WOMEN'S INTERNATIONAL LEAGUE FOR
PEACE & FREEDOM

SDG Financing Lab

April 18, 2017

Amina J. Mohamed, Deputy Secretary-General of the United Nations, offers opening remarks at a high-level Sustainable Development Goal (SDG) Action Event held to highlight the critical importance of sustainable finance for the achievement of the goals, including climate action. UN Photo/Rick Bajornas

On 18 April 2017, the President of the 71st Session of the General Assembly (PGA), Peter Thomson, convened the SDG Financing Lab with a goal to initiate the alignment of global financial flows with the Sustainable Development framework, as well as to showcase concrete ways in which Member States can approach the financing of different Sustainable Development Goals (SDGs).

The event brought together the representatives of Member States, UN bodies and programmes, civil society organisations, research institutions with global and regional reach, CEOs, investors, international financial institutions, private sector organisations and many others for an in-depth conversation on what is needed to ensure sustainable financing of the SDGs.

Opening Session and High-Level Segment:

Referring to the principles of the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda (AAAA) and the Paris Agreement on Climate Change, the PGA opened the forum claiming that the support for long-term objectives and exponential transformation of the global financial system are essential to ensure proper implementation of the 2030 agenda. This transformation, according to the PGA, requires all stakeholders to work together to "unleash business opportunities that can usher in inclusive economic growth, social justice, and environmental stewardship". Similarly, the Deputy Secretary-General, Amina J. Mohammed, and Mahmoud Mohieldin of the World Bank highlighted that better investments and stronger partnerships for inclusive growth generate significant economic dividends and prosperity for all.

The discussion centred around the mobilisation of resources to support social growth, environmental protection, climate action, and economic prosperity. The PGA described the event as a 'rare window of opportunity' to catalyse international efforts in sustainable development and align financial markets and investment patterns with the 2030 Agenda. The key funding targets identified were in food and agriculture, cities, energy and resources, and health care. The enumerated challenges to achieving these targets included high-risk perception among investors, restrictive international trade structures, and access to technology and information. To overcome current deficits, speakers underscored the necessity to transform global markets through incentivising development finance, investment in human capital, implementing de-risking schemes, and liquidating large domestic capital pools such as pensions and insurance bonds.

In the opening segment, women were presented as one of the key players in the process of implementing the 2030 Agenda. "Closing gender gaps has been shown to generate significant economic dividends and prosperity, empower women to generate income, provide for families and stabilise communities", said the Deputy Secretary-General, Amina J. Mohammed. The speakers were also keen to provide an accountability framework for those who challenge the implementation of the 2030 agenda. Specifically, Mahmoud Mohieldin of the World Bank stressed that ensuring positive social returns is also dependent upon excluding trade and other business transactions with actors engaged or complicit in human rights violations, arms trade, weapons proliferation and pornography.

Interactive Panel Discussion:

During the Interactive Panel Discussion entitled 'What Will It Take to Finance the SDGs', a number of critical issues rose to the forefront of the dialogue. First, the lack of sustainability in contemporary markets constitutes an industry and government failure which is wholly incompatible with the 2030 Agenda. To correct this deficiency, Member States were advised provide leadership, accountability, transparent regulatory structures and incentivise funding shifts. Second, the focus on profit in lending and investment, combined with over-perceived risk, results in stalled capital and precludes investment in otherwise bankable SDG projects. To address these issues, the international community is expected to project the 2030 Agenda's positive impact on business, de-risk from the ground up, support the development of a methodology for assessing new risks and catalyse innovation. Finally, current financial landscapes are focused on large-scale investments which prevent access among local, remote, and small scale projects or entrepreneurs. Pivotal efforts to counter these barriers require the international community to imbed social purpose in investment priorities, finance civil society, broaden coalitions and consciously translate funding to small scale projects. Combined, these efforts should significantly increase investment to close a number of SDG financing gaps. At the same time, it must be noted that this panel discussion lacked any reference to the SDG 5 or SDG 16, the central pillars of the 2030 Agenda.

Plenary Debate:

A total of 31 Member State Representatives delivered statements during the Plenary Debate segment of the Financing Lab. Major themes at the debate included widespread calls for implementing national development commitments, emphasis on the role of international financial institutions in strengthening financial cooperation and global partnerships and the need to prioritise investments in less developed states. A number of speakers warned against protectionist or nationalistic sentiment, discriminatory lending policies, declining political will and the fragmentation of resources.

