





# **SDG FINANCING:** SUMMARY OF UN AGENCIES





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JOINT SDG FUND

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# DESA Fact Sheet: Financing for Sustainable Development

## Policy Analysis

The annual Financing for Sustainable Development Report (FSDR) of the Inter-agency Task Force on Financing for Development provides a snapshot of global progress in financing the 2030 Agenda. The report monitors progress in implementing the Addis Ababa Action Agenda on financing for sustainable development and its seven action areas, and provides policy recommendations. It is a rich **source of global and regional data and analysis** on domestic resource mobilization and taxes, private finance and investment, development cooperation, trade, debt and systemic issues, and science, technology and innovation. The report is accompanied by an online annex that provides additional data.

## Integrated National Financing Frameworks

Integrated national financing frameworks are a promising **tool to align all financing with national sustainable development priorities**. Introduced in the Addis Agenda to support and finance national sustainable development strategies, the concept was spelled out in the 2019 FSDR, which laid out how countries could operationalize such frameworks and mobilize resources for SDG investments. Since the publication of the 2019 FSDR, 18 "pioneer countries" have announced that they would implement financing frameworks in their countries. The Inter-agency Task Force continues to further develop the INFF methodology, and is preparing concrete **guidance material to support different types of countries** in mobilizing and aligning all financing flows and policies with the 2030 Agenda. This material will be made available in steps through mid-2020.

## Financing for Development Forum

The Annual ECOSOC Forum on Financing for Development follow-up is the global platform where governments and stakeholders advance the dialogue on financing and global policy on the implementation of the Addis Ababa Action Agenda. The forum's **negotiated outcome** provides **global policy guidance** on financing of sustainable development. The 2019 Forum endorsed Integrated National Financing Frameworks (INFFs), a framework for preparing national finance strategies. The Forum attracts **strong ministerial participation** from ministries of finance, foreign affairs, finance, development and planning as well as central banks, the business sector and other stakeholders.

The 2020 Forum on **"Financing Sustainable Development for the Decade of Action"** will advocate for systemic policy changes and concrete actions to finance sustainable development, taking advantage of the opportunities afforded by new drivers of sustainable financing, including digital finance. **Debt sustainability, domestic resource mobilization, illicit financial flows, SDG investment, development cooperation and integrated national financing frameworks** will be among the topics highlighted.

## SDG Investment Fair

The SDG Investment Fair is a platform aimed to facilitate interaction among developing country governments, private sector, multilateral agencies and civil society; provide peer-learning and knowledge sharing; and create opportunities for mobilizing private investment for the SDGs. It includes country presentations, discussions on policies and regulations that shape an attractive environment for SDG investment, and small group discussions on solutions to specific challenges countries face in mobilizing investment. The Financing for Sustainable Development Office (FSDO) also provides **country workshops** to support government officials in preparing SDG related investable projects to present at the Fair.

## Development Cooperation Forum

The Development Cooperation Forum works to advance the strategic role of development cooperation in achieving the 2030 Agenda, Addis Ababa Action Agenda, Sendai Framework and Paris Agreement. It is the UN's platform for action-oriented reviews of the latest trends, progress and emerging issues in development cooperation, facilitating coherence among diverse actors and activities. As the DCF Secretariat, FSDO supports **country participation in the Forum's work and access to concrete DCF policy guidance.** The **DCF Survey** monitors, reviews and documents the evidence of effective development cooperation on the

ground. Participation in the DCF and its Survey exercise can help countries in mobilizing and managing financial and non-financial cooperation in support of their national sustainable development strategies, including through integrated national financing frameworks (INFFs). It can also help countries in preparing and following-up on their Voluntary National Reviews.

## Capacity Development

Domestic resource mobilization has a large part to play in filling SDG financing gaps at country level, in sustainable and potentially transformative ways. **FSDO's capacity-building program on tax matters** offers training (both in-person workshops and online courses), country-level technical assistance, publications and other capacity development tools for policymakers and practitioners. These activities focus mainly on international tax cooperation issues, including double tax treaties, transfer pricing and tax base protection. The work largely draws upon the policy guidance developed by the **UN Committee of Experts on International Cooperation in Tax Matters.** It is carried out through a collaborative engagement of tax officials from developing countries, Committee members and other stakeholders, including international and regional organizations, business and academia. A new area of work on **"tax and the SDGs"** aims to support countries in harnessing the potential of fiscal policies to promote sustainable development in all its dimensions. This will include work on environmental taxation, taxation of the informal economy, gender-responsive fiscal policies, wealth and inheritance taxation, plus further work on measures to curb illicit financial flows.

SDG financing is not only about mobilizing financing; it is also about better use and management of existing resources and public assets. In collaboration with UNCDF, FSDO provides support for **capacity-building in municipal asset management,** to help municipalities provide basic services in the most cost-effective manner, through better management of physical assets (land, buildings, infrastructure). This includes support in formulating and implementing customized asset management action plans (AMAPs) that can be linked to a medium-term budget and a long-term sustainable development strategy.

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# Joint Fund for Agenda 2030 Call for Proposals
# Strategic Financing and Catalytic Investments - potential ILO contributions

## Strategic Financing and Catalytic Investment in the ILO

Strategic financing and catalytic investments represents a huge potential for the ILO to form new and innovative partnerships with the various players in the private and public sectors, attract new resources to close the financing gaps on SDG 8, as well as ensure that financing flows meet clear decent work outcomes. The Call for Proposals on Strategic Financing and Catalytic Investments of the Joint Fund for Agenda 2030 provides ILO with an excellent opportunity to expand its knowledge and experience on strategic financing and catalytic investments in joint efforts with other UN-agencies. ILO's knowledge and expertise in partnerships on Strategic Financing and Catalytic Investments could be leveraged through the following three roles based on its expertise and existing tools:

**Convenor**

Seek to influence and steer innovative finance initiatives

**Capacity builder**

Training and capacity development for constituents related to pre-screening, due diligence and sustainability management

**Advisor and disseminator of standards and knowledge**

- Providing guidance to constituents, influencing how innovative finance mechanisms are developed and implemented
- Making information on decent work issues available to assess and track progress on Decent Work

## ILO potential Strategic Financing and Catalytic Investment interventions under Component I & II

### The role as convenor could support interventions around the following themes:

**Formalization of the Informal Sector**

Achieving SDG 8 will require systematic programmes targeting informal enterprises and support these enterprises to formalize. The ILO has a longstanding experience in supporting governments in designing and implementing policies aiming at favouring formalization of enterprises and can foster partnerships between state/development banks, productivity centres. It would further support enterprises in improving their productivity and accessing new markets to reach the scale needed to support the costs of formalization. In parallel, the ILO supports relevant authorities in streamlining the business registration process.

**Sustainable financing policies**

With the ultimate goal of co-creating national sustainable financing principles and policies, the ILO could jointly with UN Environment or UNEP Finance Initiative convene stakeholders of the financial system and social partners and start an engagement process toward defining realistic sustainable financing principles that reflect i) national priorities, and ii) current development stage of the national financial sector. The ILO can build on its experience in supporting similar approaches, e.g. in financial education or developing pathways to financing positive impact.

# Joint Fund for Agenda 2030 Call for Proposals
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**Social Protection**

The call for proposals for strategic financing and catalytic investments could facilitate in-country applications of the new ILO handbook to assess financing options to extend social protection coverage and benefits. Further, the ILO could contribute to developing innovative financing strategies to **integrate disaster risks and to develop contingency funding for social protection systems** in vulnerable countries as part of national strategies/action plans.

**Youth Unemployment**

The ILO could support objectives to catalyse investments for the access of youth to work and provide assistance to countries in developing coherent and coordinated interventions

## The role as advisor and disseminator of standards and knowledge could support interventions around the following themes to its constituents as well as to public and private financial sector actors.

**Employment Policies Related to Foreign Investors**

Servicing investors: produce and make available information on

- local human resources (structure of local employment, skills profiles, demographics, educational output);
- wages and productivity;
- local good practices on job-intensive, sustainable solutions, skills acquisition locally.

**Employment Policies**

- Developing markers on SDG 8 advancement as result of investments by UN and stakeholders
- Regulating and negotiating investment projects (advising on local sourcing, local skills development plans, local codes of conducts)
- Facilitating skills development programmes and local workforce sourcing programmes in partnership with local providers
- Helping fund managers, financial institutions and SMEs measure and track decent work metrics in investments and projects. The Lab works with fund managers and portfolio companies on practical, cost effective ways to measure job quality

**Sustainable Investing**

By playing an advisory role, helping sustainable finance networks, fund managers, financial institutions and/or **SMEs measure and track decent work metrics,** the ILO has accumulated extensive experience in supporting sustainable investments as well as the related ecosystem which could be relevant for both component I and II of the call. Current and past partners include e.g. AATIF initiated by the German government, CFC intergovernmental financial institution, SPTF Social Investors group, ADFIAP, or AADFI

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**Development and design of Just Transition Fund**

ILO's guidelines on Just Transition towards Environmental Sustainability provide a framework to help countries design coherent policy solutions, advancing a shift towards sustainability and resilience, maximizing decent job creation and minimising offsets potential negative impacts. A Just Transition Fund in selected countries would **support capacities to define common objectives and mobilise additional financial commitments.**

**Child Labour**

Feasibility studies could be set up around Alliance 8.7 and identified Pathfinder Countries. Potential areas could be cocoa in West Africa, and cobalt industries in DRC.

**Social Protection Policies**

**Guidance to develop public-private funding mechanisms to cover the "missing middle"** such as through Social Protection Floors Development Impact Bonds (for which ILO's impact measurement tool can be used) aiming at **formalizing employment** through **social insurance** and **co-financing projects** to identify **root causes of exclusion.**

**Youth Employment**

The ILO has developed toolkits and training packages to assist constituents and practitioners improve their youth employment investments, such as through the Taqeem Initiative.

**Trade and Employment**

"Aid for Trade" strategies, where ITC, UNCTAD, UNIDO and ILO could come up with a trade development/ export financing strategy into productive sectors that could hit a range of SDGs.

# Joint Fund for Agenda 2030 Call for Proposals
# Strategic Financing and Catalytic Investments - potential ILO contributions

## The role as capacity builder could support interventions around the following themes:

**Youth Employment**

Capacity building and training to Service Providers (e.g. mobilize network trained trainers to run skills development or financial education courses).

**Employment**

Capacity building of ministries and IFIs (such as EIP and AFD) on the employment effects of impact investments.

**Sustainable Investing**

- The ILO could build capacity of a range of innovative finance stakeholders, including fund managers and others involved in developing innovative finance solutions, on how to **integrate decent work in management system related to investment pre-screening and investment due diligence, or sustainability and impact management.**
- Support to National Development Finance Institutions: The ILO developed a **self-assessment tool for National Development Banks** that enables these institutions to identify improvement areas in their social impact management / measurement.
- The ILO could co-design **assessment tools** for development banks or impact investment funds to benchmark their impact management systems against the claim to promote “decent work” based on ILO’s standards.

