Statement by

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United Nations
World leaders gathered last month in the United Nations Headquarters to demonstrate how they will accelerate action to transform our societies and economies to end poverty, respond to the climate crisis and secure a sustainable future for all.

The series of high-level meetings and summits on climate action, the Sustainable Development Goals (SDGs), financing for development, universal health coverage and Small Island Developing States (SIDS) underscored the urgent need for much greater ambition in driving forward sustainable development. They also signaled the centrality of multilateralism.

Despite the breadth of action and initiatives that the 2030 Agenda has inspired, action to meet the SDGs is not yet advancing at the speed or scale required. We are off track. At the current pace, around 500 million people could remain in extreme poverty by 2030. Global hunger is on the rise. Violent conflicts, climate change, gender disparities, and persistent inequalities are undermining efforts to achieve the SDGs. Uneven economic growth, high and rising debt levels, heightened trade tensions, and financial volatility create additional obstacles to SDG achievement.

The necessary political, technological and financial solutions are within our reach. But we need unprecedented, ambitious action, much greater leadership and more effective multilateral cooperation. This was clearly recognized in the Political Declaration Member States adopted in the SDG Summit.

As requested by Member States in the Political Declaration and given the slow and uneven SDG progress, the UN Secretary-General issued a global appeal for a “Decade of Action” to deliver the SDGs by 2030. He called for ambitious global and local action as well as “people action” by civil society, grassroots organizations, media, private sector, unions, academia and others to mobilize partnerships and to embrace new business models and technologies that match the demands of the 2030 Agenda; and urging young people and civil society to hold leaders to account.

I. Opportunities for Financing Sustainable Development

As we begin the Decade of Action, financing must be front and center of our efforts and solutions. As called for by the UN Secretary-General, we need bold actions to accelerate the much-needed global transformation of finance in line with a carbon neutral world.

The UN General Assembly’s *High-Level Dialogue on Financing for Development*, on 26 September, made it clear that both the scale and the scope of financing for sustainable development fall short of what is
needed to finance the 2030 Agenda and public and private resources are not sufficiently aligned with the SDGs.

Leaders emphasized the need for strengthened multilateral cooperation in areas of trade, climate finance, debt sustainability, investment, international tax cooperation, and combatting illicit financial flows.

While the task of raising public resources is central for most governments, national tax reforms and tax policy need to be complemented by global action to close loopholes and safeguard national tax collection efforts.

Urgent action is needed on financial secrecy, corruption, corruption facilitators, corporate tax evasion and avoidance, and other types of illicit financial flows. Reforms in these areas must prioritize the needs and realities of developing countries.

Governments have large investment needs for the SDGs. When debt finances investments in infrastructure and productive capacities, it not only provides direct funding for sustainable development progress, but it can also stimulate growth that generates the resources to repay lenders. However, debt sustainability threatens to become a stumbling block. Rising debt constrains SDG investments in many countries, particularly those with climate and structural vulnerabilities.

A growing share of public expenditure is used to service debt rather than invest in the SDGs. 31 low-income and least developed countries are currently either at high risk of debt distress, or already in debt distress.

**Figure 1: Debt Risk Classification of Low-Income Countries, 2017-2018 (% of Total)**

![Debt Risk Classification Chart]


To help maintain debt sustainability, we should work to scale up promising innovative instruments, consider targeted debt relief, and work towards global consensus guidelines for debtor and creditor responsibilities. Debtors and creditors must also take a systemic, coordinated approach and revisit existing mechanisms for debt workouts to determine ways to improve their efficiency.
Mobilizing long-term private investment is also critical for advancing SDG achievement. While the business case for investment in sustainable development is growing, further action is needed to enhance impacts and move to scale. There is potential for blended finance instruments to further attract private investors. However, parties need to be realistic about the gaps that the private sector can and cannot fill, as well as potential risks, trade-offs and equity considerations in allocating concessional resources to blended finance, particularly for poor countries with large public investment needs.

Sustainability reporting by corporations needs to be enhanced to ensure that financial products presented as sustainable make a difference.

A range of new initiatives aimed at driving SDG achievement were announced during the high-level week at the UN, including by the private sector that is increasingly committed to the 2030 Agenda and climate action.

