

2025 INFF Facility Partner Meeting

SESSION ONE

Financing for Sustainable Development Outlook

Date and time: 09:45 – 10:30, Jan 22, 2025

Session focal point: Yali Wang, yali.wang@undp.org

Background

As we approach the midpoint of the 2030 Agenda for Sustainable Development, global progress towards the SDGs is alarmingly off track. Of the 140 Sustainable Development Goal (SDG) targets for which data is available, around half deviate significantly from the required path. Current projections estimate that by 2030, almost 600 million people—more than half of them women—will still live in extreme poverty.¹ This stark reality underscores the inadequacy of current efforts to mobilize and allocate resources effectively toward achieving the SDGs.

The financing needs to support the SDGs and address climate change are vast, estimated in the trillions of dollars annually. Developing countries are particularly affected, facing disproportionately high borrowing costs, limited access to affordable financing, and systemic vulnerabilities. For example, the median debt service burden for least developed countries (LDCs) rose from 3.1% of revenue in 2010 to 12% in 2023—the highest level since 2000. Alarmingly, four out of ten people globally live in countries where governments spend more on debt servicing than on health or education.²

Climate action is similarly lagging. Despite the critical need for deep reductions in greenhouse gas emissions to keep global temperature increases below 1.5 degrees Celsius, emissions continue to rise. Without urgent investment in mitigation and adaptation measures, the economic and social costs of inaction will far exceed the required financing. For instance, every dollar invested in risk reduction and prevention

¹ <https://desapublications.un.org/publications/financing-sustainable-development-report-2024>

² <https://desapublications.un.org/publications/financing-sustainable-development-report-2024>

can save up to \$15 in post-disaster recovery efforts, yet financing for such initiatives remains grossly inadequate.³

The challenges are compounded by a fragmented international financial system that has failed to keep pace with rising needs and an increasingly crisis-prone global environment. Many developing countries lack access to contingency financing during crises, further exacerbating their vulnerabilities. The current international financial architecture falls short in mobilising the long-term financing necessary to address multiple challenges. As highlighted in the FfD 4 Outcome Zero Draft, “Rising fragmentation, insufficient country ownership, and lack of alignment with country priorities have undermined the effectiveness of international support.”⁴

The Fourth International Conference on Financing for Development (FfD4), scheduled for June 2025 in Spain, represents a critical opportunity to address these challenges. Member States have tasked the conference with accelerating the implementation of the 2030 Agenda and reforming the international financial architecture to meet the scale and urgency of the crisis. Key priorities include scaling up investments, enhancing spending effectiveness, fostering international cooperation, and building trust in global partnerships.

This session aims to situate INFFs within the broader financing for development agenda. It will reflect on progress made, challenges faced, and opportunities to mobilize transformative investments through innovative approaches and collaborative solutions. Insights from the session will inform preparations for FfD4 and help chart a path toward sustainable, inclusive development.

Objectives

- 1. Contextualize the Financing Landscape for Sustainable Development:**
Provide an overview of the global financing context, including trends and projections over the next 5-10 years, and discuss how these shifts influence the Financing for Development (FfD4) agenda and the role of INFFs.
- 2. Highlight Key Challenges and Opportunities for Resource Mobilization:**
Identify the major challenges and opportunities in mobilizing financing for the SDGs, recognising the role of INFFs in aligning national and international efforts and overcoming existing barriers.
- 3. Set the Stage for the discussions throughout the two-day event:** Reflect on the current status of FfD 4 preparation, discuss where parties stand in the process, and explore how the outcome document of FfD4 can drive forward financing for the SDGs.

³ <https://desapublications.un.org/publications/financing-sustainable-development-report-2024>

⁴ <https://financing.desa.un.org/sites/default/files/2025-01/FfD4%20Outcome%20Zero%20Draft.pdf>

Guiding questions

- 1. What are the key trends in the financing landscape over the next 5-10 years, and how do these trends shape the discussions running up to the FfD 4?
- 2. What are the primary challenges and opportunities in mobilizing resources for sustainable development, particularly in the context of governments implementing INFFs?
- 3. Where do we currently stand in the process of FfD 4 preparation, and what opportunities can be leveraged from the outcome document of FfD4 to accelerate development finance progress?

Agenda

| TIME | SESSION | SPEAKERS |
|-------------|---|--|
| 5 mins | Introduction | Moderator: Maria del Carmen Sacasa , Deputy Director for Latin America and the Caribbean, UNDP |
| 35 mins | Panel/roundtable/workshop discussion 10 minutes per panellist | Panellists: <ul style="list-style-type: none"> • Mahmoud Mohieldin, UN Special Envoy for the 2030 Agenda, • Jose Antonio Alonso, Professor, International Commission of Experts (ICE) on Financing for Development (<i>online participation</i>) • Oliver Schwank, Chief, Policy Analysis and Development Branch, DESA |
| 5 mins | Key takeaways | <i>Moderator</i> |