



Towards more effective and sustainable resource mobilization

Dr. Babatunde Omilola

Head of Development Planning and Inclusive Sustainable Growth Team
Bureau for Policy and Programme Support, UNDP New York



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The MDGs – A retrospective

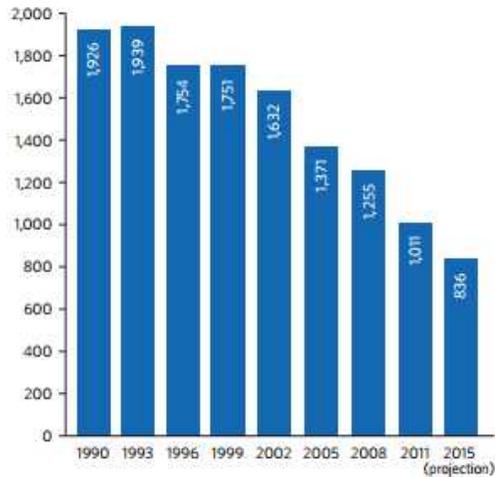


- The global mobilization behind the MDGs has produced the most successful anti-poverty movement in history
- Unprecedented efforts have resulted in profound achievements, saving the lives of millions and improving conditions for many more
- By putting people and their immediate needs at the forefront, the MDGs reshaped decision-making in developed and developing countries alike

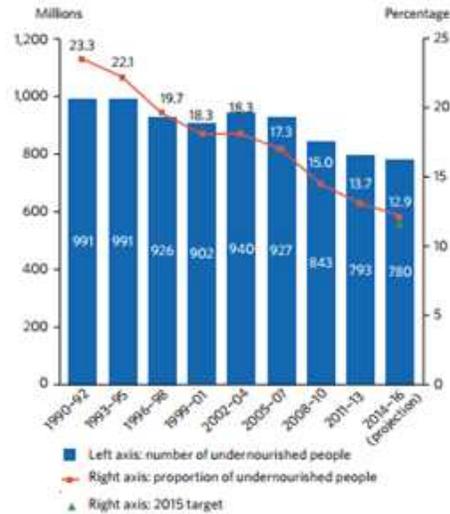
The MDGs – A retrospective



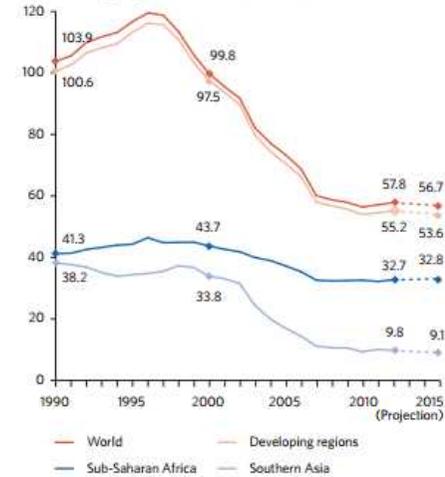
Number of people living on less than \$1.25 a day worldwide, 1990–2015 (millions)



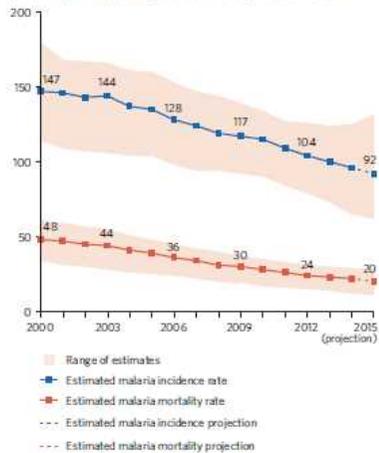
Number and proportion of undernourished people in the developing regions, from 1990–1992 to 2014–2016



