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WHERE ARE THE TRILLIONS FOR THE AGENDA 2030?

Anna Ayuso, Senior Researcher, CIDOB
Pablo Hoffmann, Research Assistant, CIDOB

Although there is enough money in the world to finance the Agenda 2030, it is not allocated in the right places. The financing gap to implement the Agenda 2030 is estimated to amount to 2.5 trillion dollars annually. If necessary resources are not devoted to where they are needed, it will be impossible to achieve the Sustainable Development Goals in the remaining ten years. The international community needs to establish alliances and find concrete prescriptions on how to make it possible.

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Four years after the adoption of the 2030 Agenda for Sustainable Development, the UN General Assembly has taken stock of the progress achieved and has renewed its commitment at the Sustainable Development Summit, held in New York on the 24th and 25th of September 2019. However, on the next day, the High-level Dialogue on Financing for Development showed that not enough financial resources are being mobilized to achieve the goals in the 10 years that are left until 2030.

Financing is crucial. This is why, in 2015, in preparation for the third International Conference on Financing for Development in Addis Ababa, the major international financing institutions released a joint statement expressing the need to create alliances to move the discussion "*from billions to trillions*". These trillions are required to achieve the Agenda 2030 which was adopted in the same year by the United Nations and they established the Sustainable Development Goals (SDGs) as a universal agenda. The Addis Ababa Action Agenda (AAAA) seeks for the mobilization of domestic resources, international and domestic public and private investments, productive agents and international cooperation for public and private development. Furthermore, the agenda aims to guarantee the sustainability of external debt, international trade, and the multilateral financing system led by the United Nations.

Goal 17, "Revitalizing the Global Partnership for Sustainable Development", was incorporated as last, but not least important, in the Agenda 2030 in order to gather financial resources from multiple sources for developing countries. The aim was to create partnerships that bring together and exchange knowledge, expertise, technology and financial resources in the public, public-private and civil society fields.

Targets, indicators and institutionalized mechanisms were established to allow for annual monitoring of the SDGs, including voluntary reports by countries and international agencies which are reviewed annually at the High-Level Forum for Development (ECOSOC), as well as every four years before the United Nations General Assembly. In the first of these forums, held in 2019, the Secretary-General's report noted an imbalance between discourse and reality.

The financing gap

An ODI study has estimated that the financing gap amounts to $2.5 trillion annually to reach the $5 or $6 trillion needed to implement the 2030 Agenda. The same study states that to end extreme poverty by 2030, annual funding to least-developed countries (LDCs) needs to quadruple from 86 billion to 320 billion annually. However, recent statistics are daunting, with external funding declining by 12% between 2013 and 2016. According to the OECD, a total of $149.3 billion was spent on official development assistance (ODA) in 2018, a decrease of 2.7% in real terms compared to 2017. According to the 2019 SDG annual report, most ODA was designated for social and economic purposes. However, there has been an increase in funding infrastructure and economic services, particularly in the energy sector. Meanwhile, the education and health sectors remain severely under-funded, while social protection suffers from the greatest lack of resources. According to the SDSN, health and education spending alone would require massive investment in LDCs of about $1.2 trillion in additional spending up to 2030. The high hopes placed in the private sector have also not materialized. According to the OECD, private investment declined by 30% during 2016-17 and, in addition, only 6% of private finance mobilized benefited LDCs. While there has been an increase in *blended finance*, these types of investments frequently focus on sectors with significant economic returns.

Which obstacles are curbing development financing?

Four interactive dialogues were held during the forum (on public resources for more equal societies; on the SDGs and climate action, and on new initiatives) in which government representatives, international agencies and other civil society actors analyzed the obstacles to development financing. One of the most worrying aspects is the rising level of debts in developing countries, which results in a decrease in public policy funding. Weak economic growth and fluctuating international prices are also factors of instability to which developing countries are particularly vulnerable.

Another key problem are the illicit financial flows which divert resources from investment and fuel organized crime, as well as the lack of an international framework to curb tax evasion by transnationals. According to the above-mentioned ODI study, half of the funding gap could be covered in 46 developing countries with adequate fiscal and spending allocation policies, although at least 30 of these countries could not achieve this on their own. Low tax collection capacity makes LDCs dependent on external resources, though ODA is decreasing and not allocated where it is most needed. In the debates at the Summit, a representative of the Andean Development Corporation (CAF) noted that of the $269 trillion in financial assets invested worldwide, less than $1 trillion is invested to directly obtain a social or environmental impact. Lack of political will is at the heart of the problem. There is enough money in the world to fund the 2030 Agenda but it is not in the right place. The current funding gap requires systemic transformative change that transcends the *incrementalism* (more of the same) that prevails today.

How to move on from here?

The international community must find concrete ways to close the financing gap. Initiatives were presented during the summit to address the implementation of the agenda. UN Secretary-General Antonio Guterres announced the launch of the Global Investors for Sustainable Development (GISD) alliance in 2019, which he expects to collectively mobilize and manage nearly $16 trillion from the public and private sector. He also announced the creation of an annual platform in 2020 to boost development funding over the next 10 years for the implementation of the Agenda. Frans Timmermans, Vice-President of the European Commission, reported on the "New European Green Deal" and the launch of an international platform on sustainable finance. The Independent Group of Scientists presented the Global Sustainable Development Report (GSDR) "The Future Is Now: Science to Achieve Sustainable Development". They propose 20 points to lead transformative progress and identify systemic interconnections between individual goals and targets. Many countries also presented their national plans to increase ODA and stimulate investment. The conference helped to identify the issues related to financing development, as well as to conclude that commitments to the SDGs involve structural changes affecting the interests of governments and transnational corporations and powerful influence groups. Now is the time to act, and the global community will have to demonstrate whether it has the political will to strengthen the global alliances when it meets next year again to take stock of the progress.