# Joint Fund for Agenda 2030 Call for Proposals
# "Strategic Financing and Catalytic Investments"

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# Joint Fund for Agenda 2030 Call for Proposals
# "Strategic Financing and Catalytic Investments"

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# UNCDF- Financing Capabilities

## Unlocking Public and Private Finance for the Poor

The UN Capital Development Fund makes public and private finance work for the poor in the world's 47 least developed countries (LDCs). UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF pursues innovative financing solutions through: (1) inclusive digital economies and financial inclusion, which expands the opportunities for individuals, households, and small and medium-sized enterprises to participate in the local economy, while also providing differentiated products for women and men so they can climb out of poverty and manage their financial lives; (2) local development finance, which shows how fiscal decentralization, innovative municipal finance, and structured project finance can drive public and private funding that underpins local economic expansion, women's economic empowerment, climate adaptation, and sustainable development; and (3) a least developed countries investment platform (LDC IP) that deploys a tailored set of financial instruments to a growing pipeline of impactful projects in the "missing middle".

UNCDF can work with the UNDS to: 1) develop approaches for inclusive digital economies, including financial inclusion, particularly in LDCs; 2) structure approaches for localizing finance at the municipal level; and 3) structure or create financing vehicles to support SDG-positive investments in developing countries, and deploy loans, guarantees, and related de-risking financial instruments where appropriate. UNCDF can also provide technical assistance to build pipelines of investable projects and provide guidance on national regulatory and enabling environment issues related to innovative, digital and municipal finance solutions.

## UNCDF's capacities include:

### 1. *Missing Middle Finance*

UNCDF sources and funds deals in the "last mile" of LDC economies, where traditional finance does not reach. This means focusing on relatively small ($50,000 to $1 million) investments in small and medium enterprises that are perceived as too risky by local banks and development finance institutions. UNCDF's development and investment staff source, originate and structure deals; provide business development support; produce credit assessments; carry out due diligence; and assess risks for investment opportunities from both the public and private sectors. UNCDF can use own resources to deploy loans and guarantees to these businesses, as well as support subsequent financing support from two third party managed funds.

### 2. *Supporting local economic development through infrastructure*

UNCDF employs transaction structuring and financing techniques to mobilize private financing for relatively small infrastructure projects and SMEs that are critical to supporting local economic development, together with capacity-building mechanisms to empower both government officials and the private sector to scale up local development finance while providing inputs that improve the business enabling environment.

UNCDF seeks to crowd in domestic investors and banks to local investments, and shares lessons with public and private partners to shape market development, as well as to inform national policies and programmes that can be scaled. And UNCDF works **to reduce the financing gap for women-led and gender-supportive SMEs** by helping local governments and financial institutions to incorporate a gender lens into their public and private sector financing.

### 3. *Harnessing digital approaches to finance for the SDGs*

UNCDF supports governance innovations necessary to overcome barriers in harnessing digitalization for the financing of the SDGs, while mitigating the risks arising through digitalization. UNCDF focuses on innovative business models to unlock new sources of finance such as digital financing platforms (i.e. crowdfunding, online market places, peer-to-peer lending), innovative digital services (like pay-as-you-go, invoice financing etc.), SME digitization (ecommerce platforms, shared economy, stock markets, investee investor platforms, SPV and bond portfolios), and domestic resource mobilization through digital finance (for investments in individual households, enterprises and local economies).

# UNCDF- Financing Capabilities

### 4. *Helping to source, structure, and assess investment deals*

UNCDF has significant capacities to provide technical assistance for pipeline sourcing, due diligence, structuring and investment support. UNCDF has an established network of investment officers in key LDCs to help identify and structure investment opportunities. The investment team is complemented by a technical team comprised of approximately 20 project officers and 30 technical advisors on specific sectors (food security, climate change, agriculture finance, women's economic empowerment, local economic development, youth empowerment), who in turn are backed up by four regional hubs for investment, technical and administrative support in Asia and Africa (East and West). A team of five investment professionals based at headquarters in New York undertake due diligence, credit scoring, and risk assessments. UNCDF uses a "dual key system" to assess each investment for both development impact and bankability.

### 5. *Structuring funds*

In addition to deploying finance on UNCDF's own balance sheet, UNCDF uses two third-party investment funds to attract private capital for SDG-positive investments in the LDCs.

- **BUILD Fund:** UNCDF has partnered with Geneva-based Bamboo Capital Partners (BCP) to create the BUILD Fund, a blended finance investment vehicle that will provide growth finance in the form of debt and equity to LDC enterprises already supported by the LDC IP. Bamboo Capital Partners is an award-winning impact investment fund manager that was founded in 2007.
- **International Municipal Investment Fund (IMIF):** With Meridiam, a respected Paris-based infrastructure investor, UNCDF is launching the International Municipal Investment Fund (IMIF). The IMIF will support climate-resilient infrastructure projects in secondary cities in developing countries. The IMIF will invest in opportunities cleared through UNCDF's "dual key" due diligence process, sourced from a range of partners including local governments/cities.

### 6. *Piloting new financial instruments*

UNCDF pilots innovative finance instruments and approaches both directly and with/through other partners. Two examples are:

- ***Exchange Traded Fund SDGA*** - Launched in 2018 by UNCDF in partnership with non-profit fund manager Impact Shares, this ETF (currently trading on the New York Stock Exchange) offers investors a liquid investment vehicle that supports companies generating an economic benefit in the LDCs while promoting sustainable, low carbon business models.
- ***Zimbabwe SME Stock Exchange:*** Launched in late 2019, UNCDF is an advisory partner to EcoCash and FinSec (Zimbabwe's alternate stock exchange) in the launch of the first SME stock exchange which should see 300 listed companies by end 2020.

## Existing Partnerships with the UNDS

UNCDF is currently working with a range of UN agencies on:

1. Formulating and piloting national policy and instruments for risk finance, such as partial credit guarantees;
2. Partnering with third-party fund managers to structure and establish blended finance impact investment funds;
3. Working with governments to create national platforms to mobilize catalytic investments into the domestic private sector;
4. Transforming the agriculture sector by creating income-generating investments along selected agriculture value chains;
5. Establishing integrated women's economic empowerment (WEE) platforms that can unlock domestic capital to finance WEE investments;
6. Providing support for budgeting and tagging of national strategies and prioritized action plans for the SDGs with supportive regulations and resource mobilization.

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UNITED NATIONS
UNCTAD

# Joint SDG Fund – 1st Call on Strategic Financing

## Accelerating progress on SDGs: How UNCTAD can support Governments' financing strategies and strategic investments

## Information Note

UNCTAD offers a range of Technical Cooperation products that can support national Governments in their efforts to: 1) adopt conducive policy environments for Foreign Direct Investments; 2) promoting enterprise creation and development; 3) implement international standards, codes and regulations applicable to corporate reporting; 4) reduce business transaction costs and increase competitiveness; 5) reform customs clearance processes and increase collection of customs revenues; 6) harness STI for sustainable development and 7) improving their capacity to handle the day-to-day management of public liabilities and the production of reliable debt data for policymaking purposes.

All the above support beneficiary governments in leveraging the financing needed to achieve the Sustainable Development Goals. UNCTAD assistance will be tailored and integrated in inter-agency partnerships and joint programmes and can draw from a long-standing experience of collaboration with 1 other entities members of the UNCTAD-led UN Inter-Agency Cluster on Trade and Productive Capacity[1], including UNDP, UNIDO, FAO and the ILO. Please find below a brief description of a selection of UNCTAD products[2].

## Investment Policy Reviews

To support developing countries in adopting conducive policy environments for FDI, UNCTAD conducts diagnostic studies – Investment Policy Reviews – of the legal, regulatory and institutional framework for investment. The Reviews, specific to each country, are published as advisory reports containing concrete policy advice. UNCTAD then provides technical assistance activities to support beneficiary countries in implementing the Reviews' recommendations and improving the prospects for sustainable development.

Review countries across different regions experienced significant increases in FDI inflows and displayed less volatile FDI inflows, for example the least developed countries (LDCs) in Africa.

Country commitment to the Reviews is evident with endorsement of policy recommendations and their implementation, as displayed by follow-up assessments. Most IPR implementation reports among the 16 completed to date have shown a good to strong implementation record, increased interest by existing investors and strengthened capacity to market investment opportunities.

Results: Review countries across different regions experienced significant increases in FDI inflows and displayed less volatile FDI inflows, for example the least developed countries (LDCs) in Africa. Country commitment to the Reviews is evident with endorsement of policy recommendations and their implementation, as displayed by follow-up assessments. Most IPR implementation reports among the 16 completed to date have shown a good to strong implementation record, increased interest by existing investors and strengthened capacity to market investment opportunities. Interest in the programme is illustrated by the many economies – of 53 with Reviews – requesting follow-up technical assistance and the 27 new countries that have requested to benefit from the Reviews. Reviews to date: 53, including 20 LDCs, 29 countries in Africa.

For more information: https://unctad.org/en/PublicationChapters/tc2015d1rev1_S01_P01.pdf

[1] *UNCTAD has more than 10 years of experience in developing partnerships and joint programmes within the UNCTAD-led UN Inter-Agency Cluster on Trade and Productive Capacity. For more information on the Cluster: https://unctad.org/en/Pages/TC/TC_United-Nations-Inter-Agency-Cluster.aspx*

[2] *For a complete list of UNCTAD Technical Cooperation products please refer to the UNCTAD Toolbox: https://unctad.org/en/Pages/TC/TC-Products-in-the-Toolbox.aspx*

effective development cooperation on the ground. Participation in the DCF and its Survey exercise can help countries in mobilizing and managing financial and non-financial cooperation in support of their national sustainable development strategies, including through integrated national financing frameworks (INFFs). It can also help countries in preparing and following-up on their Voluntary National Reviews.

## Inclusive Entrepreneurship for Sustainable Development

UNCTAD's work on entrepreneurship consists of three components, as following:

- Empretec– the UNCTAD Entrepreneurship Development Programme – is a capacity-building programme that promotes the creation of a one-stop centre for enterprise creation and development, in particular for SMEs in developing countries and countries with economies in transition. Since 1988, the Empretec Programme has helped to foster entrepreneurship capabilities and the growth of internationally competitive SMEs in these countries.
- Business Linkages Programme, as a multi-stakeholder initiative that grew out of Empretec, goes a step further for SMEs by transforming linkages between SMEs and multinational enterprises into sustainable business relationships.
- Based on the Entrepreneurship Policy Framework (EPF), UNCTAD also provides technical assistance and build capacity in a number of developing economies to inform and guide the development and implementation of national entrepreneurship policies, strategies and action plans.

Results: A sustainable institutional framework to monitor the implementation of a National Entrepreneurship Strategy and related Action Plan has been developed in Ecuador with an online tool; core indicators show that 300 new firms have been established, 1,000 jobs have been created and $9 billion in exports has been generated. In Angola during the first year of Empretec installation, 15 per cent of the trained entrepreneurs opened a new business or expanded the existing ones to a new area; 30 per cent of entrepreneurs had reported sales growth.

For more information: https://unctad.org/en/PublicationChapters/tc2015d1rev1_S04_P02.pdf

## Corporate Accounting and Reporting

The adoption and effective implementation of international standards, codes and regulations applicable to corporate reporting continues to be a challenge for many countries. Developing countries, LDCs and countries with economies in transition often struggle to comply with such requirements. UNCTAD, through its Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, developed the Accounting Development Tool with a view to responding to those challenges. The Tool has two main components: an accounting development framework for high-quality corporate. reporting; and a related assessment questionnaire, consisting of detailed questions on important elements of an effective accounting infrastructure, based on international best practices.