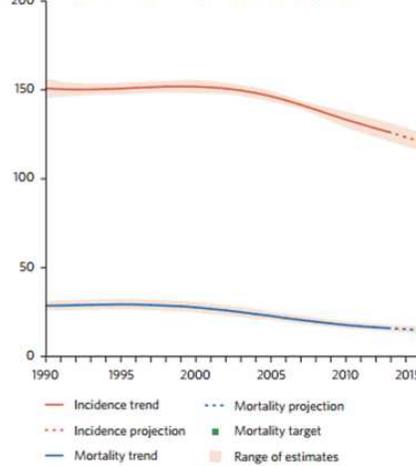
Number of out-of-school children of primary school age, selected regions, 1990–2015 (millions)



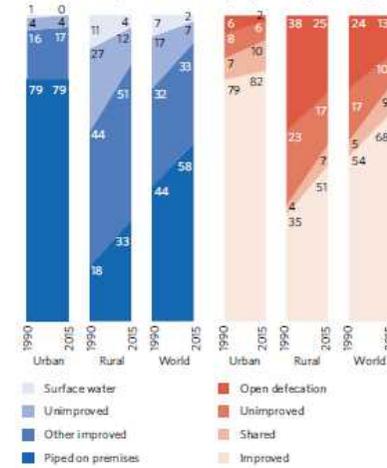
Estimated change in malaria incidence rate (cases per 1,000 population at risk) and malaria mortality rate (deaths per 100,000 persons at risk), 2000–2015



Tuberculosis incidence and mortality rates, 1990–2015 (estimated numbers per 100,000 population)



Proportion of population using improved and unimproved drinking water sources and sanitation facilities, urban, rural and world, 1990 and 2015 projection (percentage)



Key parameters for success



- ✓ Right set of **policies**, targeted **technical assistance**, **institutional capacity**, and **adequate funding**
- ✓ **Strong political commitment**
- ✓ Cross-discipline and cross-sectoral contributions toward devising and implementing specific **prioritized 'acceleration solutions'** to help countries improve the rate of progress against specific targets
- ✓ **Learning from and adapting solutions** that have been shown to work in other countries in similar circumstances through, for example, South-South knowledge-sharing

The unfinished business of the MDGs



Poverty

700 million people live in extreme poverty



Hunger

795 million people are undernourished



Water

650 million people do not have access to improved drinking water sources



Sanitation

2.4 billion people still lack access to basic sanitation services



Health

16,000 children die each day before they reach the age of five, mostly from preventable causes



Energy

1.4 billion people have no access to electricity



Inequality

Inequality of income and opportunities have both substantially increased



Environment

Acute challenges, including food and water insecurity, climate change and natural disasters

