

## **ECOSOC Operational Activities Segment 2025**

**SDG financing at the country level: dialogue with UN country teams and other actors**

***Wednesday, 21 May 2025, 4:30 pm – 6 pm, NY time***

***ECOSOC Chamber***

**Mr. Chair, Distinguished Delegates,**

On behalf of ESCWA, I am pleased to share insights from the Arab region on unlocking SDG financing at the country level. Despite notable efforts, many countries still face persistent financing gaps—both in capital and in the systems needed to govern it effectively. Meeting these challenges requires more than mobilizing funds; it demands strengthening national systems that can translate ambition into investable, results-oriented action.

**To that end, ESCWA works alongside governments to turn financing ambition into structured national action. In countries such as Egypt and Jordan, and in collaboration and coordination with Resident Coordinators and UN Country Teams, we supported the development of Integrated National Financing Strategies (INFSs) that move beyond fragmented approaches. These strategies consolidate domestic, international, and private resources into forward-looking roadmaps, unified frameworks that are grounded in macroeconomic realities and aligned with national development priorities.**

**Yet INFSs must evolve into operational mechanisms.** ESCWA supports this transition by providing countries with digital platforms and tailored analytical tools that guide policy design, identify financing gaps, assess trade-offs, and improve the alignment of public and private finance with national priorities. In fragile settings, we emphasize de-risking tools—including SDG-aligned sovereign guarantees, diaspora instruments, and impact bonds. In middle-income contexts, catalytic capital and blended finance remain critical.

**To support these efforts, ESCWA leverages AI-powered, decision-enabling platforms** that translate complex data into actionable fiscal insights. Our **Integrated Budget Intelligence Toolkit (iBIT)** uses machine learning to reveal inefficiencies and optimize budget allocations toward SDG priorities. The **Social Expenditure Monitor** enables governments to assess the equity, efficiency, and sustainability of their spending.

In collaboration with the RCs and UNCTs, we also support **innovative instruments** such as **Climate/SDG Debt Swaps**, now under design with Jordan, Tunisia, and Mauritania. These

mechanisms convert external debt service into climate-resilient investment, embedded in national frameworks and are integrated into broader fiscal strategies, with clear governance structures.

ESCWA's approach is anchored in systemic collaboration. Through the **Sustainable Debt Coalition**, we work with ECA, ECLAC, and UNCTAD to provide technical support on debt sustainability, fiscal resilience, and access to capital. This inter-regional effort ensures scalable, context-aware fiscal innovation.

We also engage with the financial sector. In partnership with ESCWA, the **Union of Arab Banks has committed to mobilizing \$1 trillion in SDG-aligned finance by 2030**—a milestone that reflects the region's growing momentum toward sustainable banking practices, ESG alignment, and development-linked finance.

In sum, ESCWA partners with RCs and UNCTs to equip Member States with the tools, partnerships, and strategies needed to align national ambition with global investment. By embedding credibility, coherence, and data-driven systems at the center of development financing, we help countries unlock the future they envision.

Thank you.