Results: The impact of assessments conducted through the Accounting Development Tool is evidenced in the commitment of countries to implement the Tool and endorse the resulting recommendations through action plans. As at 2019, 17 countries had implemented the Accounting Development Tool. In some cases, countries have implemented the Tool more than once, in order to obtain a quantitative assessment of progress in enacting accounting reform, thereby showcasing the Tool's status as a relevant policymaking guidance instrument.

For more information: https://unctad.org/en/PublicationChapters/tc2015d1rev1_S03_P07.pdf

# Joint SDG Fund – 1st Call on Strategic Financing

## Business Facilitation

The UNCTAD Business Facilitation Programme aims to seize opportunities for reductions in transaction costs and for increased competitiveness and offers a series of efficient ICT tools and interactive methodologies to clarify and simplify procedures. Applied sequentially, they comprise an integrated programme for the modernization of public administration. The Programme provides an interface for interdivisional and inter-agency cooperation for increased coherence and impact at the country level.

The Business Facilitation Programme provides a methodology that allows for the simplification of procedures without changes to regulations. Focused on streamlining administrative practices, the main aspect experienced by users, the Programme is aimed at producing quick and measurable results and includes three sequential components: eRegulations, eSimplifications and eRegistrations.

The Programme supports Governments' efforts towards institutional efficiency, including the increased collection of tax revenue.

Results: Lesotho moved 35 positions up on starting a business indicator in the World Bank's 2020 Doing Business report after automating the procedure for obtaining a trade license with the eRegistrations system. Cameroon has formalized over 24,000 businesses in two years through the eRegistrations system. The system has been installed in three regions, namely Douala, Garoua and Yaoundé, and has led to a reduction of more than 70 per cent in the number of steps and requirements and in processing time.

For more information: https://unctad.org/en/PublicationChapters/tc2015d1rev1_S03_P03.pdf

## Streamlining Customs Management

ASYCUDA is an ICT-based customs management system targeted at reforming the customs clearance processes of developing and middle-income countries. It computerizes and simplifies procedures. ASYCUDA has a major impact on electronic business and government transactions, making international trade simpler and cheaper, and international markets more accessible to enterprises from developing countries. In more and more countries, ASYCUDA constitutes the core system for building a single window for international trade, trade portals, port management training and the implementation of transit and corridor management.

In many countries revenue collection increased considerably after installation of ASYCUDA. For example, Jamaica reported an increase of 18% in the year after installation (2016/2017), whereas Angola reported an increase of 43% in 2018.

Results: Following the implementation of ASYCUDA system at the National Tax Agency in Angola, customs revenue recorded an increase of more than 43% in 2018 in comparison with 2017. In Afghanistan, the ASYCUDA system covers more than 95 percent of international trade in Afghanistan, producing huge benefits for the country and boosting Customs' annual revenue to almost US$1 billion in 2017, compared with about $50 million in 2003.

For more information: https://unctad.org/en/PublicationChapters/tc2015d1rev1_S03_P05.pdf

## Science, Technology and Innovation Policy Reviews

UNCTAD developed the Science, Technology and Innovation Policy (STIP) Reviews to assist developing countries in assessing science, technology and innovation (STI) systems and building innovation capacity at the firm, farm, industry and national levels.

# Joint SDG Fund – 1st Call on Strategic Financing

UNCTAD's STIP Reviews are an analytical and policy learning process for countries' STI stakeholders to reach a clearer understanding of the key strengths and weaknesses of their innovation systems and identify strategic priorities for their development. The result of this process is documented in the STIP review document and considered at the United Nations Commission on Science and Technology for Development (CSTD).

The starting point for the Reviews is that it is essential to harness STI for sustainable development. Achieving this requires mainstreaming STI policy into national development strategies and plans and promoting coherence among key development policy areas related to technology and innovation. The Reviews seek to achieve both goals in order to support a country's broader national sustainable development agenda and the SDGs. The Reviews make a systematic effort to involve a broad range of stakeholders to build national consensus.

Results: Following the STIP Review in Peru in 2010, the national budget dedicated to science, technology and innovation increased by 20 times in one year. The Review in Oman in 2014 led to the establishment of two consultative bodies in the country and to the design of the 2017 national innovation strategy of Oman.

For more information: https://unctad.org/en/PublicationChapters/tc2015d1rev1_S01_P04.pdf

## Debt Management and Financial Analysis

The DMFAS Programme, one of the world's leading providers of technical cooperation and capacity development in debt management, offers countries a set of proven solutions for improving their capacity to handle the day-to-day management of public liabilities and the production of reliable debt data for policymaking purposes. Its focus on debt data recording, reporting and monitoring (the 'downstream' areas of debt management) complements the work of the World Bank and the IMF who focus primarily on data sustainability analysis and medium-term debt strategies ('upstream' debt management).

The Programme includes a specialized debt management software, DMFAS, with related training (technical and functional), which greatly facilitates the work of the debt office, as well as a set of capacity development activities in debt management, using a combination of traditional courses, e- learning and self-learning material.

Results:

- "This [DMFAS] would allow the Ministry of Finance to have world-class accounting and management of public debt" Ministry of Finance of Uzbekistan, 2019
- "Thanks to the joint efforts of UNCTAD and of the DMFAS user team in Albania, we have established an accurate information system on external debt. Its advantages are quite evident in debt management decision-making." Vice-Minister of Finance, Albania
- "DMFAS helped us manage our public debt in a more efficient and transparent manner and proved itself to be an indispensable tool in helping us during the last phases of the Heavily Indebted Poor Countries Initiative in reconciling our public debt data with our creditors." Director of Public Credit, Ministry of Finance, Honduras

For more information: https://unctad.org/en/PublicationChapters/tc2015d1rev1_S03_P07.pdf

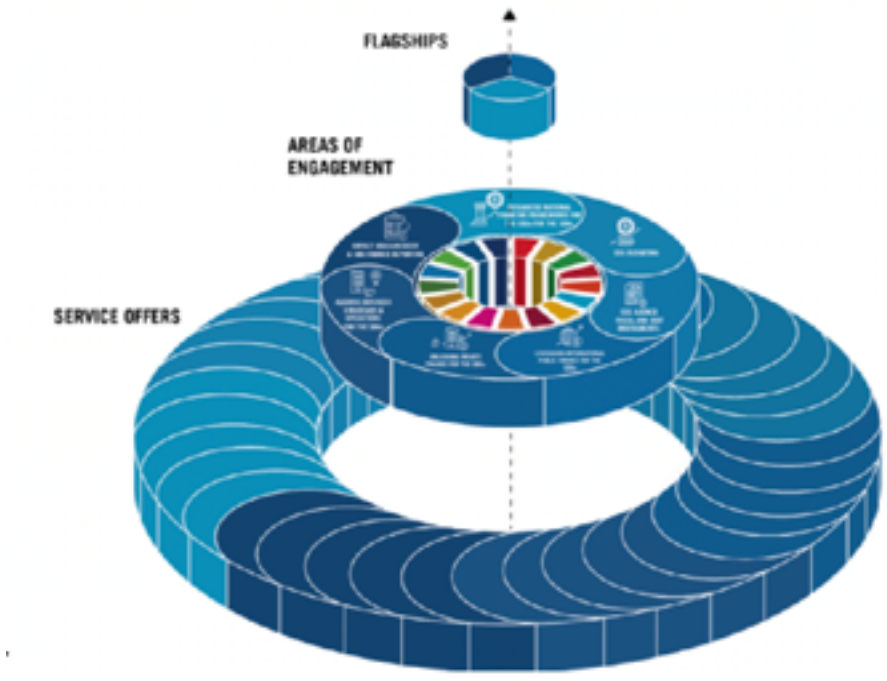
# UNDP SDG Finance

## UNDP's Offer

UNDP has established its Finance sector Hub to provide services across seven strategic areas of engagement on financing the SDGs as well as launching four flagship initiatives to bring greater momentum to the systemic changes needed to mobilise and align public and private finance behind the SDGs.

UNDP will collaborate with partners across both the public and private sectors with the objective of strengthening the effective governance of financing for the SDGs. UNDP Country Offices will tailor and package services around the seven service offers below to suit their settings.

Flagship initiatives are built to respond to the opportunities and address the bottlenecks in scaling up finance for the SDGs. UNDP has already launched two Flagships – **SDG Impact** and the **Integrated National Financing Frameworks (INFFs) Initiative. Risk Insurance** and **Digital Finance flagships** are being launched in 2020. Flagships will scale up global collaboration across partners based on common approaches and methodologies for financing the SDGs, whilst implementing support tailored to country contexts. They will be based on a common purpose of rapidly scaling up action across country contexts.




## Service Lines

Within the seven interrelated strategic areas of engagement, the FSH provides up to 22 service offers dealing with both public and private finance.

Country Offices will tailor and package services to suit their settings – whether these be focused on eradicating poverty; accelerating transformations for sustainable development; or building resilience to crises and shocks. **See next page**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JOINT SDG FUND

# TABLE OF SERVICE OFFERS

| INTEGRATED FINANCING FRAMEWORKS FOR SDGs | SDG BUDGETING | SDG ALIGNED FISCAL AND DEBT INSTRUMENTS | LEVERAGING INTERNATIONAL PUBLIC FINANCE FOR THE SDGs | UNLOCKING PRIVATE FINANCE FOR THE SDGs | ALIGNING BUSINESS STRATEGIES AND OPERATIONS FOR THE SDGs | IMPACT MEASUREMNET AND SDG FINANCE REPORTING |
|---|---|---|---|---|---|---|
| Developing SDG Financing Strategies to mobilise and align public and private financial flows behind the 2030 Agenda and specific SDGs | Integrating SDGs into medium term and annual budget policies | Developing SDG related bond frameworks and their monitoring; programmatic bonds and project pipelines | Co-financing from international/vertical funds to improve climate resilience from private sector investments | Policy Dialogue and ecosystem development | Advising Companies and Governments on how to manage Human Rights risks associated with Business operations | Establishing data and information management systems that enable tracking of private and public finance towards the SDGs |
| Building evidence-based platforms for dialogue on SDG Financing | Strengthening SDG budget expenditure monitoring and reporting systems | Building capacities to address tax avoidance | Accessing and managing south-south cooperation for the SDGs | Investor engagement and Education | Advising business and governments to develop policy, regulatory frameworks, compliance and reporting standards for human rights and anticorruption | Supporting incorporation of financial reports across public and private sectors into SDG Voluntary National Reviews |
| Designing government strategies to mobilise and manage Islamic finance | Strengthening accountability for SDG aligned budgets | Formulating SDG supportive tax policy and instruments | Support to governments on effective use and leveraging of development cooperation | Incubating Impact Finance Instruments and Pipeline development for SDG investments | Business Incubators and accelerators for SDGs | Support SDG impact standards to consistently and credibly measure, manage, demonstrate and authenticate impact |
| | Analysis and scrutiny over budgetary impact on SDG targets | Develop municipal finance instruments and policies | Support governments to access and implement IFI financing | Innovative technology and digital finance for the SDGs | Supporting businesses to measure SDG progress through IMM | Private sector reporting for SDGs |
| | | Increasing revenue mobilisation from large extractive projects | | Closing the energy gap | Support value chain development with technical support and catalytic funding | |
| | | Assessing fiscal transfers to subnational governments | | Insurance for development | | |
| | | | | Climate and Environment Investment Brokering | | |
| | | | | Private sector finance leveraged for Nationally Determined Contributions | | |