State of the World today

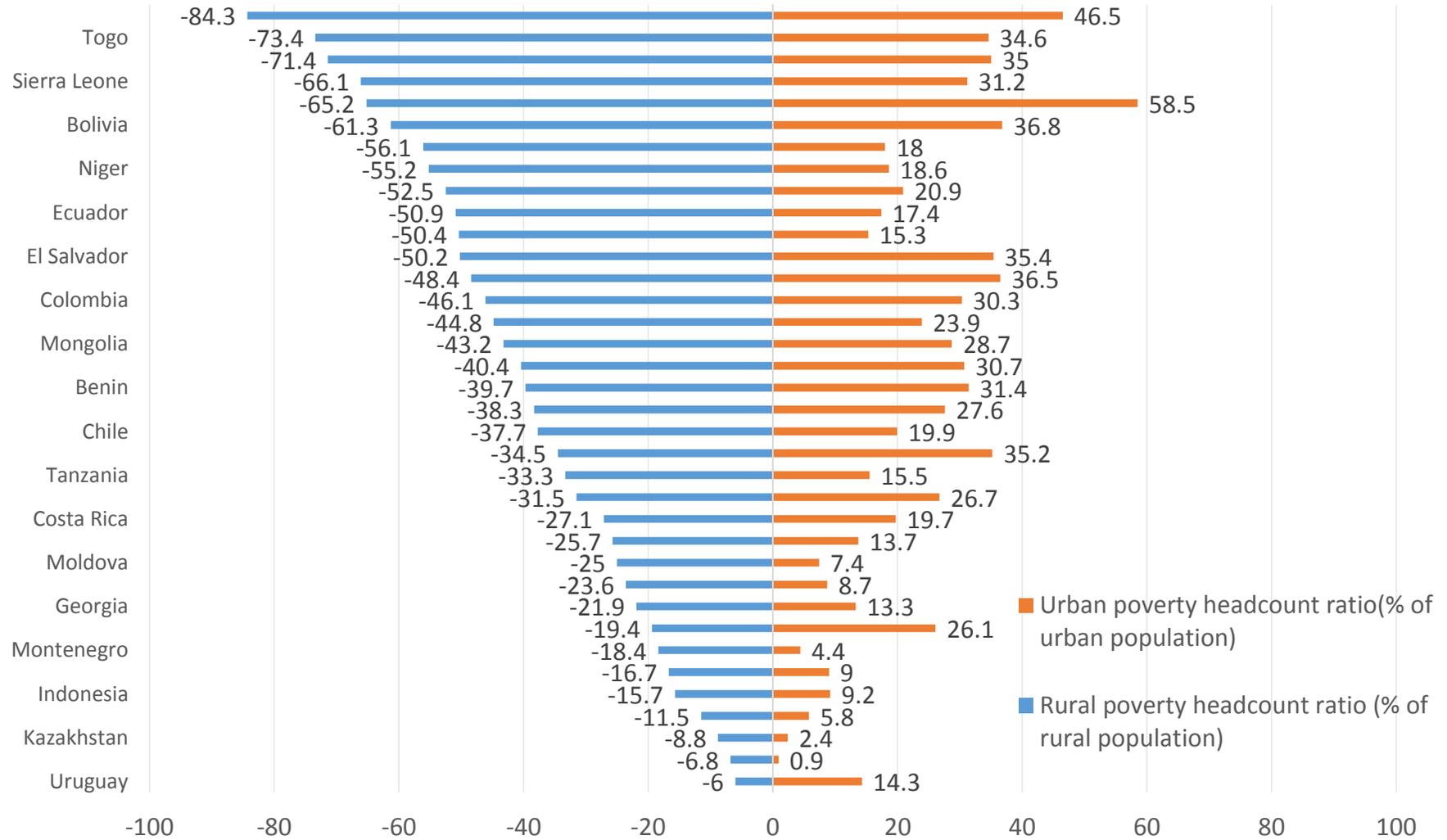


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