

Draft Statement by LDCs
ECOSOC 2023 Operational Activities for Development Segment
DAY 1 – Tuesday, 23 May 2023 16:30 – 18:00
3. Financing the SDGs: Working with financial institutions and beyond

Objectives:

This session will look at the efforts by United Nations country teams to help leverage financing for the SDGs, including in partnership with international financial institutions, regional and national development banks, and others. It will discuss what measures are needed to further scale up such cooperation, including how to further support countries' efforts in developing and implementing Integrated National Financing Frameworks (INFFs).

Mr. Chairman, Mr. Moderator,
Distinguished panelists, Excellencies and colleagues,

I have the honour to deliver these remarks on behalf of the LDCs.

At the outset, I commend the distinguished speakers for their insightful presentations.

The presentations clearly articulate the complexity of challenges that the world has been facing now. The cascading impacts of the multiple and intertwined global crises are affecting LDCs severely. Achievement of the 2030 agenda is facing serious headwinds and shocks.

The Secretary-General's SDG Progress Report presents a very alarming picture. Out of the 140 targets being assessed, only about 12% are on track. And some 30% have either seen no movement or regressed below the 2015 baseline.

Under current trends, 575 million people will still be living in extreme poverty in 2030. Around half of them will be living in LDCs.

In spite of the ambitious global commitments to achieve the SDGs, securing enough resources remains a major challenge, with developing countries facing a financing gap of US\$ 2.5 to 3 trillion per year. This gap is massive and widening in LDCs.

The scope of domestic resource mobilization is also very limited in LDCs. Due to the ongoing crises, the growth in real GDP of LDCs slowed down from 5% in 2019 to just 0.2% in 2020 before recovering to 2.6% in 2021.

External sources of finance in the form of ODA, export earnings, investment and remittances are either stagnating or dwindling. Concessional windows of finance from the IFIs are also narrowing and shrinking for LDCs.

The UN system therefore is a major source of support for LDCs to achieve the SDGs.

Mr. Chairman,

The Joint SDG Fund, which was operationalized in 2018, is a key mechanism to support the SDG financing ecosystems on the ground. This can stimulate the strategic investments required to get the world back on track to meet the SDGs.

The General Assembly resolution on the repositioning of the UNDS sets a target of \$290 million per annum to the Joint SDG Fund.

Since its establishment in 2019, the Fund has made over \$260million in financial commitments. This has catalyzed additional investments of \$2.3 billion over the years. This indicates a financial leverage of \$9.70 for every \$1 invested in the Fund's portfolios, primarily through new SDG bonds.

Despite considerable positive outcomes, the capitalization for the Fund is declining. The SG's report informs that the Fund decreased by 75 per cent between 2021 and 2022. It also has a very narrow donor base. This will seriously jeopardize this vital propeller of reform.

In the context of the current circumstances, we would like to make the following recommendations:

First- RC system needs to be further strengthened with full financing in a timely and predictable manner. RCs also need to step up their efforts to rally the full force of UNCTs to respond more effectively to the diverse needs and priorities of LDCs against the backdrop of the current crises.

Second: The Joint SDG Fund should be fully capitalized with \$290 million per annum. The donor base should also be diversified.

Third: The DCO and the RC system need to strengthen country-level SDG pooled funds to complement global ones to leverage investments for SDGs in LDCs. Multi-stakeholder partnerships should be catalyzed involving donor countries, IFIs and the private sector to finance the SDGs in LDCs.

Fourth: The Fund should support countries' efforts in developing and implementing Integrated National Financing Frameworks (INFFs). It should support scaled up programmes for food systems, education, digitalization, decent jobs and social protection, climate action and energy transitions, and SDG localization, working closely with relevant UN entities and partners.

Finally: The Doha Programme of Action adopted at the LDC5 offers an ambitious agenda for LDCs to recover from the ongoing crises, build resilience against future shocks and accelerate the implementation of the SDGs. The RC system should fully integrate the DPOA into the Sustainable Development Cooperation Framework and mobilize partnerships and pooled funding for its timely implementation.

I thank you all.