**Global Flagships** = Integrated national financing frameworks aggregated service offers = SDG Impact aggregated service offers = Sustainable De-risking Facility aggregated offers



JOINT SDG FUND

## Overview of existing green/sustainable finance initiatives/programs

| | Initiative/ programme | Purpose/mandate | Administrative setting/ governance | Funding | Notes |
|---|---|---|---|---|---|
| 1 | **UNEP Finance Initiative** | Bring about systemic change in finance to support a sustainable world. UNEP FI is a global partnership bringing together the UN with more than 250 banks, insurers and asset managers working to develop the sustainable finance and responsible investment agendas. Over the years UNEP FI has established some of the most important sustainability-oriented frameworks within the finance industry, including the Principles for Responsible Investment (2006), the Principles for Sustainable Insurance (2012) and work now underway on the establishment of Principles for Responsible Banking. | UNEP FI is governed by a Global Steering Committee composed of twelve elected members from the finance industry and one nominated by UNEP<br><br>**Economy Division** | | Established in 1991<br><br>https://www.unepfi.org/ |
| 2 | **Inquiry into the Design of a Sustainable Financial System** | The Inquiry was established in 2014 by the then Executive Director, Achim Steiner, to explore the potential for changes to the 'rules of the game' within the financial system to help deliver sustainability objectives. The focus was on policy and public sector action to help shape enabling environments (including through the development of national-level roadmaps and strategies, and the formation of leadership coalitions). | 2015 to December 2017: **Economy Division**<br><br>January 2018- December 2018: **Policy Division**<br><br>December 2018: **New York Office.**<br><br>Implemented by UNOPS/ Nairobi | | There are 3 workstreams: GEF country engagement in 6 countries; Financial Centres for Sustainability with 27 financial centre members; Sustainable Insurance Forum – a network of insurance supervisors and regulators. UNEP serves as Secretariat for FC4S and SIF.<br><br>www.unepinquiry.org |
| 3 | **Green Finance Platform (Output as reflected in the Green Growth Knowledge Platform Project Document)** | The Green Finance Platform provides the finance community with the latest information, tools, initiatives, emerging good practices, and educational materials to mobilize and mainstream green finance. The platform draws from the knowledge management structure and repository created by the Green Growth Knowledge Platform which is the largest network and global database dedicated to promoting a sustainable economy. | Co-hosted by UNEP (**Economy Division**, Resources and Markets Branch) and the Global Green Growth Institute | | The Green Finance Platform will be formally launched on 16 July 2019 at the HLPF by Inger. The GGKP is a partnership led by UNEP, the World Bank, OECD, UNIDIO, and GGGI. www.greenfinanceplatform.org |

# Overview of existing green/sustainable finance initiatives/programs

| | Initiative/ programme | Purpose/mandate | Administrative setting/ governance | Funding | Notes |
|---|---|---|---|---|---|
| 4 | **AGRI3 Fund** | The AGRI3 Fund is a so-called "blended fund" and the operational vehicle of a partnership closed between UNEP and Rabobank to finance up to USD 1 billion in deforestation-free, sustainably produced commodities. Other partners include: Mirova/Althelia, FMO, IDH/Sustainable Trade Initiative. The set-up is unique in that commercial and development banks will do the origination using their client base (issue senior debt from their own balance sheet) while investing in the blended find. | **Ecosystem Division** | Fund target AGRI3 Fund: USD 300m (about 100m in junior capital and 200m in senior). This will be blended with USD 700m from Rabobank's or other FIs' books.<br><br>Advanced discussions with Dutch government to invest USD 40m (decision Sept '19). Rabobank then committed to invest USD 40/50m. Other public and private entities have shown interest. Key is to get initial investment in order to get started | |
| 5 | **Tropical Landscapes Finance Facility (TLFF)** | Partnership and platform set up by BNP Paribas, UNEP, ADM Capital and ICRAF to help Indonesia scale up finance and investment in renewable energy and sustainable landscape management. | **Ecosystem Division**/ Asia-Pacific Regional Office | Aim for the TLFF to finance USD 1 billion in projects stimulating renewable energy & sustainable landscape management. First landscape bond of USD 95m issued in February 2018. | http://tlffindonesia.org/ |
| 6 | **Seed Capital Assistance Facility for Forest and Landscape Restoration (SCAF-FLR)** | The objective of the Seed Capital Assistance Facility for Forest and Landscape Restoration (SCAF-FLR) is to increase the number of funds that invest in forest and landscape restoration projects by providing support to private equity, venture capitalists and other investors on a cost-sharing and 50/50 co-financing basis for pipeline and early stage project development. The facility aims to provide grants and, potentially, reimbursable grants. Partners: Frankfurt School / UNEP Collaborating Centre, ICRAF. | **Ecosystem Division (in collaboration with Economy Division**) | Germany has pre-approved to invest USD 20m in the facility (IKI window) to be managed by UNEP. | The Green Finance Platform will be formally launched on 16 July 2019 at the HLPF by Inger. The GGKP is a partnership led by UNEP, the World Bank, OECD, UNIDIO, and GGGI. www.greenfinanceplatform.org |

# Overview of existing green/sustainable finance initiatives/programs

| | Initiative/ programme | Purpose/mandate | Administrative setting/ governance | Funding | Notes |
|---|---|---|---|---|---|
| 7 | **&Green Fund** | &Green aims to prove that financing inclusive, sustainable and deforestation-free commodity production can be commercially viable and replicable, thus strengthening the case for a rural development paradigm that protects valuable forests and peat lands and supports high-productivity agriculture. | **Ecosystem Division** (in collaboration with UNEP GEF team) | Funding raised: USD 127m (Norway: 100m; Unilever: 25m; GEF/UNEP: 2m). 1st time UNEP finalized 'non-grant' with GEF. Financing target USD 400m | Note: &Green bought some of the TLFF 1 bonds (USD 24m) and is also committed to invest USD 40m in the Responsible Commodities Facility that UNEP partners with.<br><br>http://www.andgreen.fund/ |
| 8 | **Responsible Commodities Facility** | Sustainable Investment Management is the legal entity managing the Responsible Commodities Facility. This facility aims at financing 'deforestation and conversion-free' soy in the Cerrado in Brazil. Distribution channels are soy traders. Capital raise from issuance of green bonds. Partners include: Partnership for Forests / UK government, UNEP, HSBC, Banco do Brasil, Climate Bonds Initiative. | **Ecosystem Division** | Fundraising target: USD 1 billion Initial green bond issuance (scheduled for November '19): USD 375m | Note: &Green Fund (with whom UNEP also partners) has tentative agreement to invest USD 40m in the mezzanine tranche |
| 9 | **Global Restoration Fund** | On March 1st 2019, the United National General Assembly declared 2021-2030 the UN Decade on Ecosystem Restoration. UNEP and FAO were given the responsibility to lead the implementation of the Decade in close coordination with their partners. This fund – aimed to be managed as a Multi-Partner Trust Fund (MPTF) – is the operating and financing vehicle to achieve the targets set in the UN Decade on Ecosystem Restoration. | **Ecosystem Division** | Fundraising target to be set. | |

# Overview of existing green/sustainable finance initiatives/programs

| | Initiative/ programme | Purpose/mandate | Administrative setting/ governance | Funding | Notes |
|---|---|---|---|---|---|
| 10 | **Sustainable India Finance Facility (SIFF)** | Partnership starting in the State of Andra Pradesh to finance 'zero-budget' natural farming, where savings by the state in providing farmers with inputs/ fertilizers and pesticide could finance a bond to be structured by BNP Paribas. There are already 500,000 smallholders farming according to zero-budget natural farming. State Government wants to scale this up to 6 million farmers. | Regional Office of Asia-Pacific and **Ecosystem Division** | If scaled up to 6m farmers, then capital needed in range of USD 3.2 billion. Bond to be structured by BNPP | https://siffindia.org/ |
| 11 | **Seed Capital Assistance Facility – Renewable Energy** | The SCAF facility partners with private investment structures to support the early stage development and seed finance of renewable energy projects. SCAF addresses a gap in the finance continuum where risks are high and investment insufficient. Its geographical scope is frontier markets in Asia and Africa.<br>Created in 2008 with GEF funding it is now in its second phase, due to run until 2025. The model is currently being replicated by the Ecosystems Division to projects the landscape and forestry sector. | **Economy Division**. The facility benefits from in-kind support from development finance institutions. | First phase: USD 9 million (GEF) Second phase: USD 16.8 million, from UK (DFID) and Germany (Ministry of Environment - ICI). Additional contributions being agreed in principle from UK and Germany for USD 5 million | https://www.scaf-energy.org/ |
| 12 | **GCF Readiness Programme** | The programme builds nine countries' capacity to access the Green Climate Fund finance. Technical assistance covers: institutional strengthening; accreditation of direct access entities; project pipeline and GCF proposal development; private and financial sectors engagement Partner countries are: Benin, Colombia, El Salvador, Fiji, Ghana, Kenya, Nepal, Philippines, Uzbekistan. Project activities will end in December 2019. | **Economy Division jointly with Ecosystem Division** and Africa office, Asia Pacific Office and Latin America Office. Implementing partners are UNDP and WRI. | USD 20.6 million<br>Fully funded by Germany (Ministry of Environment – ICI) | https:// www.gcfreadinessprogramme.org/ |

# Overview of existing green/sustainable finance initiatives/programs

| | Initiative/ programme | Purpose/mandate | Administrative setting/ governance | Funding | Notes |
|---|---|---|---|---|---|
| 13 | **Mediterranean Investment Facility** | The MIF Facility designs and implements financial schemes to enhance commercial lending for small scale renewable energy technologies (solar water heaters, PV installations in SMEs, PV home systems, etc.). Schemes have been/are being developed in Tunisia, Egypt, Morocco, and Jordan.<br>The project will expire in December 2021. | **Economy Division** | USD6.3 million<br>Fully funded by the Italian Ministry of Environment | |
| 14 | **Renewable Energy Solutions for Industrial Clients in Africa** | The project to start in July 2019 will demonstrate and communicate to encourage replication the financial and economic viability of clean energy producing installations for their own use in targeted industries in Africa.<br>Pilot projects will be developed in Ghana, Nigeria, Kenya and South Africa.<br>The project will expire in March 2023. | **Economy Division** jointly with Africa Office. | EUR3.5 million<br>Fully funded by the German Ministry of Environment (ICI) | |
| 15 | **NDC Action Programme** | The project, due to start in Q3 2019, will support ten partner countries to translate NDCs into strategies and actions ready for financing and implementation. In each country, the project will: (i) target two priority sectors builds on existing partner country efforts; (ii) develop a sectoral portfolio of policies and programmes for each selected sector and identify barriers; (iii) provide technical support to strengthen the capacity of institutions responsible for NDC implementation; (iv) develop investment plans for the two agreed sectors; (v) facilitate experience-sharing.<br>Partner countries are: Argentina, Bangladesh, Colombia, Costa Rica, Ghana, Jordan, Mongolia, Morocco, Uganda, Vietnam. | **Economy Division jointly with Ecosystem Division** and Africa Office, Asia Pacific Office and Latin America Office. UNEP DTU Partnership is implementing partner. | EUR15.1 million<br>Fully funded by the German Ministry of Environment (ICI) | |