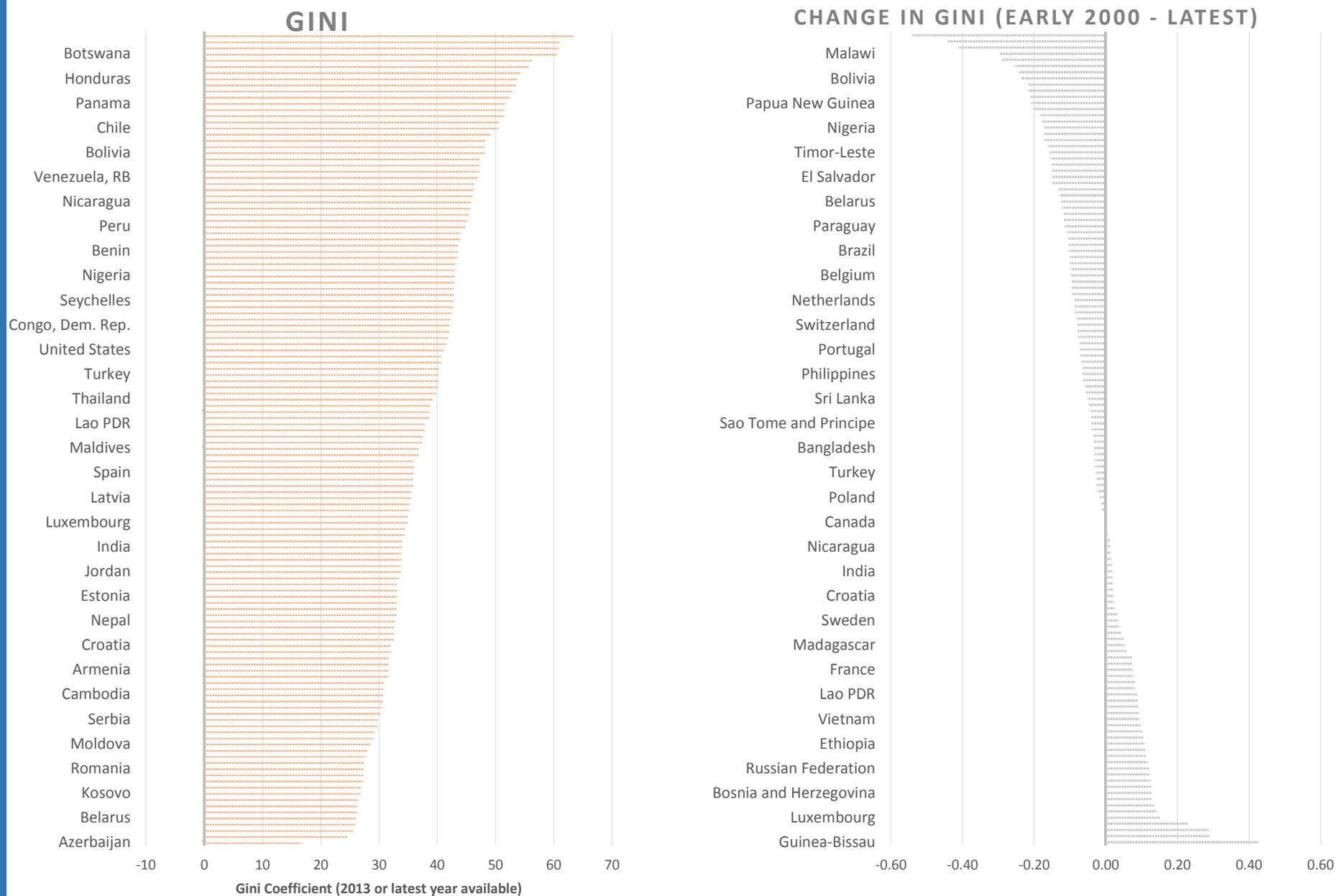
- **Poverty and Inequality**
- **Demographic trends**
- **Food security**