For example, 130 banks from 49 countries holding assets of over US$47 trillion signed the *Principles of Responsible Banking* committing to align their business strategies with the SDGs and the Paris Climate Agreement. The principles were designed by a core group of 30 ‘Founding Banks’ together with the UN Environment Programme’s Finance Initiative.

And this week the UN Secretary-General launched the *Global Investors for Sustainable Development Alliance*, by convening 30 Chief Executive Officers from every region, who collectively manage nearly US$16 trillion.

The digital revolution in financial technology (fintech) is also poised to play an important role in accelerating financing of the SDGs, not least by putting more control into the hands of citizens.

The opportunities of fintech were highlighted in the interim report of the *UN Secretary-General’s Task Force on Digital Financing of the SDGs*, released during the high-level week. It describes three disruptive ways that fintech can shift the center of gravity of the financial system towards the citizen: first, by increasing the quality and user-friendliness of relevant financial information; second, by reducing financial intermediation that does not add consumer value; and third, by presenting citizens with platforms for collective action, whether through crowd-funding or through consumer, employee, or shareholder actions. Robust governance innovations are needed to mitigate risks and negative consequences and to ensure that digitalization supports the alignment of finance and money with citizens’ interests and sustainable development.

During the High-Level Dialogue on FFD, leaders also stressed the importance of country-led financing plans to support national sustainable development strategies.

While many countries are incorporating the SDGs into national plans, only a quarter of countries have well developed financing plans.

The concept of Integrated National Financing Frameworks (INFFs) was initially introduced in the Addis Ababa Action Agenda as a means for countries to support cohesive nationally owned sustainable development strategies. To help countries formulate INFFs, the Inter-Agency Task Force (IATF) on Financing for Development laid out key building blocks in the *2019 Financing for Sustainable Development Report (Figure 2)*. The UN Secretariat has worked closely with the World Bank Group, the IMF, WTO, UNDP, UNCTAD, and more than 50 UN and other agencies, to produce the report.
14 countries have already announced that they have embarked on a country-led initiative to develop INFFs supported by the United Nations and the European Union. Through this initiative countries will be supported in developing diagnostic tools and strengthening national capacity for designing and implementing INFFs. These 14 countries are also looking to the Inter-Agency Task Force to provide substantive guidance and will receive support from the UN System in country.

II. The Urgency of Climate Action

The message from the Climate Action Summit, including from youth representatives, was clear: the climate emergency is a race we are losing but it is a race we can win if we change our ways now.

The scientific community agrees:

- we need to cut greenhouse emissions by 45 per cent by 2030 and significantly invest in adaptation and resilience now;
- reach carbon neutrality by 2050; and
- limit temperature rise to 1.5 degrees Celsius by the end of the century.

According to the latest IPCC Report on the Ocean and Cryosphere, global warming has already resulted in profound consequences for ecosystems and people. The ocean is warmer, more acidic and less productive. Melting glaciers and ice sheets are causing sea level rise, and coastal extreme events are becoming more severe.

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1 Intergovernmental Panel on Climate Change, 2019. “Special Report on the Ocean and Cryosphere in a Changing Climate”.
The new report of UNDP and UN Climate Change (UNFCCC) shows that with countries’ existing climate plans, greenhouse gas emissions will rise by 10.7 per cent above 2016 levels by 2030, a number starkly at odds with deep cuts required.²

Climate action provides an unprecedented opportunity to unlock massive economic and social benefits and accelerate structural transformations for sustainable development.

Action now is not only a moral imperative; it also makes business sense. Studies have found that bold climate action could trigger US$26 trillion in economic benefits by 2030, create over 65 million new jobs and avoid 700,000 premature deaths from air pollution (Figure 3).

**Figure 3: Findings of the “United in Science” Report (Left) and Global Benefits of a Decisive Shift to a Low-Carbon Economy compared with Business-As-Usual (Right)**


The Global Commission on Adaptation report reveals that investing US$1.8 trillion from 2020 to 2030 in strengthening early warning systems, making new infrastructure resilient, improving agriculture and crop production, protecting mangroves and making water sources management more resilient, could generate US$7.1 trillion in total net benefits by 2030 (Figure 4).

