



# High-level Dialogue on Financing for Development

## Frequently Asked Questions

### **Q: What is financing for sustainable development?**

Financing for sustainable development is about aligning financing flows and policies with economic, social and environmental priorities. Financing for sustainable development aims to increase the financial resources available for sustainable development and harness the full potential of all financial flows to improve the human condition. Finance is the fuel that's needed to drive progress towards the Sustainable Development Goals and the Paris agreement on climate change.

### **Q: Where and when will the 2023 High-level Dialogue on Financing for Development take place?**

The Dialogue will be held on 20 September at UN Headquarters in New York during the High-level Week of the 78th session of the General Assembly. Held every four years and back-to-back with the SDG Summit (18-19 September), the Dialogue will be chaired by the Assembly President and will bring together Heads of State and Government and other senior officials, representatives of the private sector and civil society, international financial institutions including multilateral development banks, academia, and other relevant actors.

### **Q: What will be the focus of the High-level Dialogue?**

The 2023 High-level Dialogue will be held under the theme "*Financing the SDGs for a world where no one is left behind*", tackling both the short- and long-term obstacles to mobilizing the resources needed to adequately finance sustainable development.

It will serve as an important platform for countries and other stakeholders to discuss creative solutions to our world's most pressing financing challenges. Participation will be at the highest level to advance the means of implementation of the 2030 Agenda for Sustainable Development at a time when it is needed most.

The Dialogue will build on the outcome of the 2023 ECOSOC Forum on Financing for Development follow-up and is part of a series of events to advance the implementation of the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development. Held immediately after the SDG Summit, the Dialogue aims to ensure financing commensurate with renewed SDG commitment.

The Dialogue intends to address all action areas of the Addis Ababa Action Agenda, while zooming in on the topics that require the most urgent attention and in which tangible progress can be made. During the first half of the day, leaders will assess how to advance reforms to foster debt sustainability, strengthen the global financial safety net, promote inclusive and effective international tax cooperation, and mobilize domestic resources. The latter part of the Dialogue will explore innovative approaches and partnerships to leverage private sector SDG investments as well as explore ways to scale up affordable and accessible international public financing.

## **Q. What is the format of the High-Level Dialogue?**

The Dialogue will feature an opening session, two interactive roundtables and a closing session. Each interactive roundtable will feature keynote addresses by Heads of State and Government and eminent experts, interventions from Member States, as well as stakeholder responses. The Dialogue will be interactive, action-oriented and garner the political attention needed, given the urgent need to mobilize sufficient financing for sustainable development.

The Dialogue will be an opportunity for Member States and other stakeholders to review progress on existing commitments, to announce new complementary commitments, and identify opportunities to steer the financing for development agenda back on track to support the achievement of the SDGs.

## **Q: Why is the High-level Dialogue important?**

The Dialogue provides an opportunity to reinvigorate international commitment to the Addis Ababa Action Agenda, showcase areas of global progress, and propose new solutions to align and mobilize resources for the 2030 Agenda.

The Dialogue will directly inform preparations for the Summit of the Future in 2024, including the ministerial meeting taking place during the 78th session of the UN General Assembly. The Dialogue will help drive forward the calls of the Secretary-General's 'Our Common Agenda' report for a more sustainable, inclusive and resilient global economy, and his proposal for an SDG Stimulus, which includes elements on the reforms to the international financial architecture and the strengthening of the MDBs. With the potential decision of the General Assembly to consider convening a Fourth International Conference on Financing for Development in 2025, the Dialogue will play a key role in framing the issues that a potential conference could address.

## **Q: Why is it important this year?**

This year marks the halfway point of the 2030 Agenda's implementation. However, more than half of the SDG targets have seen weak or insufficient progress while nearly a third are stalled or reversing. Finance is the fuel for SDG implementation and must be increased and improved if the SDGs are to get back on track. However, amid today's poly-crises, the world economy is projected to grow by 2.3 per cent in 2023, well below the average growth rate of 3.1 per cent in the two decades before the pandemic, putting financing for the SDGs under increased pressure. The world faces a great finance divide that could turn into a lasting sustainable development divide. Without urgent and deliberate action to reverse course, the SDGs will be an epitaph to a world that might have been.

To rescue the SDGs, the UN Secretary-General has put forth two bold financing proposals. The first is the SDG Stimulus, which seeks to immediately increase financing for sustainable development by \$500 billion per year. The second seeks to tackle the deep inequities in our international financial architecture. The Dialogue is a critical milestone to garner support for the SDG Stimulus and international financial architecture reform.

Finally, taking place one day after the SDG Summit, the Dialogue provides an opportunity to foster political momentum for renewed financing commitments at the highest level.

**Q: What will be the outcome of the High-level Dialogue?**

Countries and other stakeholders will identify creative solutions to the world's most pressing financing for sustainable development issues. We also anticipate that Member States and other stakeholders will make announcements and bring new initiatives that could accelerate progress on the 2030 Agenda, as was done at the 2019 dialogue. The President of the General Assembly will issue an official summary of the Dialogue reflecting the discussions held.

**Q: What is the SDG Stimulus?**

The SDG Stimulus proposed by the Secretary-General of the United Nations aims to address both short-term and long-term needs for sustainable development finance. It aims to offset challenging market conditions faced by developing countries. It calls for increasing financing for sustainable development, by at least \$500 billion per year to accelerate progress towards the SDGs.

The SDG Stimulus urges immediate action in three key areas: tackle the high cost of debt and rising risks of debt distress, massively scale up affordable long-term financing for development, especially through public development banks, and expand contingency financing to countries in need. It aims not only to mobilize investments for the SDGs – but, in so doing, to advance towards a better international financial architecture that delivers sustainable development to every country.

**Q: Why is it important to reform the international financial architecture?**

The current arrangements and governance of international financial institutions were created almost 80 years ago and no longer reflect the realities of today.

The “Our Common Agenda” Policy Brief 6 on reforms to the international financial architecture notes that the existing architecture is “entirely unfit for purpose” in a changing world. Higher borrowing costs for developing countries; vast variation in countries’ access to liquidity in times of crisis, with only a small share of special drawing rights (SDRs) allocated to developing countries; dramatic underinvestment in global public goods, including pandemic preparedness and climate action; an outdated international tax architecture; volatile financial markets and capital flows, repeated global financial crises and recurring sovereign debt distress are all manifestations of the inequities, gaps and inefficiencies of the system, with dire consequences for sustainable development.