Multi-stakeholder round table 2: Leveraging private business and finance

1. The Co-Chairs of round table 2, the Federal Minister for Finance and Revenue of Pakistan, Mr. Muhammad Aurangzeb, and Deputy Minister of International Development of Canada, Mr. Christopher MacLennan, made opening remarks.

2. The moderator, Vice President for the Private Sector of CAF, Mr. Antonio H. Pinheiro Silveira, moderated the panel discussion, in which statements were made by the following panelists: Minister of Finance of the Kingdom of Eswatini, Mr. Neal Rijkenberg, Minister of Finance and Development Planning of Lesotho, Ms. Retselisitsoe Matlanyane, Minister of Finance and National Planning of Zambia, Mr. Situmbeko Musokotwane, and the Special Representative of the President of the Russian Federation for Relations with International Organizations for Achieving the Sustainable Development Goals, Mr. Boris Titov. Two discussants also took the floor: Deputy Secretary-General of the OECD, Ms. Mary Beth Goodman, and Vice President of the Rockefeller Foundation, Mr. Eric Pelofsky.

3. Pakistan's Finance Minister, Mr. Muhammad Aurangzeb, stressed that creating enabling environments for private investment requires decisive policy actions, including domestic resource mobilization, SDG-aligned regulatory frameworks, and incentives to de-risk sectors like climate adaptation and infrastructure. He highlighted the need for global financial architecture reforms, particularly fairer sovereign risk assessments that account for climate vulnerabilities and development trajectories in countries like Pakistan. Aurangzeb also called for scaling innovative instruments (e.g., blended finance, guarantees) to "crowd in" private capital.

4. The Deputy Minister of International Development of Canada, Mr. Christopher MacLennan, highlighted Canada's commitment to mobilizing private capital through the Sevilla Platform for Action, promoting innovative financing models to align investments with the SDGs. He emphasized the need to address systemic barriers like fragmented standards and data gaps, pointing to the Common Principles for Private Capital Mobilization and the SCALED initiative—key efforts under the Sevilla Platform designed to streamline blended finance and attract institutional investors. MacLennan stressed the urgency of scaling action through global partnerships to transform these principles into practical, large-scale solutions for sustainable development.

5. In his keynote speech, Mr. Mahmoud Ali Youssouf, Chairperson of the African Union Commission, emphasized the transformative potential of the African Continental Free Trade Area (AfCFTA) in creating a unified 1.4 billion-person market worth $4.3 trillion to attract private investment across key sectors like pharmaceuticals, logistics and agro-processing. He outlined ambitious plans to mobilize $1 trillion for infrastructure and industrialization by 2030 through strategic initiatives including the AfCFTA Adjustment Fund and enhanced public-private partnerships, while stressing the need for predictable legal frameworks to facilitate intra-African trade and investment. Youssouf concluded by calling for urgent reforms to the global financial architecture - including debt restructuring, climate financing mechanisms and fairer international tax systems - arguing that Africa's sustainable development depends on modernizing multilateral systems to better serve developing economies in the 21st century.

6. The Vice President for the Private Sector of CAF, Mr. Antonio Pinheiro Silveira, emphasized three critical pillars for mobilizing private investment in development: first, comprehensive de-risking through traditional guarantees and innovative financial

instruments; second, financial innovation to improve credit access for underserved sectors; and third, creating business-friendly environments through coordinated government policies. He highlighted CAF's $7 billion capital increase focused on green energy transitions and regional integration in Latin America, while stressing that properly channeling just 1% of global institutional investments could close the $4 trillion SDG financing gap.

7. The Minister of Finance and Development Planning of Lesotho, Ms. Retselisitsoe Matlanyane, outlined the country's multifaceted challenges including climate vulnerabilities affecting food and energy systems, while emphasizing the country's strategic reforms to attract private investment through blended finance and policy improvements. She detailed concrete actions like strengthening capital markets, implementing digital financial inclusion programs, and creating public-private partnership frameworks for renewable energy and water infrastructure projects, with special focus on supporting women- and youth-led MSMEs. The minister particularly highlighted Lesotho's "Just Energy Transition Fund" as a model for mobilizing private climate investments, while calling for multilateral reforms to address systemic barriers facing vulnerable economies in accessing affordable development financing.

8. The Minister of Finance and National Planning of Zambia, Dr. Musokotwane, emphasized Zambia’s dual focus on strengthening domestic financial systems while scaling innovative financing mechanisms to address its development needs. He highlighted key reforms including expanding local bond markets, enhancing digital financial inclusion, and creating favorable regulatory environments to attract private investment in renewable energy and climate-smart agriculture. The minister stressed that achieving Zambia’s development goals also requires rethinking global financial architecture—particularly through fairer risk assessments, blended finance structures with first-loss guarantees, and stronger partnerships to support capacity building and channel private capital toward high-impact sectors while protecting vulnerable populations.