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³ High-level synthesis report of latest climate science information convened by the Science Advisory Group of the UN Climate Action Summit 2019 bringing together the latest climate science related updates from the World Meteorological Organization (WMO), UN Environment (UNEP), Intergovernmental Panel on Climate Change (IPCC), Global Carbon Project, Future Earth, Earth League and the Global Framework for Climate Services (GFCS). https://public.wmo.int/en/resources/united_in_science
The Climate Action Summit highlighted scaled-up solutions and boosted commitments and ambitions countries are pursuing in order to effectively adapt to the changing climate and to dramatically reduce emissions, keep temperature rise to 1.5 degrees Celsius and reach carbon neutrality by 2050.

These are promising signs. There is a particularly strong leadership in ambitions from the global South, especially the SIDS. There are increased commitments and actions from businesses and local governments especially among cities including major metropolitan ones, and a significant increase in awareness and pressure from the public to hold their leaders accountable to address the climate emergency.

Yet, much more needs to be done. While, many vulnerable developing nations lead the world on climate action and ambition, many major economies and high emitter countries still shy away from ramping up their ambitions on nationally determined contributions (NDCs) and towards a net-zero emission goal by 2050. Major industries and businesses are still at slow pace in transitioning towards green and resilient business models. The level of new financial commitments is still far behind from the demand especially for the most vulnerable to adapt now.
Developing nations indicate that a lack of access to finance is the biggest single hurdle to raising ambition and accelerating climate actions. The replenishment of the Green Climate Fund is critical, and the UN welcomes the increased support to the GCF, including doubling contributions by several countries. It is also crucial for developed countries to fulfill the commitment to mobilize US$100 billion a year from public and private sources by 2020 for mitigation and adaptation in developing countries.

The leadership of Finance Ministers is key. The UN firmly supports the Coalition of Finance Ministers for Climate Action and the Helsinki Principles. Pricing carbon, removing fuel subsidies (estimated at US$ 4.7 trillion post-tax) and ensuring that fiscal policy and budget decisions are directed towards increasing resilience and reducing carbon emissions are all critical to accelerating climate action and unachievable without Ministry of Finance leadership.

The revenue-raising potential of a carbon tax alone would close the SDG financing gap to 2030 and beyond. As one recent IMF study⁴ shows, efficient fossil fuel pricing in 2015 would have lowered global carbon emissions by 28 per cent and fossil fuel air pollution deaths by 46 per cent, and increased government revenue by 3.8 per cent of GDP.

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III. Importance of Leaving No One Behind and Tackling Inequalities

Inequalities across the world have become a defining challenge of our time. Gross inequalities both within and among countries are putting sustainable development at risk, stirring social unrest, undermining social progress, threatening economic and political stability, and undercutting human rights. The 2019 global Multidimensional Poverty Index (MPI) estimates that 1.3 billion people are “multidimensionally poor” and are being left behind across three key dimensions: health, education and standard of living. More than two-thirds of them live in middle-income countries.
Figure 7: Human Well-Being and Capabilities: Where the World is Falling Short


Thus, leaving no one behind does not only entail reaching the poorest of the poor, but also understanding and tackling the root causes of persistent disparities.

People who are left behind in development are often economically, socially, spatially and/or politically excluded (Figure 8) – for example, due to ethnicity, race, gender, age, disability or a combination of these, leading to multiple discriminations. They are disconnected from societal institutions, lack information to access those institutions, networks, and economic and social support systems to improve their situation and are not consulted by those in power. They are not counted in official data – they are invisible in the development of policies and programmes. They have no voice. People left behind are those most at risk of not enjoying their civil, cultural, economic, political or social rights.
People at the intersection of these factors face reinforcing and compounding disadvantage and deprivation, making them likely among the furthest behind.

Source: UNDP, 2018. “What does it mean to leave no one behind?”.

Investments in human capital, in jobs and economic transformation, and in trade (agenda items of this Development Committee meeting) can all play a critical role in tackling inequalities and helping to reach those being left behind.

By taking concrete measures to build human capital we equip people with the skills and capabilities to thrive in a changing and interconnected economy. Strengthening human capital can mitigate the risk that skill-biased technological change leaves people behind. Efforts to strengthen education systems should include promoting lifelong learning and digital skills to foster adaptability and better match skills with future employment needs.

