

Remarks
UNDP Administrator Achim Steiner
16 May 2024

2024 Operational Activities for Development segment of the ECOSOC, Session 8 titled *"Means of implementation: financing the SDGs: Development financing priorities that can have a catalyzing effect to achieve system-wide results in the 2030 Agenda implementation"*

CHECK AGAINST DELIVERY

Opening

Vice-President of the Economic and Social Council responsible for the operational activities for development segment & Permanent Representative of Tunisia to the United Nations, H. E. Mr. Tarek Ladeb,

Permanent Representative of Mexico to the United Nations, H.E. Héctor Enrique Vasconcelos

Excellencies, Ladies and Gentlemen,

As fiscal crises take hold and foreign investment wanes, the need to reform the "outdated, dysfunctional, and unjust" international financial architecture is more acute than ever before in living memory.¹

On average, low-income countries are likely to allocate **1.4 times more to simply servicing debt interest payments than to vital areas like healthcare.**

In response, many nations are **not waiting** for overdue global reforms but are **forging their own, bold development paths** through groundbreaking mechanisms like **Integrated National Financing Frameworks**, or INFFs.

They empower **countries to weave the fabric of sustainable development into every fibre of government budgets, financial markets, and private sector operations.**

As sovereign, country-owned strategies, INFFs are also key means to mobilising a wide range of stakeholders.

For instance, we are seeing how UN Country Teams (UNCTs) -- under the political leadership of the Resident Coordinators and the technical leadership of UNDP -- are working with a range of partners to support these country-led INFFs including the IMF, the World Bank, the European Union and the OECD.

Four Key Insights from INFFs

Currently, **86 countries** are at different stages of developing and delivering their INFFs.²

Let me share **four insights about their progress.**

¹ As described by the UN Secretary-General

² 13 national and subnational governments now have an operational Financing Strategy that set out *sequenced actions* to finance national development plans. And more than 50 countries are implementing reforms that are embedding sustainable development into government budgets, financial markets, and private sector operations.

1. First, the emerging outcomes from the INFFs are both promising and indicative of greater potential if countries bring their INFFs to maturity.

New analysis of such reforms implemented by 17 countries has found that **\$16 billion in new finance has been leveraged for investment in sustainable development** – with scope for alignment of \$32 billion more.

Consider **Benin**, which **recently leveraged €350m** through an innovative loan instrument -- the first of its kind in Africa.³

2. Second, countries are *hardwiring* SDGs into the design of their financial systems, directly linked to key areas like their Nationally Determined Contributions, or NDCs.

Look to **Belize**, which is developing an INFF that will streamline climate finance within its NDC.³

As countries embark on the design of their third-generation NDCs in 2025, **INFFs will be also critical to scale up and align global financing flows to advance these NDCs.**

3. Third, there is also great untapped potential to use financial instruments – that often emanate from the implementation of INFFs -- to help bring more policy predictability to an uncertain world and attract more private investment.

For instance, automatic triggers could be **embedded in bonds or loan agreements** that **could allow the suspension of debt service in the event of a climate-change-induced disaster.**⁴

Countries like **Uruguay** are already pioneering this new approach: launching a **sustainability-linked bond where the cost of borrowing is directly linked to NDC performance.**

Closing / Call for Action

Excellencies, Ladies and Gentlemen,

We are seeing how INFFs can be a game-changer in accelerating SDG progress, yet **countries need more support in this critical area.**

Therefore, UNDP, UNDESA and UNICEF have **come together as members of the UN family, along with the OECD and other partners** to offer the **INFF Facility**, which provides technical support to countries to implement these vital frameworks.⁵

³ It was previously the first Least Developed Country to issue an SDG bond through its INFF unlocking €500 million for investment in social & environmental projects.

It was followed by a further €350m leveraged through an innovative loan instrument, the first of its kind in Africa. Other example: 30 countries are using their INFF to advance gender-specific reforms including in the Maldives, which launched its gender-responsive climate financing strategy that charts the way towards a just energy transition.

⁴ <https://hdr.undp.org/content/human-development-report-2023-24>

⁵ Including UNDP, UNDESA and UNICEF, the European Union and the OECD, and the governments of Sweden, Italy, and Spain.

The Facility is broadening partnerships with actors across the UN system and beyond to support the implementation of country-led INFFs.⁶

We also invite International Financial Institutions to use INFFs as the *guiding framework* for their investments.

As we work towards the 4th International Conference on Financing for Development in 2025, the UN development system is supporting country-owned INFFs to realise a profound shift in thinking whereby finance can -- and must be -- more carefully crafted to truly work in service of people and the planet.

Thank you.

END

CHECK AGAINST DELIVERY

⁶ There are other mechanisms that hold the potential to drive *new thinking*. For instance, the RCO in Eritrea set up a Country Economists Network comprising of a wide range of economists from the IMF, the African Development Bank, the UN and beyond.