



The Sustainable Development Summit 2015: Time for Global Action for People and Planet

Financing the Sustainable Development Agenda

The new sustainable development agenda to be adopted in September — with its 17 Sustainable Development Goals — aims to end poverty, promote prosperity and people’s well-being while protecting the environment over the next 15 years. Financing and the means to implement the new agenda are considered critical for success.

A core component of this ambitious agenda has been the focus on the means of implementation — the interdependent mix of financial resources, technology development and transfer and capacity building — required to achieve sustainable development. The means of implementation have been included in targets under each of the first 16 goals and also as the final stand-alone goal, where 19 targets are separated into sections on finance, technology, capacity building, trade and systemic issues.

The sustainable development agenda calls for a revitalized global partnership, which will be supported by the concrete policies and actions outlined in the Addis Ababa Action Agenda, the outcome document of the Third International Conference on Financing for Development, held in Addis Ababa on 13-16 July.

World leaders, along with representatives from civil society and the business sector, gathered at the conference to forge partnerships to align public and private investments for the greatest impact in implementing sustainable development.

The Addis Ababa Action Agenda represents an integral part of the new sustainable development agenda, and is a comprehensive framework to guide policies that will mobilize financial resources for the achievement of the new goals.

“The Action Agenda provides a global framework for financing sustainable development and developing sustainable finance,” stated Wu Hongbo, UN Under-Secretary-General for Economic and Social Affairs. “This new framework aligns all financing flows and policies with economic, social and environmental priorities.”

A report of the Intergovernmental Committee of Experts on Sustainable Development Finance estimates that annual investment requirements in infrastructure — water, agriculture, telecommunications, power, transport, buildings, industrial and forestry sectors — will amount to US\$5-\$7 trillion globally. UNCTAD estimates that total investment needs in developing countries are at \$3.3-4.5 trillion annually, with current investment at \$1.4 trillion, implying an investment gap of \$1.9-3.1 trillion per year.

Financial resources exist

But the financial resources that could go to sustainable development already exist. Global savings — the amount of money that could be invested — is estimated at around \$22 trillion a year, which would be more than sufficient to meet the needs of the Sustainable





Development agenda. However, most of these resources are currently not invested sustainably.

Moreover, annual global savings are estimated to be about \$218 trillion. Even a small shift in the way resources are used would have an enormous impact.

The framework provided by the Action Agenda includes more than 100 measures that, if implemented, will result in policies that will enable and direct public and private financial investments to meet an array of challenges.

Domestic resource mobilization is also central to the agenda. In the outcome document, countries agreed to an array of measures aimed at widening the revenue base, improving tax collection, and combatting tax evasion and illicit financial flows. Countries also reaffirmed their commitment to official development assistance, particularly for the least developed countries, and pledged to increase South-South cooperation.

The Action Agenda also underscored the importance of aligning private investment with sustainable development, along with public policies and regulatory frameworks to set the right incentives. Countries also agreed on a new mechanism that will facilitate financing for new technologies in developing countries.

The Action Agenda will serve as a guide for further actions by governments, international organizations, the business sector, civil society and philanthropists. Deliverables announced on the sidelines of the conference, along with additional initiatives to be launched in the coming months, will further contribute to reaching the Sustainable Development Goals. Together, they support a revitalized and strengthened global partnership for sustainable development that can end extreme poverty and deliver sustainable development for all.

The outcome of the conference has provided a strong foundation to reach a binding agreement at the UN climate negotiations in Paris in December.

The full agreement and a UN DESA Briefing Note on the Addis Ababa Action Agenda are available at www.un.org/ffd3.

Flows of funds from international and national financing sources to sustainable development