In this context, the UN welcomes the World Bank Group’s Human Capital Project and its role in marshalling stronger evidence on the productivity-enhancing impact of investments that improve outcomes in health and education and the importance of human capital for jobs and economic transformation.

Last month, the UN convened the first-ever High-level Meeting on Universal Health Coverage, which has proven to be a catalyst for economic growth. Health is a human right and a precondition, outcome and driver of sustainable development. Recognizing this, the high-level meeting on universal health coverage galvanized global commitments to ensure health for all.

The Political Declaration that UN Member States adopted in the meeting is the most comprehensive agreement ever reached on global health – a vision for Universal Health Coverage by 2030. The United Nations, through joint efforts including the new Global Action Plan for Healthy Lives and Well-being for All that includes the World Bank Group, is ready to support countries with our convening power, knowledge and expertise.

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While trade can have transformative impact for economies and people, if not managed properly, it can also perpetuate inequalities, create discord and social fragmentation.

It is therefore critical that countries put in place policies to assist those left behind and to enhance social and environmental protection to ensure that benefits of trade and participation in Global Value Chains (GVCs) can be widely shared and sustainable, as the World Development Report 2020 on “Trading for Development in the Age of Global Value Chains” stresses. New and emerging technologies and climate change are among major disruptors to GVCs with important implications for inequalities, which should be carefully managed. Prolonged trade disputes could also have significant spillovers on third countries through the disruption of GVCs.6

More broadly, we need enhanced cooperation and renewed multilateralism to turn globalization into a positive force that more equitably benefits all. The path to a more inclusive and fairer globalization is outlined in the 2030 Agenda for Sustainable Development. It is critical to deliver a “Decade of Action” for the 2030 Agenda and its central pledge to leave no one behind.

**IV. United Nations Collaboration with the World Bank Group**

The United Nations appreciates the strong partnership with the World Bank Group in a wide range of areas.

To give a few examples, to support countries to address the climate crisis, the UN will continue to work with the World Bank Group and other institutional partners in support of the Finance Ministers Coalition for Climate Action. The new “Climate Promise” of UNDP committing to support 100 countries to revise and submit enhanced NDCs by 2020 will be implemented in close coordination with key partners, including the World Bank Group in the framework of the NDC Partnership.

Through the Insurance Development Forum (IDF) the UN will continue to work with the World Bank Group and the insurance industry to optimize and extend the use of insurance and its related risk management capabilities to build greater resilience and protection for people, communities, businesses, and public institutions that are vulnerable to disasters and their associated economic shocks.

The World Bank Group is one of the key contributors to the Financing for Development (FfD) process. The United Nations welcomes the continuing collaboration with the World Bank Group in producing the annual Financing for Sustainable Development Reports, including in developing further the global methodology on Integrated National Financing Frameworks, as requested by Member States in the last ECOSOC Forum on Financing for Development.

The next annual ECOSOC FfD Forum will be held from 20 to 23 April 2020 at the United Nations Headquarters in New York. The ministerial segment of the FfD Forum will include the Special high-level meeting of the Economic and Social Council with the Bretton Woods institutions, the WTO, and UNCTAD. This is a critical opportunity to promote greater cooperation, coherence and consistency in the international system.

The United Nations also welcomes its strong partnership with the World Bank Group in supporting countries to prevent, prepare for, respond to, and recover from crisis.

Collaboration is happening through Recovery and Peacebuilding Assessments (RPBAs) and Post-Disaster Needs Assessments (PDNAs), the Famine Early Action Mechanism (FAM); through jointly supporting the

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operationalization of the Humanitarian-Development-Peace nexus; through implementing the recommendations of the UN-World Bank “Pathways for Peace” report; and exploring stronger collaboration in UN Mission Transition contexts, to name a few.

We see the ongoing IDA19 negotiations and the development of the World Bank Group’s new Fragility, Conflict and Violence (FCV) Strategy as very important entry points to include incentives for further institutionalizing our collaboration in fragile and crisis situations.

The United Nations looks forward to further leveraging and expanding its partnerships with the World Bank Group in support of countries’ sustainable development priorities.