Financial indicators relevant to the precepts of mechanisms like the AAAA, such as national protection schemes and Member States' regulatory responsibilities, found a significant platform in this event. References to the quality and quantity of public spending were most common, where 19 (42 percent) of speakers afforded attention to this issue. The role of International Financial Institutions in developing global markets was also widely recognised in 16 (38 percent) of the delivered statements. Less common were references to domestic and international tax systems (16 percent) and data generation or information sharing (14 percent).

Member States and guest speakers largely refrained from addressing the need for national and international policy actions for gender equality and women's rights. Only 7 (17 percent) of the statements delivered referenced issues relevant to women's rights and women's empowerment, with particular emphasis on the commodification and economic empowerment of women and girls. While many Member States representatives and panellists highlighted the pivotal role of the financing roadmaps like the AAAA, key features of these mechanisms, including gender-responsive budgeting and financing gender-sensitive conflict prevention, were excluded from the discussion. Furthermore, though the AAAA openly recognizes the development challenges posed by conflict, the speakers did not afford sufficient attention to the need for common action to address specific challenges facing fragile and conflict-affected states. This disregard, in this vein, further undermines all efforts undertaken by Member States and financial actors to implement the SDGs globally.

Workshops:

The participants of three parallel workshops demonstrated sufficient interest in strengthening the role of the UN in connecting different stakeholders together for a pro-development reforms of the global economic and financial systems. Concentrating on the SDGs 1-5, 16 and 17, the participants of the Workshop I discussed the difficulties relevant to the development of a measurement system for the SDG progress and explored the avenues for encouraging Member States to develop national coordinating bodies to monitor the SDG implementation. The conversation in the Workshop II (SDGs 7-11) was focused on the need to change existing financial eco-systems, refraining from a project-by-project approach and reducing the perception of fear when it comes to the work of donors and financial institutions in less developed economies. Finally, the participants of the Workshop III (SDGs 6, 12-15) emphasised the need to industrialise and commoditise the current financial flows with a goal to develop the sustainable financing framework.

Across these discussions, however, concrete proposals to close the financing gaps that hinder progress towards gender equality, women's empowerment and sustainable development for all, especially in conflict situations, have not been made. Subsequently, the conversation on the need to ensure an enabling environment for all CSOs to participate at local, national and international levels and at all stages of the SDG implementation process has been largely absent, with the majority of statements focusing on the public-private and multi-stakeholder partnerships.

Looking Ahead:

Currently, the international community believes that proper financing of the 2030 Agenda requires a significant transformation of policy frameworks, regulatory measures and incentives, market practices, norms and standards, as well as a renewed commitment of all stakeholders.

However, this approach in its current framing fails to remove the global obstacles to development and to shift the balance of power in the international financial architecture in order to address systemic issues and create the conditions to respect, protect and fulfill human rights, in particular women's rights, especially in conflict-affected situations.

As the cornerstone of the 2030 Agenda, upon which all other goals are dependent, SDG 16 on Stable and Peaceful Societies and SDG 5 on Gender Equality and Women's Empowerment should have taken center stage throughout the day's events. To do the issue justice, funding concerns and investment needs related to conflict prevention, peacebuilding, and crisis response should have been incorporated throughout all dialogues. Furthermore, as the primary indicator for state peace, security and national health, women's human security must be addressed in any and all development discussions. Where peaceful societies are essential for economic development, women's empowerment is essential for peaceful societies.

To achieve the 2030 agenda for all, Member States, the UN System and other relevant stakeholders must act on the AAAA's recommendations on Gender Equality and Women's Empowerment:

- Systematically track and prioritise allocation of ODA in support of gender equality and take specific actions to close financing gaps in order to meet new and existing targets on gender equality and women's empowerment;
- Adopt the UN target of a minimum of 15% of all peacebuilding funds targeting gender equality as a principal objective;
- Provide tax incentives to support ownership of assets/property by women;
- Promote and enact legislative and administrative reforms to ensure women's equal rights to economic and productive resources;
- Use all available opportunities and processes to build political commitment – from governments, international organisations, civil society organisations, academia, and the private sector – in support of transformative financing for gender equality and women's rights;
- Close data gaps by investing in national statistical capacity to systematically collect, analyse, and use data disaggregated by sex and age through appropriate financial and technical support and capacity-building.