9. The Minister of Finance of the Kingdom of Eswatini, Mr. Neal Rijkenberg, presented Eswatini’s successful economic turnaround strategy, demonstrating how fiscal discipline and private sector confidence can drive sustainable growth. He detailed how reducing the fiscal deficit from 7.5% to 2% between 2018-2023 sparked private sector-led GDP growth (projected at 7.9% in 2025), while maintaining a sustainable 40% debt-to-GDP ratio through strategic expenditure management and revenue enhancement. The minister emphasized that maintaining pro-business reforms is critical to crowd in private investment, stressing that "growth is the non-negotiable foundation" for achieving SDGs in developing economies facing financing constraints.

10. Mr. Boris Titov presented Russia’s practical digital solutions for mobilizing private sector engagement with the SDGs, highlighting two key initiatives: an automated ESG reporting system that links 7 million Russian companies to state incentives through real-time compliance tracking with 74 SDG indicators, and digital “super services” that reduced SME informality by 700,000 new registrations while doubling tax revenues collected from these companies through integrated business/financial platforms. He proposed adapting these models globally through South-South cooperation, particularly for African nations facing high informality rates, while cautioning that the post-2030 development agenda must focus on actionable targets rather than “ideal world” aspirations. Titov also promoted the XDGs (Future Development Goals) initiative led by UAE and Russia as a pragmatic framework for the next development era.

11. Ms. Mary Beth Goodman identified three critical priorities for mobilizing private capital in emerging markets: improving data transparency to address investor uncertainty about risk-return profiles in developing economies, placing private finance mobilization at the core of development finance institutions' operations (noting that currently less than 20% of interventions effectively crowd in private capital), and tackling both domestic and international policy barriers - from shallow capital markets in recipient countries to restrictive financial regulations in advanced economies that inadvertently limit development investments. She emphasized that closing the $4 trillion annual SDG financing gap requires systemic changes to redirect existing global capital flows toward sustainable development priorities.

12. Mr. Eric Pelofsky, Vice President of the Rockefeller Foundation, outlined three critical pathways to unlock private capital for sustainable development: strengthening domestic financial markets through local currency solutions and regulatory reforms to make projects bankable, creating enabling policy environments with clear sustainability standards and stable investment frameworks, and strategically deploying catalytic public capital through innovative instruments like the Foundation's $400 million Emerging Markets Transition Debt facility. He highlighted Rockefeller's work to reform MDB balance sheets - including a proposed 1% adjustment to World Bank equity ratios that could unlock $30-40 billion in additional lending capacity - while emphasizing that philanthropic risk capital must be used to pilot new financial models that can attract institutional investors at scale.

13. Ms. Mary Beth Goodman, Deputy Secretary-General of the OECD, identified three critical priorities for mobilizing private capital in emerging markets: improving data transparency to address investor uncertainty about risk-return profiles in developing economies, placing private finance mobilization at the core of development finance institutions' operations, and tackling both domestic and international policy barriers - from shallow capital markets in recipient countries to restrictive financial regulations in advanced economies that inadvertently limit development investments. She emphasized that closing the $4 trillion annual SDG financing gap requires systemic changes to redirect existing global capital flows toward sustainable development priorities.

14. During the interactive discussion, statements were made by representatives of the following participating States: Azerbaijan, Belgium, Bolivia (Plurinational State of), Burundi, Chad, Côte d'Ivoire, Croatia, El Salvador, Finland, Iceland, Iraq (on behalf of G77 and China), Lithuania, Mexico, Morocco, Mozambique, Namibia, North Macedonia, Switzerland, and Uganda. Statements were made by representatives of the following intergovernmental organizations and entities of the United Nations system: International Fund for Agricultural Development (IFAD), United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), and International Finance Corporation. Statements were also made by representatives of the following civil society organizations and business sector entities: IBON International, European Network on Debt and Development, International Chamber of Commerce, and Sintesa Group.

15. President Daniel Francisco Chapo framed Mozambique's development journey as ambitious yet constrained by structural challenges that public finance alone cannot address, positioning private sector engagement as a strategic imperative for driving innovation and growth. He emphasized the need for targeted private financing solutions aligned with national priorities, citing the African Continental Free Trade Area (AfCFTA) as a transformative platform to enable sustainable infrastructure investments across the continent.

16. Minister of Finance, Ms. Dimitrieska Kocoska, presented North Macedonia's Green Finance Facility as an innovative model for mobilizing private climate investments, combining public funding with private capital to support MSMEs and vulnerable households in adopting renewable energy and energy efficiency solutions. She highlighted how this blended finance initiative has created measurable impacts in emissions reduction and energy savings while prioritizing inclusive growth for women-led households and entire communities.

17. Minister of Foreign and European Affairs, Mr. Grlić Radman, highlighted Croatia's successful experience with private sector partnerships in driving sustainable development across key sectors like energy, tourism, and digital infrastructure, while emphasizing the need for stable regulatory frameworks to build investor confidence. He underscored the European Union's role in facilitating such investments through initiatives like Global Gateway. The minister called for enhanced international cooperation to scale responsible private investments in emerging economies, stressing the importance of aligning business practices with environmental safeguards, social inclusion, and good governance principles to ensure equitable growth.