700 million people still live in poverty, with 75 percent living in rural areas



Despite declining in many countries, inequalities remain persistent



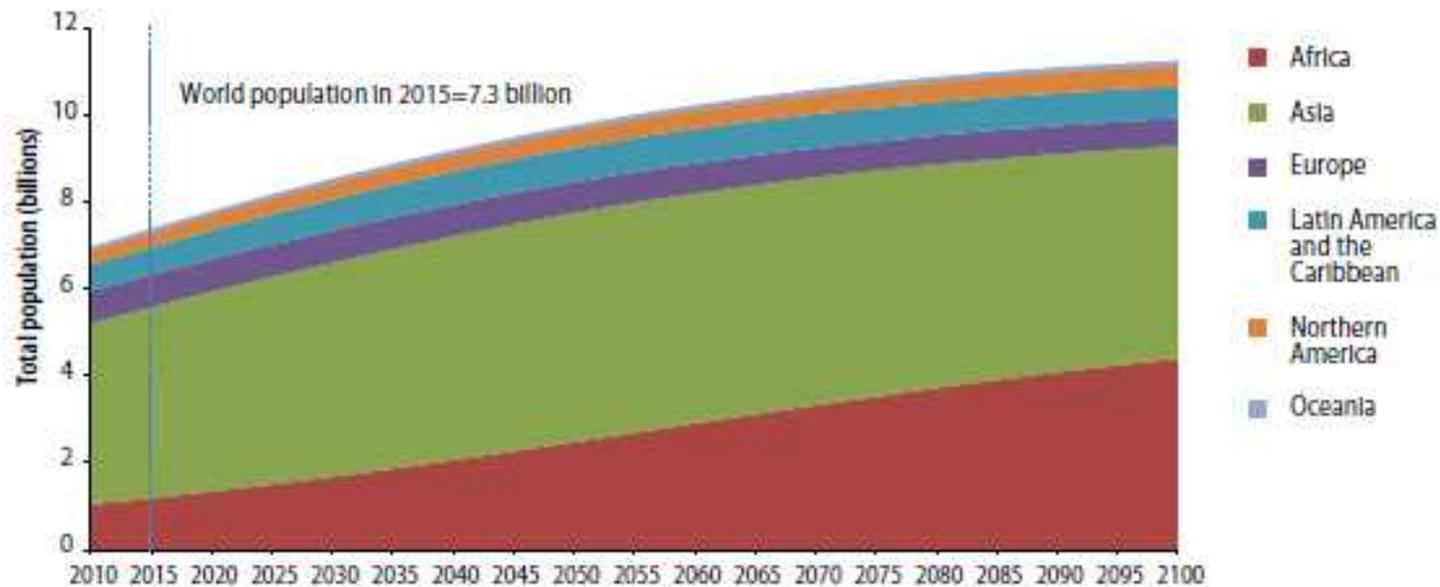
The world population continues to grow at a rapid rate



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- **7.3 billion** people in 2015
- Projected to reach **8.5 billion** in 2030 and **9.7 billion** in 2050
- More than half of global future population growth will occur in Africa and Asia

World population by major area, 2010-2100

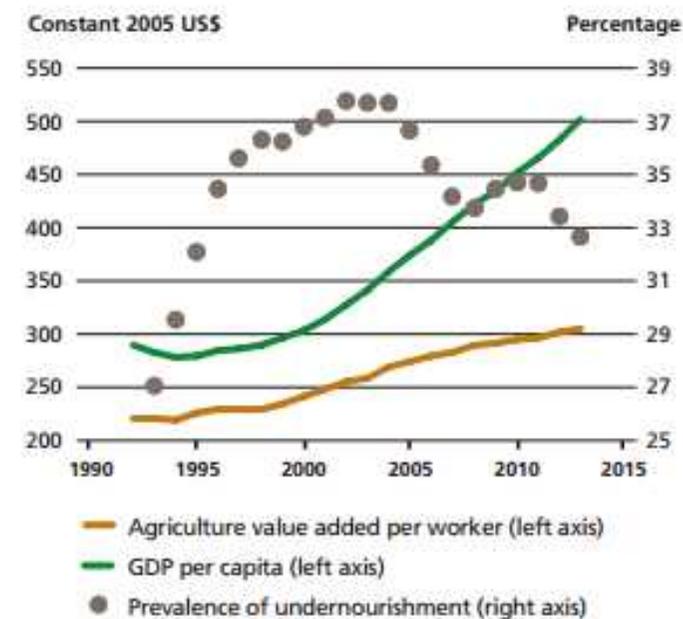


Food insecurity persists

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- **795 million** people are undernourished globally
- Over **90 million** children under age five—one in seven children worldwide—remain underweight
- Two regions account for nearly 90 percent of all underweight children in 2015—half live in **Southern Asia** and one third in **sub-Saharan Africa**
- **161 million** children had stunted growth in 2013—one in four children under five worldwide
- Vulnerability to natural disasters and civil conflict, seasonal or volatile changes in food prices, and climate change exacerbate food insecurity

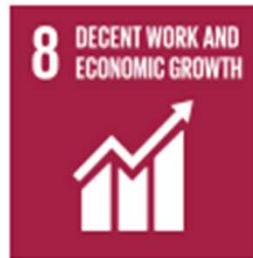
Agricultural productivity, GDP per capita and prevalence of undernourishment, United Republic of Tanzania, 1992–2013



Sources: FAO and World Bank.



