International Seminar

Financing SDG implementation: the role of Integrated National Financing Frameworks

28 May 2020, Videoconference

**Draft Concept Note**

**Background**

The 2019 Financing for Sustainable Development Report of the Inter-agency Task Force (IATF) on Financing for Development warned that mobilizing sufficient financing remains a major challenge in implementing the 2030 Agenda for Sustainable Development. Despite signs of progress, investments that are critical to achieving the Sustainable Development Goals (SDGs) remain underfunded.[[1]](#footnote-1).

According to the IMF study on SDGs financing, delivering on the SDG agenda will require additional spending by 2030 of US$0.5 trillion for low-income developing countries and US$2.1 trillion for emerging market economies. For emerging market economies, average additional spending required represents about 4 percentage points of GDP. This is a considerable challenge, but in most cases these economies can rely on their own resources to achieve these SDGs. The challenge is much greater for low-income developing countries. Here, the average additional spending represents 15 percentage points of GDP[[2]](#footnote-2).

Meanwhile, global economic downturn is likely to cast serious implications for Sustainable Development and financing the SDGs. In early 2020, the Inter-agency Task Force on Financing for Developing (Task Force) members lowered their already tepid growth forecasts due to the rapid worldwide spread of COVID-19. Under the assumption that the pandemic and required containment peaks in the second quarter for most countries in the world, and recedes in the second half of this year, in the April World Economic Outlook, the IMF projects global growth in 2020 to fall to -3 percent.[[3]](#footnote-3)

As noted in the 2020 Report on Financing for Development[[4]](#footnote-4), policymakers need to mitigate the short-term risks of COVID-19, without losing sight of medium- and long-term structural issues.

Short-term actions also affect medium-term outcomes, so it is important that any crisis response take into account longer-term impacts and be aligned with sustainable development. Task Force members have called for fiscal policy to play a more proactive role in supporting demand, particularly in countries where fiscal space exists. Macroprudential policies will also be important, especially in countries with high financial vulnerabilities. Capital flow management can help countries with large balance sheet mismatches mitigate the impact of capital flow volatility. In addition, strengthened social protection systems, improved risk management and structural and regulatory reforms can support medium- to long-term growth prospects—taking into account the growing importance of the digital economy.

Sustainable development requires prioritizing public investment in sustainable and resilient infrastructure, enhancing redistributive policies, and strengthening social welfare systems. Public investment, along with appropriate incentives for private investment, will also be needed to help counteract the fall in investment due to COVID-19. These should be aligned with sustainable development. Integrated national financing frameworks can help national policy planning by identifying opportunities for resource mobilization and allocation within the context of an enabling international environment.[[5]](#footnote-5)

The Addis Agenda notes that *“cohesive nationally owned sustainable development strategies, supported by integrated national financing frameworks, will be at the heart of our efforts.”* In response to the 2030 Agenda, many countries aligned their national development strategies with the SDGs. However, most strategies do not have concrete financing plans to fund their implementation.

Turkmenistan has been participating at global platforms on development financing, including the ECOSOC Financing for Development Forums, and hosted a number of international events on SDG financing, including first development financing dialogue in June 2018 and FfD event on the sides of the First Caspian Forum in August 2019, which gathered the international financial institutions, governments, private sector, international and regional banks, CSOs and academia. At the 74th session of the UN General Assembly, the country also expressed interest to host the Fourth International Conference on Financing for Development in Turkmenistan[[6]](#footnote-6).

In 2020, Turkmenistan has been celebrating the 25th anniversary of its permanent neutrality, recognized by the UN. The concept of neutrality promoted by the country, is based on peacefulness, active peacekeeping, non-participation in military conflicts, alliances and treaties, non-interference in the internal affairs of countries, respect for their sovereignty and territorial integrity, which is consistent with the key principles of the 2030 Agenda and crucial for achievement of the sustainable development.

The proposed International Seminar (via videoconference) is organized jointly by the Government of Turkmenistan and the UN as part of a series of events dedicated to the 25th anniversary of the country’s permanent neutrality, as approved by the Decree of the President of Turkmenistan on 6 December 2019. The event will also mark the SDGs Decade of Action launched by the UN Secretary General in 2020 by focusing on financing for sustainable development[[7]](#footnote-7).

## Objective, structure and geographical scope of the event

The overall objective of the *International Seminar on Financing SDG implementation: the role of Integrated National Financing Framework* is to facilitate an inclusive discussion and sharing of experiences on immediate response measures the countries are taking to mitigate the socio-economic impact of COVID-19 pandemic and linking such measures with longer term goals on SDG financing through integrated national financing frameworks. These discussions will be guided by outcomes of the ECOSOC forum on financing for development, conducted on 20-23 April 2020. The seminar will geographically cover the countries who are part of the United Nations Special Programme for the Economies in Central Asia (SPECA), including Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, and can be extended to other countries. More concretely, the event will:

* Facilitate discussion and landing the outcomes of the 2020 ECOSOC Forum on financing for development to local context in SPECA countries to help them link short-term measures in response to pandemic with longer term concept of Integrated National Financing Frameworks and its main building blocks for their operationalization;
* Provide opportunities for the participating countries to exchange experiences on implementation and financing of national sustainable development programmes, including their alignment with the SDG targets and indicators, key gaps and challenges in the SDG financing, and monitoring, accountability and evaluation mechanisms to ensure efficiency and effectiveness of resources;
* Familiarize the participating countries with potential sub-regional SDG financing instruments, including the SPECA Trust Fund proposed by UNECE.