18. Minister of Finance, Mr. Matia Kasaija, emphasized Uganda's urgent need to mobilize innovative financing solutions – including debt swaps and blended finance instruments – to bridge critical funding gaps in agriculture, infrastructure, and climate resilience while addressing high capital costs that constrain developing economies. He stressed the importance of building domestic capacity to access emerging financing tools like green bonds and diaspora investment platforms, while calling for international reforms to sovereign risk assessment methodologies that currently limit affordable financing options for Global South nations. The minister underscored that Uganda's development priorities require balanced frameworks where public resources strategically de-risk private investments without overburdening national budgets, particularly for projects supporting MSMEs.

19. Minister of Economy and Finance, Ms. Nadia Fettah outlined Morocco's ambitious strategy to increase private investment's share of total national investment to two-thirds by 2035, achieved through structural reforms including improved fiscal stability, modernized tax policies, and strategic infrastructure development in ports, airports, and renewable energy. She highlighted Morocco's successful 2 billion Eurobond issuance as evidence of growing market confidence, while noting persistent challenges like the lack of investment-grade ratings for Moroccan businesses that limit their access to affordable capital. The minister emphasized the need to scale blended finance solutions beyond individual projects, calling for systemic reforms to sovereign risk assessments and expanded private equity flows to Africa to unlock the continent's full economic potential.

20. Minister of Finance, Mr. Nestor Ntahontuye, of Burundi emphasized that leveraging private sector engagement is critical for achieving the SDGs, highlighting Burundi's efforts to create a stable and transparent business environment through digitalization, investor-friendly policies and robust ESG evaluation frameworks. He stressed that such reforms foster a dynamic investment climate while ensuring accountability, and reaffirmed Burundi's commitment to collaborating with international partners and stakeholders to scale private sector solutions for sustainable development.

21. Ms. Gabriela Mendoza, Minister of Development Planning of the Plurinational State of Bolivia, emphasized that improving living standards requires the mobilization of substantial public and private financial resources. She outlined the structural challenges governments face in balancing social investment with fiscal consolidation and debt

servicing obligations. The Minister further emphasized the need to undertake reforms to the current international financial architecture to enable the mobilization of financial resources in a manner that effectively addresses people's needs

22. Minister of Foreign Affair, Mr. Kacou Adom, positioned private sector engagement as central to Côte d'Ivoire's development strategy, noting its growing role across three successive National Development Plans (NDPs) in driving job creation, innovation, and infrastructure projects amid constrained public funding. He highlighted institutional reforms to streamline investment, while emphasizing the need to align economic interests with sustainable development through triangular and multi-stakeholder partnerships. The minister underscored that such collaborative models—combining government oversight, private capital, and international support—are critical to scaling transformative projects without compromising country priorities.

23. The following points were made during the discussion:

- The critical role of private sector engagement in achieving the SDGs emerged as the central theme, with broad consensus that public financing alone cannot bridge the $4 trillion annual development gap. Participants emphasized the need for innovative partnerships that align business interests with sustainable development priorities, particularly in infrastructure, energy and agriculture.
- Several delegations highlighted domestic reforms to improve investment climates, including streamlined regulations, digital transformation of services, and specialized financial instruments like sovereign wealth funds and guarantee mechanisms. These were presented as essential to reduce perceived risks and attract private capital at scale.
- The African Continental Free Trade Area (AfCFTA) was frequently cited as a transformative platform for regional economic integration, with calls for complementary investments in cross-border infrastructure and capacity building to maximize its potential. Participants noted the agreement's role in creating larger markets and economies of scale for private investors.
- Blended finance models received significant attention as tools to de-risk private sector participation, particularly in least developed countries. Examples included first-loss capital structures, climate-focused debt instruments, and outcome-based financing mechanisms that combine public and philanthropic resources with private capital.
- Concerns were raised about systemic barriers in the global financial architecture, including restrictive sovereign credit ratings, high capital costs for developing nations, and regulatory frameworks that inadvertently limit long-term development investments. Several interventions called for reforms to make risk assessment methodologies more responsive to country contexts.
- Civil society perspectives emphasized the need for safeguards to ensure private sector engagement delivers inclusive growth and respects human rights. These included calls for stronger accountability mechanisms, transparency in public-private partnerships, and protection against corporate abuses in vulnerable communities.

- International organizations presented various initiatives to standardize sustainable finance practices, build local capital markets, and provide technical assistance. Their interventions highlighted the importance of data transparency, capacity building, and knowledge sharing to improve investment ecosystems.
- The discussion recognized that successful private sector mobilization requires balancing competing priorities - between investor returns and development impact, between standardization and flexibility, and between global capital flows and local ownership. Several delegations stressed the need for country-led approaches tailored to specific national circumstances.
- In conclusion, while private finance was universally acknowledged as essential for SDG achievement, participants agreed that its mobilization requires coordinated action across multiple fronts: policy reforms, financial innovation, risk mitigation, and strengthened multilateral cooperation to create enabling environments at both national and global levels.