## Overview of existing green/sustainable finance initiatives/programs

| | Initiative/ programme | Purpose/mandate | Administrative setting/ governance | Funding | Notes |
|---|---|---|---|---|---|
| 16 | **Renewable Energy Performance Platform (REPP)** | Established in 2015, the Renewable Energy Performance Platform (REPP) supports the early stage financing of private sector renewable energy projects in sub-Sahara Africa. REPP assists developers of small to medium-sized projects from inception to construction states, providing technical assistance, gap financing, long-term financing and access to risk mitigation instruments. | REPP was initiated and operationalized jointly by the European Investment Bank (EIB) and UNEP.<br>It is now managed by EIB and a private sector entity as a result of a tendering process.<br>UNEP staff **(Economy Division)** sit on REPP Board and REPP Investment Committee.<br>REPP has partnered with numerous financial institutions and risk-mitigation instruments providers. | REPP is funded by the UK (Department for Business, Energy and Industrial Strategy) which contributed GBP 149 million.<br>REPP initiation and operationalization were funded by a USD540k grant of Norway to UNEP. | https://repp.energy/ |
| 17 | **UNEP Collaborating Centres for sustainable energy finance:**<br>• **The Frankfurt School of Finance and Management**<br>• **The Basel Agency for Sustainable Energy** | In 2011 UNEP established a collaborating centre with the Frankfurt School of Finance and Management, a non-for-profit private research and executive training institute for the financial industry. **The Frankfurt School – UNEP Collaborating Centre for Climate & Sustainable Energy Finance** has been technically supporting the design and implementation of several climate finance programmes of UNEP, both in the mitigation and adaptation fronts. UNEP publishes jointly with Frankfurt School the reference annual report on the Global Trend in Renewable Energy Investment.<br><br>A Swiss foundation, **the Basel Agency for Sustainable Energy** was established in 2001 at the suggestion of former UNEP ED, Klaus Toepfer. BASE has developed an expertise in innovative ideas and tailored market-driven solutions to unlock investments in sustainable energy with a specific expertise in financing energy efficiency. | MoUs have been signed with both institutions. Cooperating partner agreements are signed for each specific project implementation, primarily with the **Economy Division,** Ecosystems Division and Latin America Office.<br><br>A UNEP staff sits on the BASE foundation board. | Part of the International Advisory Department of Frankfurt School, the Frankfurt School UNEP Collaborating Centre was funded by Germany (Ministry of Environment) during its initial years for a total of EUR4 million. It is now self-sufficient financially.<br><br>BASE is a self-sustained non-for-profit Swiss foundation. | https://www.frankfurt-school.de/en/home<br><br>http://energy-base.org/ |

# Joint Fund for Agenda 2030 Call for Proposals
# "Strategic Financing and Catalytic Investments"

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# UNICEF Fact Sheet: Public Finance Management for Children

## UNICEF's Work in Public Finance for Children:

Public Finance for Children (PF4C) aims to improve the use of domestic resources for services of importance to children. In over 100 countries UNICEF takes a hands-on approach to helping governments make budget decisions that lead to adequate investment and continually improves budget equity, efficiency, effectiveness and transparency for greater impact.

## Our Focus: UNICEF's work supports improved SDG financing by strengthening Public Financial Management systems through:

1. **Promoting sustainable increases in public spending for children:** The PF4C work considers how much and how well public funds are being used for children. UNICEF uses evidence- based, affordable solutions to identify potential areas for flexibility in fiscal spending so that funds can be directed towards social spending without jeopardizing fiscal sustainability. **How:** UNICEF supports public and sector financing and expenditure reviews, budget analyses and expenditure tagging and tracking, helping countries identify key SDG related financing gaps and shortfalls, and ways to scale-up public and private investment to bridge them.

2. **Making children a budget priority:** All countries make choices how to invest their limited financial resources, an especially difficult choice when they are faced with challenges such as declining or stagnating revenues. UNICEF supports them in protecting and prioritizing spending on social services for children, emphasizing the long-term benefits of investing in children and generating evidence of the impact these investments have on human capital development. **How:** UNICEF conducts value-for-money (VfM) analyses in the social sectors and uses that evidence to engage in the budget process to scale up effective public and private investments in priority sectors that generate social impact at scale, particularly for the most vulnerable.

3. **Making public spending on social services for children more efficient and effective:** Ensuring that scarce resources are used in the most efficient and effective way possible, on impactful programmes that generate the highest positive social returns for the most vulnerable people, guarantees that services are delivered to everyone in need and at the lowest possible cost. **How:** UNICEF supports countries to assess the efficiency and effectiveness of social spending through expenditure tracking surveys and cost- effectiveness studies, and supports fiscal space analyses to help countries develop and implement sustainable and responsible financing strategies for key social sectors, and ensure progress toward achieving the SDGs

4. **Ensuring more equitable social spending:** Ensuring that public financial resources are spent on services for those that need them the most is one of PF4C's highest priorities. Even where total budgets seem sufficient, funding is often concentrated on services that benefit the rich more than the poor, and often does not reach those children most in need of support. **How:** UNICEF supports the generation and analysis of equity in public expenditure data, focusing specifically on the territorial and distributional equity of social spending, and uses the evidence to support countries to determine the link between public expenditure distribution and social outcomes for the poorest, to estimate the cost of closing the spending gaps for children and improve the distributive effects of public policies, taxes and public spending.

5. **Improving transparency and accountability of public budgets:** Greater public awareness, participation and oversight of how public funds are allocated and used can support better spending decisions and, ultimately, better services and outcomes for children. Because spending related to children tends to be scattered across sectors, increasing the visibility and availability of these components can spur considerable improvements in fiscal transparency. **How:** UNICEF works with governments, civil society, and the private sector to enhance PFM transparency and accountability, build trust through dialogue and collaboration, establish and strengthen public participation mechanisms in planning/budgeting, which are all key elements of the SDG financing architecture

6. **Working in partnership for improved social investments:** UNICEF works in partnership with the World Bank, IMF, EU and other regional and global entities when implementing all of the initiatives above. Furthermore, through partnership we define global objectives, common approaches and best practices in protecting, increasing and improving social sector SDG financing and expenditure.

# UNICEF Fact Sheet: Public Finance Management for Children

## UNICEF's Work in PF4C Can Be Broadly Summarized into Four Categories


### Chad

In Chad, in spite of falling oil revenues, UNICEF supported the government to prioritize social expenditure on children increasing social expenditure from 1/4 to 1/3 of the national budget.

### Ethiopia

In Ethiopia, UNICEF supported revenue generation reforms, expanding the fiscal space which allowed for an increase in budget allocations for health (13%) and WASH (28%).

### Malawi

In Malawi, UNICEF analysis and advocacy helped make education spending more equitable by eliminating school fees for the poorest and setting up a public fund for scholarship for girls.

### India

In India, UNICEF worked with the government to introduce mandatory reporting on child- related public expenditure, improving transparency and accountability.

### North Macedonia

In North Macedonia, UNICEF helped channel social protection funds towards more effective programmes for children, resulting in a 20-fold increase in the number of beneficiaries.

# UNICEF Fact Sheet: Innovative Financing

## UNICEF's Work in Innovative Financing:

Helps leverage additional resources through new financial structures, as well as make new and existing resources more efficient and results -oriented. It is expected to be repaid and generate a risk return to investors (as opposed to funding which is "one-way" money such as grants, ODA, and government expenditure).

## Our Focus: To deliver results for children through and outside UNICEF by developing financial structures that: (1) leverage additional resources for children; (2) achieve operational efficiencies and savings; and/or (3) strengthen the results orientation of UNICEF programmes.

## Innovative Financing Instruments:

**Domestic Government Resources:** Leveraging domestic public resources for country programmes is a form of innovative financing through evidence-based advocacy and technical assistance.

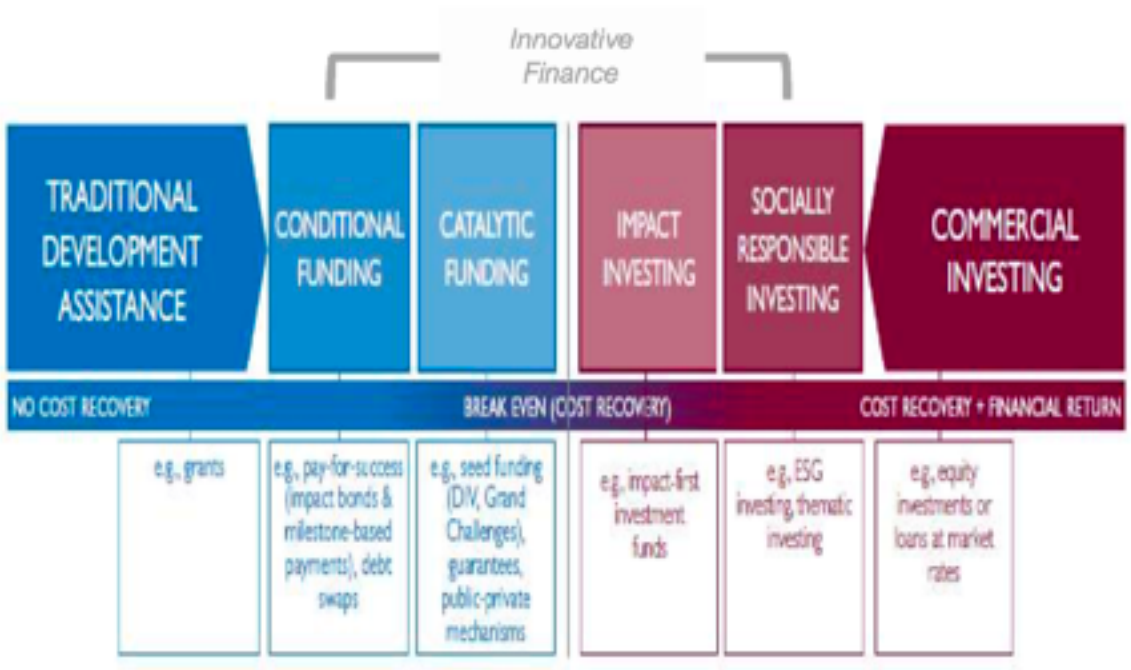
**Pre-Financing:** Funds are temporarily provided in advance of the receipt of donor funds (i.e. bridging) allowing a project/ purchase of supplies to proceed. Example: Emergency Programme Fund (EPF), the Vaccine Independence Initiative (VII), and the US Fund's Bridge Fund.

**Advanced Market Commitment (AMC) / Special Contracting:** Funds are committed to guarantee a market/price for products to ensure availability and/or lower prices. UNICEF currently does special contracting through "cash equivalent" structuring (e.g. escrows, secured promissory notes).

**Traditional Financing:** loans, credit enhancement mechanisms, bonds and insurance products, structured to support development and humanitarian programmes using domestic and/or foreign capital. Example: Islamic financing.

**Impact Bonds:** An impact bond is a results-based contract in which project financing is provided by private (impact) investors and repaid with interest by the Government (Social Impact Bonds) or an aid agency or other philanthropic funder (Development Impact Bonds) if the agreed-upon results are achieved.

**Blended Finance:** The strategic use of development finance for the mobilization of additional commercial finance towards sustainable development.