The event will bring together representatives from ministries of finance, in charge of fiscal affairs and public finance management, and representatives from ministries of economy, responsible for design and implementation of investment policy and mobilization of private capital from the participating countries, UNDESA, UNECE, the World Bank Group, IMF, and FfD experts from the UN agencies and other international organizations. One of the purposes of the event is also to discuss possibilities to establish a joint SDG financing mechanism for the participating countries[[8]](#footnote-8).

It is expected that the international seminar will result in outcome document that outlines key discussions, recommendations and follow up actions related to linking short-term financial stimulus measures in light of COVID-19 with longer term SDG financing at country level, including through establishment of integrated national financing frameworks.

Due to travel restrictions and social distancing policies in place to contain the COVID-19 pandemic around the world, the international seminar will be held via videoconferencing and the duration will be limited to three hours.

## Substantive Segments

**Session 1: OUTCOME OF THE 2020 ECOSOC FORUM ON FINANCING FOR DEVELOPMENT AND HOLISTIC INTERNATIONAL SUPPORT TO MITIGATE THE SOCIOECONOMIC IMPACT OF THE PANDEMIC**

This session will facilitate remote connection by UNDESA to present on the outcomes of the ECOSOC forum on financing for development held on 20-23 April 2020. The session will also present global/regional offer by the UN system to help mitigate the socio-economic impact of pandemic as well as short-term responses to mitigate the socio-economic impact of COVID-19 supported by IFIs and longer-term SDG financing strategies.

*Format: Presentations followed by Q&A*

*Tentative/suggested keynote speakers:* *UNDESA, UN Agencies (UNDP, UNICEF), one IFI representative (World Bank or IMF)*

**Session 2: COUNTRIES’ EXPERIENCE ON MITIGATION OF SOCIO-ECONOMIC IMPACT OF GLOBAL PANDEMIC AND DEVELOPMENT OF INTEGRATED NATIONAL FINANCING FRAMEWORKS**

This session will include presentations of the representatives from the ministries of finance/ministries of economy of the participating countries on their efforts to mitigate the socio-economic impact of global pandemic and their vision on how to coherently link these with SDG financing strategies. Representatives of participating countries are also invited to share about their national sustainable development programmes and financing plans to support their implementation. The countries will be encouraged to share experiences on adopting strategic approaches and development of integrated national financing frameworks for SDG financing. Depending on their priorities, the countries will have an opportunity to focus their presentations either on public finance or private investment or cover both areas.

*Format: interventions, presentations followed by discussions*

*Tentative/suggested speakers: 7 (seven) country representatives of the ministries of finance/ministries of economy*

**Session 3: SUB-REGIONAL INSTRUMENTS FOR SDG FINANCING**

In this session UNECE will update the participating countries about the ongoing consultations with regard to the establishment of a SPECA Trust Fund, which could serve as a sub-regional instrument for SDG financing.

*Format: brief presentation by UNECE followed by Q&A*

*Tentative/suggested speakers: UNECE, representatives of SPECA countries*

**WRAP-UP SESSION: CONCLUDING REMARKS AND NEXT STEPS**

This session is expected to read out and endorse the Outcome document of the Seminar, which will be drafted in advance, disseminated and discussed at working level with the representatives of ministries of finance/economy of SPECA countries, as well as involved UN agencies and IFIs.

1. Financing for Sustainable Development Report, 2019. Inter-agency Task Force on Financing for Development [↑](#footnote-ref-1)
2. IMF Staff Discussion Note “Fiscal Policy and Development: Human, Social, and Physical Investment for the SDGs”, January 2019 [↑](#footnote-ref-2)
3. <https://blogs.imf.org/2020/04/14/the-great-lockdown-worst-economic-downturn-since-the-great-depression/> [↑](#footnote-ref-3)
4. Financing for Sustainable Development Report 2020, United Nations <https://developmentfinance.un.org/fsdr2020> [↑](#footnote-ref-4)
5. Ibid. [↑](#footnote-ref-5)
6. Priority positions of Turkmenistan at the 74th session of the UN General Assembly <https://www.mfa.gov.tm/ru/news/1570> [↑](#footnote-ref-6)
7. <https://www.un.org/sustainabledevelopment/decade-of-action/> [↑](#footnote-ref-7)
8. Ashgabat Initiative on Reducing barriers to Trade and Transport using United Nations legal instruments, norms, standards and recommendations while bolstering connectivity in the SPECA region. [↑](#footnote-ref-8)