SUSTAINABLE DEVELOPMENT GOALS



SDG AGENDA PRINCIPLES



UNIVERSALITY

- **Implies that goals and targets are relevant to all governments and actors:** integration
- Universality does not mean uniformity. It implies differentiation (What can each country contribute?)



INTEGRATION

- **Policy integration means balancing all three SD dimensions:** social, economic growth and environmental protection
- An integrated approach implies managing trade-offs and maximizing synergies across targets

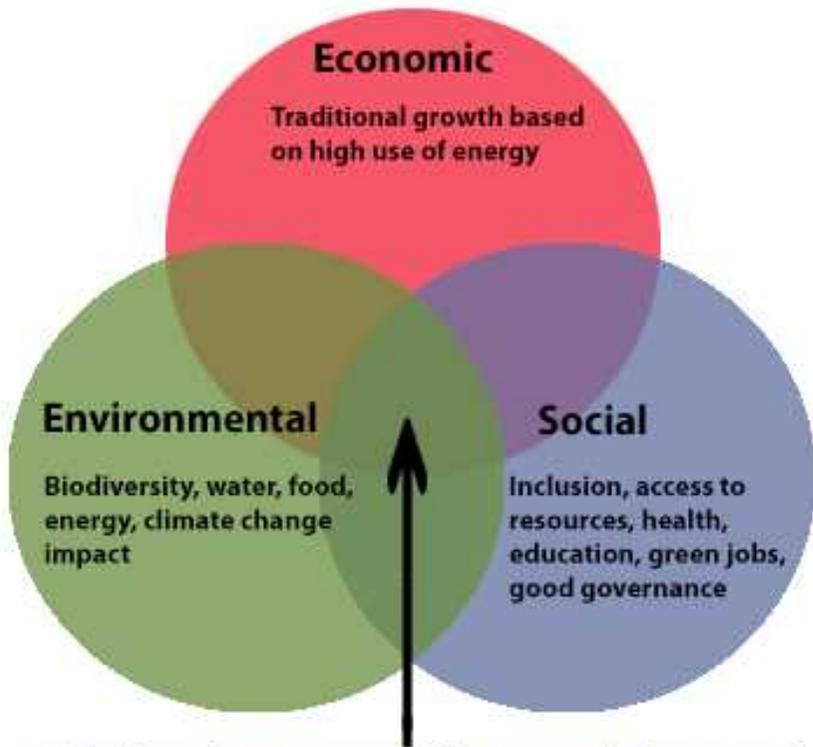


'NO ONE LEFT BEHIND'

- **The principle of 'no one left behind'** advocates countries to go beyond averages.
- The SDGs should benefit all – eradicating poverty and reducing inequalities.
- Promotion and use of disaggregated data is key

WHAT IS DIFFERENT?

The three “pillars” of sustainable development



Solutions that are compatible across all three strands

The 2030 Agenda is ‘indivisible’ – countries should avoid ‘cherry picking’ goals. It is important to assess the interlinkages across goals and targets.

The considered ‘sweet spot’ areas are limited. Countries need to carefully assess the ‘trade-offs’ across goals/targets.