USAID (2017), Investing for Impact

# UNICEF Fact Sheet: Innovative Financing

## Country Experience

### Gavi

The pneumococcal AMC is estimated to prevent more than 1.5 million childhood deaths by 2020. Through donor commitments, this innovative funding mechanism incentivizes vaccine makers to produce suitable and affordable vaccines for the world's poorest countries to plan for immunization programmes knowing that vaccines will be available rapidly, in the quantities they need and at affordable prices.

### Small Town Water Fund (Mozambique)

**Rationale:** Water and sanitation coverage in Mozambique is amongst the lowest in Sub-Saharan Africa, with only 50.3% having access to safe water and 27% to adequate sanitation. Small town water coverage is estimated to have the lowest water coverage, reaching only 25% of the population. With an annual investment gap of $220 million, new funding mechanisms that can complement already existing funding are required.

**Overview:** UNICEF and the World Bank are committed to support an innovative financing initiative in the small-town water sector. As part of this plan, UNICEF will conduct engineered assessments in 35 small towns and the World Bank will conduct a second phase legal and structural analysis of a potential funding mechanism and market assessment.

**Financing Modality:** blended fund aiming to bring safe drinking water to 450,000 people living in 30 districts through formalized and sustainable water infrastructure through a combination of debt, equity, and grants, with 50% coming from grants due to limited ability of the existing water tariff structure to service more debt sustainably.

**Scope & Budget Objective:** 500,000 people in Mozambique will have access to safe drinking water, through the development of formalized and sustainable water infrastructure with targeted budget of USD 100million.

### From Plastic Waste to Classrooms (Côte d'Ivoire)

**Rationale:** With an estimated population of 4.5 million, Abidjan is the biggest city in Côte d'Ivoire and the third-largest French-speaking city in the world. Abidjan metropolitan area produces 288 tons of plastic waste per day. 2 million children in Côte d'Ivoire are out of school, simply because there are not enough classrooms. Existing classrooms are often filled beyond capacity, with more than 100 students in a class.

**Overview:** UNICEF has partnered with Conceptos Plásticos (CP), a Colombian social business that transforms plastic waste into construction materials to build classrooms, while ensuring positive environmental impact as well as creating an inclusive economy.

**Financing Modality:** UNICEF has pre-purchased bricks for construction by providing upfront catalytic funding required for the Colombian company to construct the needed factory to process the plastic waste and produce the required bricks. As part of the pre-financing agreement, the Colombian parent company has issued a performance guarantee, backed by a bank guarantee from Societe General Cote D'Ivoire. UNICEF's financial exposure / "investment" has been approx. USD 3 million.

**Scope & Budget Objective:** 82 classrooms using plastic bricks coming from recycled plastic waste while creating employment for about 10,000 women and youths. Pilot could be scaled up to address the Government's objective of building 15,000 classrooms by the end of 2020, anticipating net savings of USD 103 million encouraging public/private partnerships.

UNODC
United Nations Office on Drugs and Crime

# UNODC Fact Sheet - UN Joint SDG Fund, First Call on SDG Financing

## How is UNODC's work linked to SDG Financing?

The UN Office on Drugs and Crime supports national authorities in enhancing their long-term capacity to reliably and more transparently manage and retain domestic sources of finance, so these can be used toward national sustainable development objectives.

By assisting national authorities in preventing and tackling corruption, combating illicit financial flows and recovering the proceeds of crime and stolen assets, UNODC is supporting Member States' domestic efforts to mobilize resources required for fiscal expansion, financial stability, poverty alleviation and improved growth.

The need to address bribery and other forms of corruption, illicit financial flows and the recovery of stolen assets has been explicitly included under SDG 16 of the 2030 Agenda, as these issues are considered major impediments and challenges to achieving sustainable development. As stated by the Inter-agency Task Force on Financing for Development in its 2019 Financing for Sustainable Development Report, illicit financial flows reduce the availability of resources for financing sustainable development and impact the economic, social and political stability and development of societies, especially in developing countries. Success in implementing SDG 16 can be regarded as a pre-condition for long-term progress in all other SDGs.

Using the United Nations Convention against Corruption as the basis, UNODC assists Member States in preventing, detecting, investigating and sanctioning corruption, while engaging in international cooperation and in the recovery of proceeds of crime, both domestically and internationally. UNODC also supports efforts to increase accountability and transparency of public institutions. Moreover, UNODC provides technical assistance to States on preventing corruption through Corruption Risk Management. The approach is designed to set realistic and achievable goals which significantly reduce the likelihood and impact of potential corruption risks, while gradually strengthening institutional capacity to identify, mitigate and prevent future corruption risks. Throughout the corruption risk management process, UNODC provides assistance to States to, among others, prevent corruption in public procurement systems, which in turn leads to improving the overall efficiency in managing financial resources and providing critical public services.

Since the adoption of the 2030 Agenda and the Addis Ababa Action Agenda, there has been broad consensus that returned assets play an important role in enabling States to invest their domestic resources in national development. As a result, asset recovery measures, including mechanisms for the confiscation, return and disposal of the proceeds of crime, have been high on the international agenda. To that end, the UN can play a key facilitating role as progress in this area requires international cooperation.

The Stolen Asset Recovery Initiative is a partnership between the World Bank Group and UNODC that supports international efforts to end safe havens for corrupt funds. The StAR Initiative works with developing countries and financial centers to prevent the laundering of the proceeds of corruption and to facilitate more systematic and timely return of stolen assets. Since its establishment ten years ago, StAR has assisted many countries in developing legal frameworks, institutional expertise, and the skills to trace and return stolen assets. StAR works with and helps bring together governments, regulatory authorities, donor agencies, financial institutions, and civil society organizations from both financial centers and developing countries, fostering collective responsibility and action for the deterrence, detection and recovery of stolen assets.

## What type of UN Joint Programme funded by the Joint SDG Fund under Component 1 of the Call could include UNODC's expertise?

A Joint Programme focusing on strengthening the capacities of national SDG financing architecture could incorporate UNODC's expertise in corruption risk management, including technical assistance in undertaking a corruption risk assessment and devising a mitigation strategy to reduce the risk of future corruption. This process includes setting up a tailored institutional structure to ensure the continuation and sustainability of these processes within the organizations.

Corruption risk management can be applied to any sector, e.g. health, education, water, environment, customs, etc. that a Joint Programme would focus on.

# UNODC Fact Sheet - UN Joint SDG Fund, First Call on SDG Financing

Once the specific areas of vulnerability have been identified with the government authorities and mitigation strategies have been identified with the government authorities and mitigation strategies have been developed, close mentoring is provided to implement the risk treatment measures. The organizations will also be supported to create or strengthen an internal corruption prevention committee, the members of which will receive on-the-job training on how to undertake periodic corruption risk assessments, design mitigation strategies and oversee the implementation of these strategies.

Frequently, actions to mitigate corruption risks also improve the overall efficiency of the organization and thus contribute to the sustainable management of domestic resources.

UNODC's corruption risk assessment and management approach could be integrated in projects supporting the design and operationalization of Integrated National Financing Frameworks (INFF) as part of the assessment of risks and the analysis of transparency and accountability to be undertaken in this context. Effective, accountable and transparent institutions are a key element of these Frameworks.

Any joint project addressing the capacity of national authorities in using its own resources more effectively, could include a workstream looking at strengthening the governance structures to ensure proper channelling of national resources to SDG financing streams and avoiding these resources being siphoned off, deviated or misused. These projects could be linked to the INFF or Sustainable Finance Road Maps by helping to address identified institutional and capacity-building constraints. UNODC, with its anti-corruption expertise, could provide added value to ensure longer-term enhancement of the quality and scale of financing, by improving the retention and management of national funding (e.g. tax revenue) for the advancement of the SDGs.

A particular area of work to include in a joint project could be preventing corruption in public procurement, e.g. assisting national authorities to implement good practices and measures such as the use of modern information and communications technologies, e-procurement platforms, segregation of duties, strong ethics infrastructure including mechanisms to manage conflicts of interests, effective systems of internal review and specialized procurement oversight bodies to increase the transparency in the procurement system and avoid corruption and misuse of public funds.

## What type of UN Joint Programme under Component 2 of the Call could include UNODC?

A joint programme on building the capacity of national authorities to prevent, address and recover stolen assets to support domestic resource mobilization for sustainable development would fit well as an UN- facilitated and government-led financing solution to leverage public and private funding for the SDGs.

The UNODC/World Bank StAR Initiative works with countries to develop policies and procedures for financial investigations and the most effective tools to tackle and prevent the theft of assets critical to development. Improving cooperation among law enforcement and judicial authorities to facilitate the investigation, prosecution and adjudication of cases of corruption involving vast quantities of assets could be a key component of this programme.

Member States have agreed on promoting the good practice of non-conviction-based asset confiscation and are open to discussing guidelines related to the timely sharing of information between countries on the proceeds of crime, with the aim of further encouraging the spontaneous exchange of information among asset recovery practitioners. The project could play a key role in facilitating international cooperation for the return of stolen assets.

Vast quantities of assets recovered from corruption should be redirected toward the victims, the local communities and the society affected by the crime, in accordance with principles of domestic law. Experts, civil society organizations, grassroots movements and the private sector should be invited to actively participate in the decision-making process over the management and disposal of parts of the returned assets for compensation of social damage, in line with national legislation. Channelling the recovered assets to specific priorities identified to be catalytic for SDG achievement, e.g. in the context of the LNOB analysis, will send a strong signal, in addition to strengthening the confidence in the domestic institutions and the SDG financing architecture.

RCs and UNCTs interested in exploring UNODC's participation in a Joint Funding proposal, kindly contact UNODC in your country / region and the Strategic Planning Unit at UNODC HQ (monica.belalcazar@un.org)

