will discuss objectives ((i) mobilizing resources; (ii) realigning existing spending and investment; (iii) spending resources effectively; and (iv) managing risks) and possible elements of such strategies, drawing on existing country experiences and ongoing work in the Task Force.

The afternoon will discuss various elements of such financing strategies, and how the range of financing policies and actions laid out in the Addis Agenda can support and be coherent with the overall financing strategy. **An assessment of financing needs and costing** often stands at the beginning of formulating such a strategy.

Discussions on **public financial management, development cooperation, macro and investment policies** will provide examples of how specific financing policies can support the objectives of an overall financing strategy; and how they can be integrated or coherent with the overall approach ((i) coherent with the development strategy, (ii) coherent across different financing policies, and (iii) facilitate greater institutional cooperation and coordination).

The discussion on **climate finance** provides an example of how a cross-cutting priority such as climate action can and has been integrated into financing policies, and seeks to learn lessons from existing experiences in this area.

Agenda

9 – 9:30 a.m. Introduction and opening discussion

- Mr. Navid Hanif, Director, FSDO
- Tour de table
- Ms. Shari Spiegel and Mr. Oliver Schwank, FSDO

9:30 – 10:45 a.m. Setting the scene: Financing landscapes, national sustainable development strategies and plans and their financing components

With opening inputs by:

- Ms. Annalisa Prizzon, ODI
- Mr. Ahmet Soylemezoglu, Independent consultant/ World Bank Group

See sections 2.1. and 2.2. in the annotated outline for background. Guiding questions include:

- *What financing sources are currently available at the country level, and what sources could be made available going forward? How does the landscape differ in different contexts and for different types of countries? What are the roles of traditional and new actors, traditional and innovative instruments and approaches across different country groups?*
- *What types of national development plans and strategies are currently in place and how effective are they in guiding policy? Are they aligned with SDGs, and do they contain financing components? Are priorities costed? How specific are the financing components?*

Coffee Break

11 a.m. – 1 p.m. National financing strategies for the SDGs

With opening inputs by:

- Mr. Tim Strawson, UNDP/Independent Consultant
- Ms. Rachel Scott, OECD

See section 3 and 3.2. in the annotated outline for background. Guiding questions include:

- *What are key objectives and building blocks of financing strategies?*
- *How can financing strategies contribute to greater coherence in policy making ((i) integrating financing with long-term planning, (ii) enhancing coherence across financing policies, and (iii) facilitating better institutional coordination?*
- *Which financing sources and instruments can be matched with and are adequate for costed priorities and projects? How do other financing policies need to be adjusted to facilitate mobilization and alignment of private and other types of financing with development goals?*
- *How are these targeted finance types different in various country contexts?*

Lunch Break

2 – 2:30 p.m. Elements of financing strategies I: assessment of financing needs and costing exercises

With opening inputs by:

- Ms. Mercedes Garcia-Escribano, IMF
- Mr. Ambar Narayan, WBG

See section 3.1. in the annotated outline for background. Guiding questions include:

- *What tools are available to assess financing landscape and to cost priorities?*
- *What support can or should the international community provide to countries in assessing their financing landscape and costing their development plans?*

2:30 – 3:30 p.m. Elements of financing strategies II: public financial management and development cooperation policies

With opening inputs on PFM by:

- Ms. Katherine Baer, IMF
- Ms. Ceren Ozar, WBG

And opening inputs on development cooperation and international support by:

- Ms. Yuko Suzuki, UNDP
- Ms. Doris Schmitz-Meiners, FSDO
- Mr. Richard Bailey, UN DOCO

See section 3.3. in the annotated outline for background. Guiding questions include:

- *What are the policy measures that will support objectives of a financing strategy ((i) mobilize additional public financing and development cooperation for national priorities, (ii) realign existing spending and financing flows with these priorities, (iii) enhance effectiveness and (iv) manage risks and avoid or reduce future expenditure)?*
- *What measures can governments take to ensure that public financing and development cooperation policy frameworks are coherent and integrated ((i) aligned with the national sustainable development strategy, so that the long-term goals are translated into and inform short-term/ day-to-day operations and policy making; (ii) coherent with other financing policies, to ensure trade-offs and synergies are well managed; and (iii) improve institutional coordination)?*

Coffee Break

3:45 – 4:45 p.m.

Elements of financing strategies III: macroeconomic and debt policies; private investment policies and plans

With opening inputs on macro-policies by:

- Mr. Chris Lane, IMF
- Mr. Barry Herman, The New School

And opening inputs on investment policies by:

- Ms. Chantal Line Carpentier, UNCTAD
- Mr. Krishnan Sharma, FSDO

See section 3.3. in the annotated outline for background. Guiding questions include:

- *What measures can governments take to ensure that investment policies and macroeconomic policies support objectives of a financing strategy? What are the policy measures that will help mobilize additional private financing and investment for national priorities, realign existing financing flows with these priorities, enhance effectiveness, and manage risks and avoid or reduce future expenditure?*
- *What measures can governments take to ensure that investment policies and macroeconomic policies are coherent – i.e. (i) aligned with and supportive of the national sustainable development strategy, (ii) coherent with other financing policies, to ensure trade-offs and synergies are well managed, and (iii) have better institutional coordination.*

4:45-5:30 p.m.

Cross-cutting and sectoral examples: mainstreaming climate action and climate finance

With opening inputs by:

- Ms. Chantal Naidoo, University of Sussex
- Mr. Ben Singer, UNFF

See section 4. in the annotated outline for background. Guiding questions include:

- *What lessons can we learn from countries' efforts to mainstream climate considerations across public finance, private finance policy frameworks and financial systems, and development cooperation?*

5:30 – 6 p.m.

Wrap up, way forward