

Inputs for an Elements Paper on Financing for Development

From the International Atomic Energy Agency (IAEA)

“What are the key financing policy reforms and solutions that the fourth International Conference on Financing for Development should deliver? How could the Conference strengthen the follow-up process, to ensure accountability to and full implementation of commitments made?”

I. A global financing framework (including cross-cutting issues)

Science, technology and innovation (STI) is improving people’s lives, promoting prosperity and protecting the planet. STI is also a pathway to increasing the economic development of countries, contributing to the alleviation of poverty, hunger, and inequity. STI initiatives require sizable and stable funding due to their longer-term operational timelines.

The International Atomic Energy Agency (IAEA) plays a critical role in supporting countries to harness the power of STI to address complex sustainable development challenges and build resilience.

II. Action areas

- a. ~~Domestic public resources~~ (not applicable)
- b. ~~Domestic and international private business and finance~~ (not applicable)
- c. **International development cooperation**

International Organisations (IOs) like the IAEA are vital to creating the in-country conditions that are necessary for the success of financing projects. The IAEA recognizes a need to work more closely with financing partners, and capitalize on existing synergies between programmes for the benefit of the recipient country. In addition, IOs like the IAEA can play a valuable role in the implementation of financing projects in developing countries in partnership with IFIs.

IOs also have important knowledge of in-country conditions, and niche expertise which are both important to guide future investment such as the application of nuclear technology to address development challenges. Additionally, IOs have access to high-quality data on countries’ needs and significant technical expertise that can be leveraged for project implementation and monitoring. By leveraging the role of IOs and their history of collaboration with national Governments and the technical expertise they bring, financial institutions can gain assistance in determining risk levels, ultimately improving financial flows.

- d. ~~International trade as an engine for development~~ (not applicable)
- e. ~~Debt and debt sustainability~~ (not applicable)
- f. ~~Addressing systemic issues~~ (not applicable)
- g. **Science, technology, innovation and capacity building**

Science, technology and innovation is the cornerstone of progress and prosperity, driving economic growth, productivity, and addressing global challenges. STI is not just an enabler for sustainable development - it is the engine that powers it. And it is important to underscore the need to include all forms of science, including nuclear, in this category, as it is a driver of change in economies looking to grow and develop. Much more work is needed to fulfil the promise of STI for developing countries, and reduce scientific and technological inequalities in the global economy.

Greater investment is needed for capacity building, which is an integral precondition for STI to play its role in sustainable development. Focus is sorely needed on increasing the participation of underrepresented groups, particularly women, in STEM. Women are often underserved by technological advancements, and therefore ensuring that all initiatives are gender-sensitive is vital to creating broader impact.

Involvement of broader stakeholder groups, including the private sector, is also necessary to spur innovation and diffuse technology beyond traditional markets. South-South and triangular cooperation is an important modality for STI cooperation among developing countries, and can be effectively leveraged to support the private sector as well. Here, as mentioned before, the process can benefit from partnerships between development finance institutes (DFIs), international organizations (who provide technical expertise and international connections), and the private sector (who implement and scale up the innovations).

The IAEA is committed to these efforts to promote an equitable expansion of STI efforts in all countries. The IAEA support its Member States in harnessing the power of STI by facilitating technology transfer and capacity building efforts in areas where nuclear science, technology and applications can make a difference, such as human health and nutrition, food and agriculture, water and the environment, sustainable energy, and industrial applications. The IAEA supports capacity development, building a critical mass of scientists (including through empowering women in STEM) with expertise in the peaceful use of nuclear science and technology to ensure a more equal distribution of the benefit that nuclear STI can bring to the world.

Data is key for decision-making, and effective resource allocation across development areas. The accuracy of data generated by nuclear science is unparalleled. It is for this reason that the IAEA works to generate and store data, and build and strengthen networks of laboratories across the globe to convert nuclear data into actionable knowledge. These efforts help address global challenges, and build Member States' own capacities thus enhancing self-reliance and sustainability. When and where feasible, South-South and Triangular Cooperation mechanisms are used to enhance the level of sustainability of these endeavours and promote global knowledge equity.

To power our sustainable future, STI needs resources, resources that ought to be effectively and efficiently allocated to ensure the delivery of solutions with the best potential for impact. Beyond focusing on fintech, there is a need to encourage scientific innovation in developing countries, something that can be fostered through the combination of public funds, the knowledge of specialized agencies, and financing from international partners. STI should be integrated into the global financing for development system in a way that encourages the development of new technologies and solutions to our most pressing global developmental challenges.

- III. ~~Emerging issues~~ (not applicable)
- IV. ~~Data, monitoring and follow-up~~ (not applicable)
- V. **Overarching reflections**

Science, technology, and innovation are pivotal in driving sustainable development and economic growth. However, the lack of sufficient financing in developing countries remains a significant barrier to the optimal uptake of STI. The IAEA supports substantial and stable financing for STI initiatives, which have been historically proven highly beneficial. The IAEA is committed to supporting countries in harnessing the power of STI to address complex sustainable development challenges and build resilience.

It is crucial to develop shared understandings and frameworks that facilitate better collaboration among international organizations, financial institutions, and recipient countries. Capacity building, particularly in developing countries, is essential to ensure they can fully participate in and benefit from global STI advancements. The IAEA is dedicated to promoting equitable STI efforts, including gender-sensitive initiatives and South-South and triangular cooperation