# UN Volunteers and SDG Financing

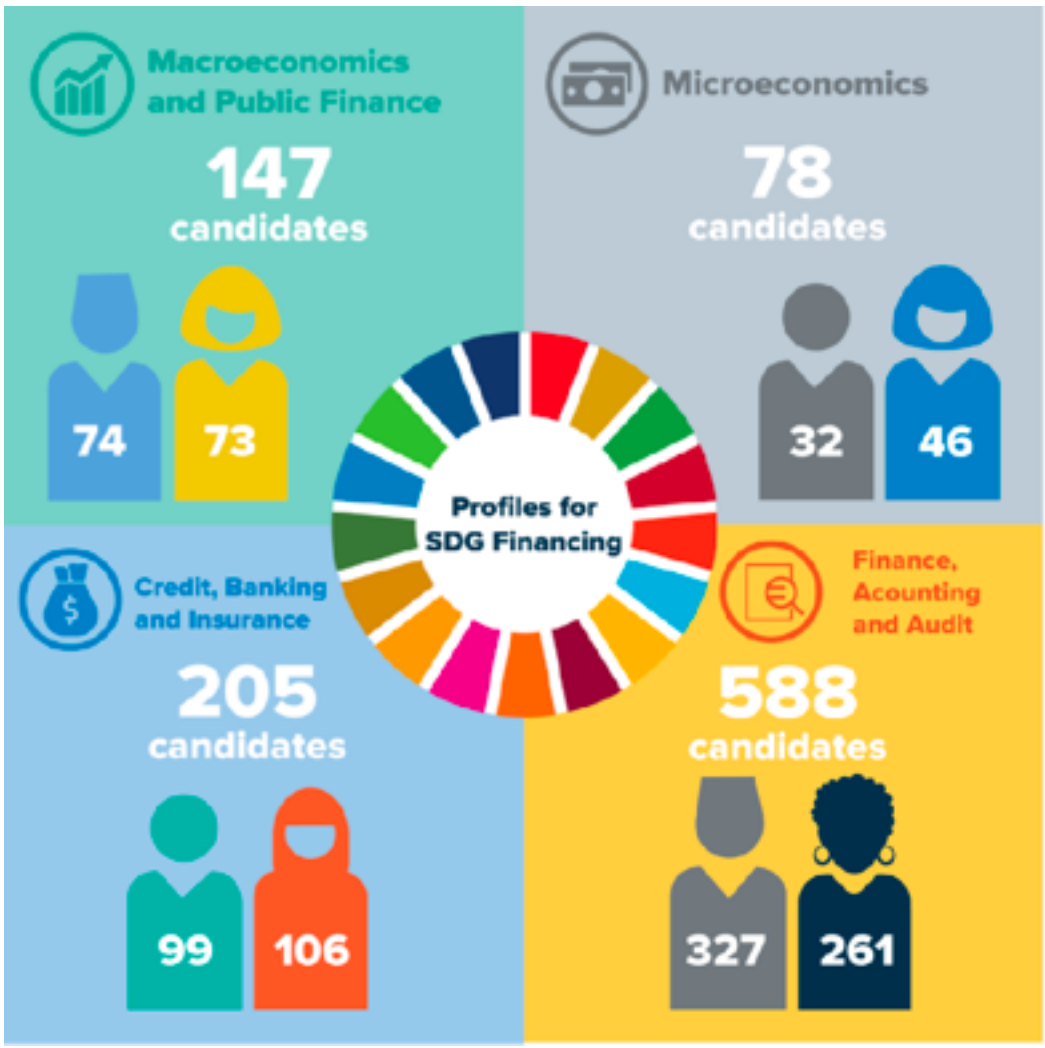
The United Nations Volunteers (UNV) programme is a common service to the UN system that enables thousands of global citizens to contribute to the Sustainable Development Goals (SDGs) by serving as UN Volunteers across the globe.

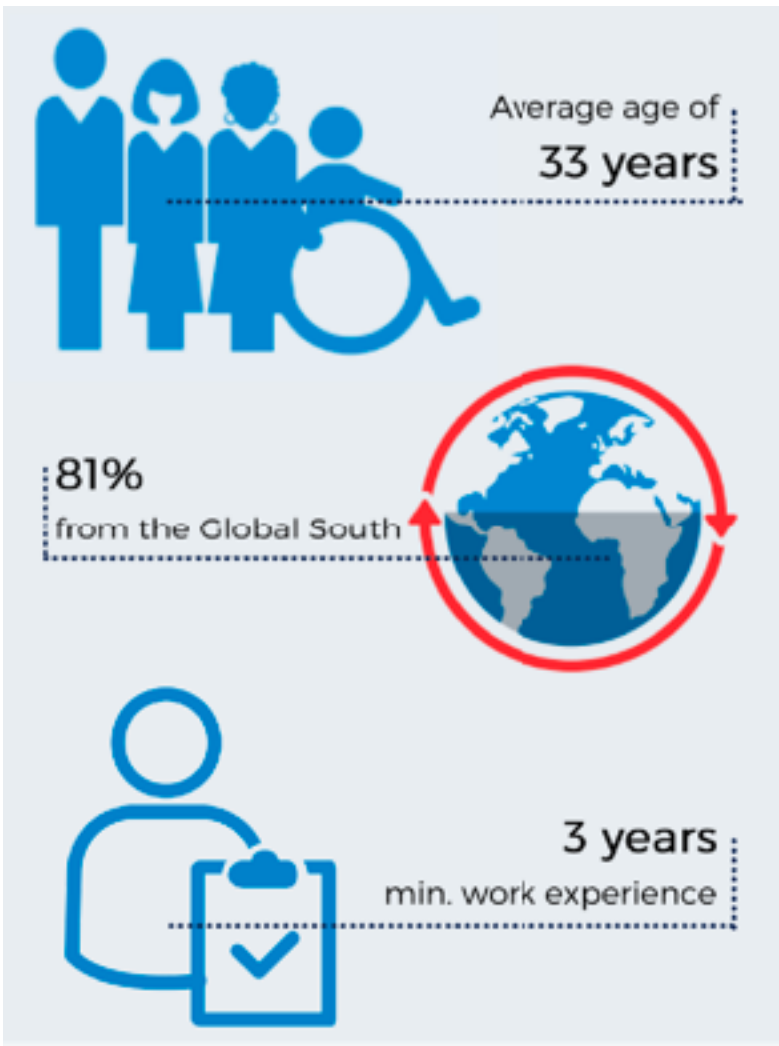
## Why UN Volunteers?

UN Volunteers are dedicated, highly specialized and talented professionals who can, for example:

- support in the collection and analysis of financial gaps and market constraints for SDG;
- assess and advise countries on strategic financing for the SDGs including, but not limited to, financial control system, capacity building, financial systems, policies, procedures, etc.
- facilitate partnership engagements with international financial institutions (IFIs), regional development banks, and governmental sector;
- support development of strategies aimed at increasing the resource mobilization potential of different types of resource partners including innovative/blended financing modalities; and
- support innovative crowdfunding mechanisms to scale-up climate finance in environmental projects and programmes

## Candidates in the UNV Talent Pool:



# Working with FAO for SDG Financing

Collective Action for Investment on the SDGs

## FAO and Agenda 2030

Since the adoption of the 2030 Agenda for Sustainable Development in 2015, including the 17 Sustainable Development Goals (SDGs), there has been increasing recognition of the unique role that impact investing can play in building a sustainable future. Food and agriculture are key to achieving the SDGs and offer an important opportunity for inclusive economic growth, job creation and poverty alleviation, particularly in developing countries.

With sufficient financing in sustainable food systems, **the food and agriculture sector can unlock enormous economic potential, while helping to achieve many interrelated SDGs**.

FAO is a leading United Nations (UN) specialized agency working to achieve SDG2 and other interconnected SDGs. As the custodian agency for 21 SDG indicators covering SDG2 (Zero hunger), SDG5 (Gender equality), SDG6 (Water), SDG12 (Responsible consumption and production), SDG14 (Life below water) and SDG15 (Life on land), and a contributing agency for six more, the Organization has incorporated 40 SDG targets and 53 SDG indicators into its own results framework.

FAO's normative guidance, as well as its knowledge products and tools, can be used by impact investors in applying the SDG framework to address a variety of global issues, such as **child labor, gender mainstreaming, climate change mitigation, land tenure, soil and water management and more,** in order to become an active contributor to the achievement of the SDGs.

In the context of agricultural investment, FAO aims to support responsible agricultural investments to further develop and refine **social and environmental sustainability** frameworks and provide the concrete tools for due diligence, monitoring and evaluation mechanisms.

## FAO work on Financing for SDGs

As part of the UN system, FAO is embracing the model of *"from funding to financing"*, where the overarching objective is to bring together different actors and solutions to achieve common development results. FAO's main contribution lies in its role as a knowledge hub and its capacity as a leading convener and facilitator of support processes.

FAO has introduced the AgriInvest Initiative, which aims at promoting sustainable private investments in agrifood systems through solution-oriented platforms. AgriInvest facilitates policy dialogues, which foster the creation of enabling policies, as well as conducive regulatory and institutional conditions, and provides technical assistance for private and public value chain players. Ultimately, AgriInvest builds on FAO's expertise to foster investments aligned with the SDGs that contribute to economic growth, employment generation in rural economies – in particular for **women and youth** – and **improve livelihoods, promote gender equality and reduce poverty.**

The AgrInvest Initiative is being implemented in different countries (**Burkina Faso, Ethiopia, Kenya, the Niger and Uganda, among others**), and works with local domestic and International Financial Institutions (IFIs) and investors to identify ways to "de-constrain" food systems, target interventions at the value chain level and de-risk potential private sector investments. At the same time, FAO is also working to **customize financial products and services for specific prioritized SDGs in different country contexts**. In this latter respect, FAO will make available its **normative guidelines, principles and instruments** developed in recent years and for several different domains (**land governance and tenure, responsible agricultural investments, carbon emission reduction, rural women empowerment, etc.**).

## Partnerships

Since 2006, FAO has been embarking upon a major strengthening of the decentralization process, aimed at bringing the Organization closer to its Members. This has not only entailed engaging and supporting a more decentralized network, but also adopting a new management approach with increased delegation of authority and fostering an environment to encourage staff creativity and initiative. Inter-agency approaches, such as the ongoing collaboration of the Rome-Based Agencies (RBAs), have demonstrated in recent decades how cooperation contributes remarkable results towards the achievement of the SDGs.

# Working with FAO for SDG Financing

## Collective Action for Investment on the SDGs

FAO has also established funding agreements with 30 IFIs and other resource partners that invest in agriculture, accounting for over USD 120 billion in investment support since 1964. These partnerships draw on the FAO's cutting-edge knowledge in the field of agriculture and food security, as well as partners' expertise along the entire food value chain and involvement with the private sector, in order to accelerate investment and scale up impact.

International Organization for Migration (IOM)
The UN Migration Agency

# Accelerating progress on SDGs: How can IOM support Governments' financing and investments strategies?

Joint SDG Fund – 1st Call on Strategic Financing Investment Policy Reviews

## 1. Introduction

Migrants are important agents of change, making economic and financial contributions ranging from remittances, labour market participation, enterprise development, investment, trade, skills transfer to philanthropy and crisis based financial interventions. While migrants` economic and financial contributions are essentially private transfers, they can and do act as a source of SDG financing, either directly through for instance remittances[1], investments, enterprise development, trade or indirectly by way of meeting SDG goals of poverty reduction, education, health amongst others.

## 2. SDG financing and IOM's mandate, the SDGs, Addis Ababa Action Agenda and the Global Compact for Migration

The international community and governments at both ends of the migration cycle increasingly recognize the value that migrant populations bring to development efforts and are seeking ways to magnify their human and financial contributions, in particular to development in their countries of origin.[2] Migrants' financial contributions, such as remittances, constitute an essential source of family income and, at the aggregate level, a source of stable financial inflows for many developing countries, representing in some cases a very significant percentage of national gross domestic product.

IOM's work in the area of SDG financing falls within the institution's work on broader migration and development[3] and draws from its institutional mandate[4], the SDGs, the Addis Ababa Action Agenda and the Global Compact for Safe, Regular and Orderly Migration ("GCM"). At the individual and community levels, financial flows for migrant families can be relatively stable financial lifelines, enabling migrant families to pay for basic needs, invest in education, health and housing, improve household living conditions, reduce vulnerability of family members. At a broader economy wide scale, migrants' economic and financial contributions support productive economic activities such as entrepreneurship, investment, trade amongst others. Migrants' economic and financial contributions therefore serve to meet several SDGs related to health, education, poverty reduction, financial inclusion and literacy, promoting entrepreneurship and reducing inequality.[5]

The GCM also refers to several areas of migrants economic and financial contributions.[6]

As far as the Financing for Development ("FfD") process is concerned, several thematic areas within the Addis Ababa Action Agenda correspond directly to IOM's work in the areas of financial and economic empowerment, thereby enhancing the SDG Financing ecosystem (see TABLE 1).

1. For instance, in 2019 Remittances exceeded official aid – by a factor of three – since the mid-1990s and are on track to exceed FDI for developing countries. World Bank data release, Remittances to low- and middle-income countries on track to reach $551 billion in 2019 and $597 billion by 2021, October 16, 2019. Accessible at: http://blogs.worldbank.org/peoplemove/data-release-remittances-low-and-middle-income-countries-track-reach-551-billion-2019
2. See for Paragraph 3.6 of the New York Declaration which recognizes the contributions that migrants and diaspora communities can make to sustainable development, the 2030 Agenda for Sustainable Development and the Global Compact on Migration.
3. See https://www.iom.int/migration-and-development
4. IOM's Constitution recognizes "that a relationship exists between migration and the economic, social and cultural conditions in developing countries." It also foresees that one of IOM's purposes and functions shall be: « to provide, at the request of and in agreement with the States concerned, migration services such as … activities facilitating … integration … and other assistance as is in accord with the aims of the Organization". IOMs Migration Governance Framework (MIGOF) Objective 1 emphasizes the importance of Advancing the socio-economic wellbeing of migrants and societies. See also IOMs Strategic Vision 2019-2023 and Migration and Sustainable Development Strategy accessible at https://www.iom.int/sites/default/files/about-iom/iom_snapshot_a4_en.pdf
5. SDG 10.7 sets out the need to "Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies." SDG 10.c focuses on reducing remittance costs: "By 2030, reduce to less than 3 per cent the transaction cost of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent". SDG 8.10: Strengthen capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all. In addition, several SDGs emphasize the importance of financial inclusion and financial literacy as well as poverty reduction, education, health and gender targets and the importance of partnerships including with the private sector.
6. GCM Objective 20 the promotion of faster, safer and cheaper transfer of remittances and the fostering of the financial inclusion of migrants. See also Objective 19 Create conditions for migrants and diasporas to fully contribute to sustainable development in all countries and Objective 23 Strengthen international cooperation and global partnerships for safe, orderly and regular migration.

| TABLE 1: IOM's work on Economic and Financial Empowerment as it corresponds to Thematic Areas of the Addis Ababa Action Agenda | |
|---|---|
| **FfD Thematic Area** | **Corresponding areas of IOM's work** |
| **Thematic Area 1: Domestic public resources** | - Reduce remittance costs, improve remittance recipients` and senders` access to finance<br>- developing national remittance and diaspora economic engagement strategies<br>- develop mechanisms or initiatives which support diaspora investment<br>- develop methodologies to measure diaspora economic and financial contributions through national statistics systems<br>- enhance financial inclusion and financial literacy especially in informal and unbanked sections<br>- financing, mentoring and building entrepreneurship ecosystems and entrepreneurial links between home and host countries<br>- enhancing trade and investment ties between and amongst migrant communities within host countries and between home and host countries |
| **Thematic Area 2: Domestic and international private business and finance** | - Develop national policies, strategies and partnerships including with the private sector to reduce remittance costs, direct remittance flows to productive sectors of the economy as well as develop financial instruments at the national level<br>- use postal services for remittances outreach in the rural areas<br>- enhance private-public sector initiatives and partnerships to build migrant entrepreneurship |
| **Thematic Area 3: International development cooperation** | - Policy outcomes<br>- Partnerships and cooperation with other international organizations |

## 3. IOM's work in the areas of SDG financing and migrant's financial empowerment

With a ground presence in over 140 countries, IOM has implemented concrete SDG finance linked projects in Asia, Africa, Latin America, Eastern Europe and Central Asia.[7]

IOM's work as it relates to SDG financing is clustered around 3 areas: (a) policy (b) practical initiatives at the national and regional initiatives (c) partnerships.

IOM's *policy driven work* occurs at the global, regional, national and sub-national levels and is aimed at enabling informed policy decisions. At the global level, IOM's World Migration Report[8] describes the volume, direction and developments in remittance flows. IOM has been a member of the Inter-agency Task Force on Financing for Development since its establishment in 2016, leading or providing inputs in the areas of migration and development and migrant remittances. In addition, IOM co-authors the G20 report on Migration and Displacement Trends along with OECD, ILO and UNHCR which also focuses on migrants/ diaspora's financial and economic contribution.[9]

7. Few examples of SDG financing linked projects implemented by IOM country offices relating to remittances, financial inclusion, diaspora investment amongst others include Asia : Bangladesh, Philippines, Cambodia, Thailand, Lao People's Democratic Republic, in Africa South Sudan, Burundi, Zimbabwe, East Africa, Somalia, Latin America in the Andean region, Eastern Europe and Central Asia projects: Tajikistan, Armenia, Moldova, Azerbaijan, Albania, Bosnia
8. See https://www.un.org/sites/un2.un.org/files/wmr_2020.pdf
9. See G20 Reports for 2018 and 2019 http://www.oecd.org/els/mig/G20-international-migration-and-displacement-trends-report-2018.pdf and https://www.oecd.org/g20/summits/osaka/G20-International-Migration-and-Forced-Displacement-Trends-and-Policies-Report.pdf

In terms of data, IOM works with international partners, in particular UN DESA and the World Bank, to collect and build credible data on remittances, financial flows and usages of remittances, including through its dissemination on the IOM Global Migration Data Analysis Centre's (GMDAC)`s Migration data platform.[10] A recent IOM initiative has been to develop a methodology which enables evaluation of migrants` economic and financial contributions beyond remittances through national statistical systems.

At the national and regional level IOM assists governments in creating enabling environments for channeling financial flows to productive sectors of the economy. Activities range from developing national strategies on remittance and diaspora economic enhancement, developing enabling legislation, specific financial policies e.g. tax breaks or incentives, to products aimed at enhancing migrants' financial contributions to their countries of origin. A typical national remittance plan, for instance, identifies the importance and role of remittances in a national economy especially as it relates to SDGs, usages of remittance including through household surveys, identification of strategic sectors, creating enabling policies and legislation for enhancing remittances productive capacities.

At the regional level, IOM supports a number of regional consultative processes (RCPs), such as the Columbo Process (covering Eastern and Southern Asia) or the ACP-EU dialogue, which have focused on migrants` economic contributions including remittances, by conducting specific studies and evaluations of remittance linked needs, challenges faced, legislative frameworks and recommendations on enhancing migrants financial contributions to their countries of origin and more broadly areas for regional cooperation.[11]

IOM's policy work in the area of migrants' economic contributions provides policymakers and financial institutions with up-to-date and comprehensive data to develop new migration and broader financial and economic development strategies and take stock of and channel migrants` contributions towards productive sectors of the economy and broader socio-economic development.

In terms of *practical implementation*, based on policy findings and feasibility assessments, IOM aids in the creation of *specific initiatives to enhance the development impact of migrants economic and financial contributions*. The focus of these work areas is to sustain the financial ecology by developing sustainable financing solutions as well as seizing on financial innovation and developments in financial markets to find tailormade processes for individual countries.

Two key areas in this regard are *improving financial literacy and financial inclusion* for empowering migrants and their families. IOM advocates the improvement of access to duly regulated, reliable and efficient financial services and products and for financial literacy opportunities for remittance senders and recipients.

IOM collaborates with governments, international organizations, private sector and civil society on joint initiatives, for instance community-based microfinance initiatives, financing entrepreneurship initiatives, creating savings and investment products, diaspora trade and investment including ecommerce, financial literacy training amongst others. IOM's supported MigApp and iDiaspora initiatives provide information on financial terms, optimal remittance transfer corridors, contributes to competition in remittance transfer markets, and provides information on financial products and entrepreneurship opportunities.[12]

## 4. IOM's partners in the areas of SDG financing

IOM's partners at the national level are government primarily ministries of labour, migration, foreign affairs and as relevant other sectoral ministries, agencies and central banks. At the regional level IOM works with regional secretariats and regional banks. At the global level IOM works primarily with UNDP, UPU, IFAD. Given its large in-country presence IOM also collaborates with partners such as the World Bank and ILO at the national level. The private sector is a key collaborator with IOM specifically in areas of remittances, diaspora investment, entrepreneurship and financial inclusion.

10. https://migrationdataportal.org/?i=stock_abs_&t=2019 and GMDAC https://gmdac.iom.int/
11. See ACP-EU remittance report 2018, https://acpeumigrationaction.iom.int/sites/default/files/acp_eu_migration_action_final_publication_web_small_final.pdf and Study on Remittance Regulatory Frameworks and Accessibility of Regular Remittance Channels of the Colombo Process Member States, 2019, https://publications.iom.int/books/study-remittance-regulatory-frameworks-and-accessibility-regular-remittance-channels-colombo
12. See https://www.iom.int/migapp and https://idiaspora.org

**Accelerating progress on SDGs: How can IOM support Governments' financing and investments strategies?**

Joint SDG Fund – 1st Call on Strategic Financing Investment Policy Reviews

IOM also works in a multi-stakeholder context i.e. across government, private sector and other UN organizations to implement concrete financial and economic initiatives. A key emerging issue is the importance of providing access to finance to potential migrant entrepreneurs. In 2018, IOM, UNHCR and UNCTAD launched a Policy Guide on Migrant and Refugee Entrepreneurship. [13] Subsequently, several joint multi-stakeholder workshops have been held in Latin America and Africa with one of the focus areas being access to finance for migrant entrepreneurs.

## 5. IOM's strengths in SDG financing and migration


IOM is the leading inter-governmental organization dedicated to the orderly and humane management of migration through international cooperation and practical solutions. It seeks to achieve these objectives by matching policy with practical initiatives and partnerships.

IOM has a multijurisdictional presence with over 480 offices over 140 countries. This enables cross country initiatives and outreach which is essential in the areas of migration/diaspora financing, investment and trade.

IOM by virtue of its operational nature is innovative, flexible and homegrown in its approach to initiatives. This is important in the SDG financing space, given the need to meet technological developments, financial innovations with local market conditions and needs.

Any SDG financing initiative that relates to migration must include a multifaceted understanding of migrants, financial sector, in country knowledge and diaspora. One of the key areas of IOM`s work for the past decades is diaspora mapping, engagement and enabling. IOMs diaspora knowledge and expertise are crucial in the implementation of any policy relating SDG financing and migration.

A key areas of IOM`s strengths is its ability to match policy with practice making IOM both an initiator and implementer of several areas of migrant and SDG financing.

IOM has played a key role as a convener of stakeholders within and across governments e.g. ministries of labour, foreign affairs, home affairs, migration, as well as across stakeholders i.e. government, private sector and civil society. A good example is the IOM- UPU, Government of Burundi's "Rungika project" to reduce remittance costs, enhance rural outreach as well as financial literacy and inclusion. The project which also benefitted from a strong private sector participation was accepted as an SDG best practice.[14]

13. See Policy Guide on Migrant and Refugee Entrepreneurship 2018, https://publications.iom.int/books/policy-guide-entrepreneurship-migrants-and-refugees
14. https://sustainabledevelopment.un.org/partnership/?p=29956

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## 6. Contact Points for further information

- Marina Manke, Head, Labour Mobility and Human Development Division, IOM, mmanke@iom.int, + 41-22 717 9363
- Deepali Fernandes, Senior Migration and Economic Development Specialist, IOM, dfernandes@iom.int , +41 22 7179547
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