RESOURCES AND PARTNERSHIPS

Financing
mechanisms
in the
Addis
Ababa
Action
Agenda



Addis Ababa Action Agenda Commitments: A Snapshot

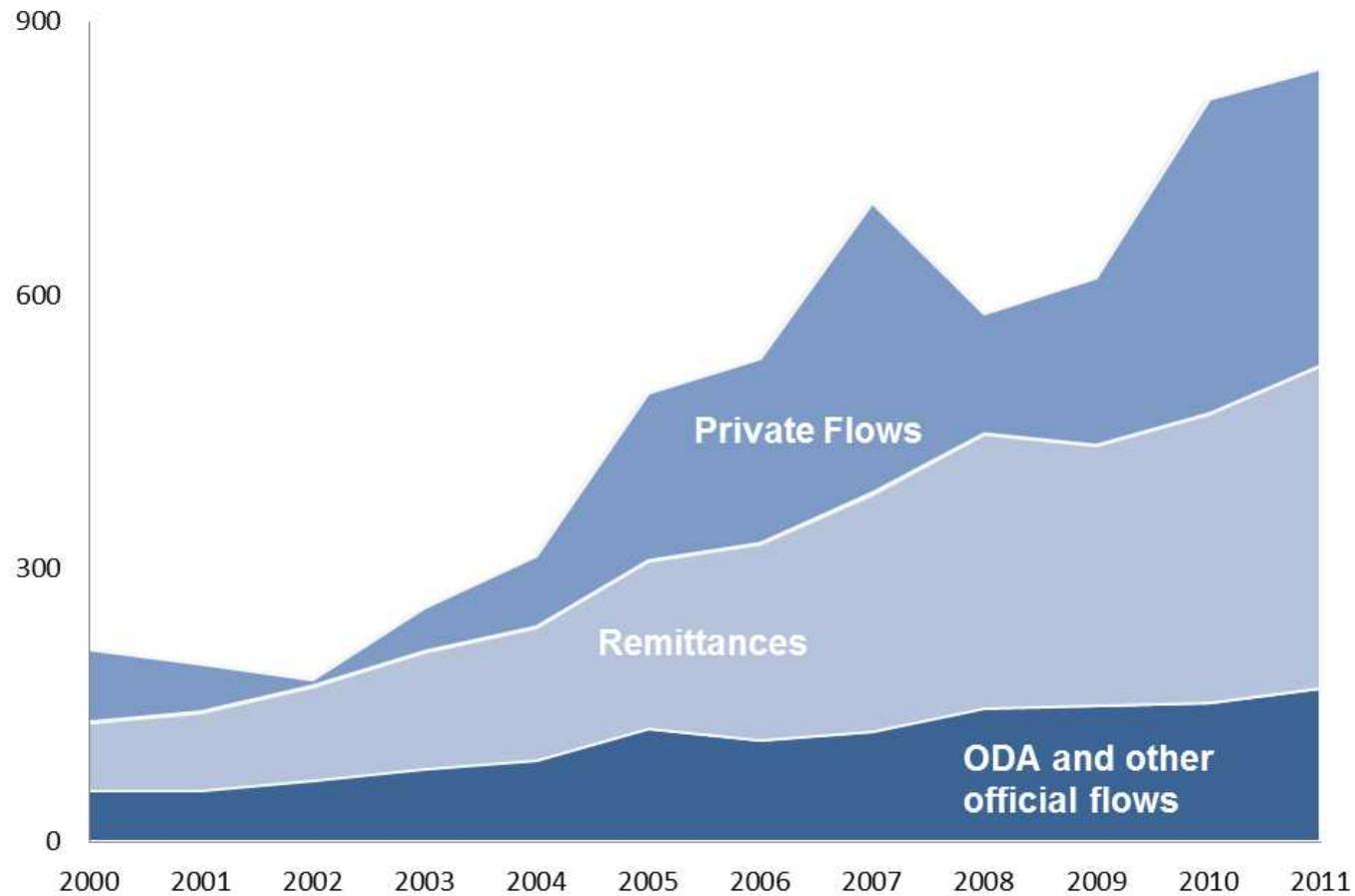


- Looks systematically beyond ODA, at the need to consider all sources of finance and the need to build-capacity to make use of all resources
- Commitment to boost domestic resource mobilization
- Commits to increase public investment for research, infrastructure and initiatives to ensure food security
- Reaffirms commitments on ODA
- Commitment to curb illicit financial flows

FINANCING

- Recognizes the special development challenges faced by LDCs, LLDCs, SIDS and fragile states
- Recognizes the need to better prevent and address shocks and crises
- Strong emphasis on need to ensure more private finance is aligned with sustainable development aims
- Strong emphasis on multi-stakeholder partnerships
- Establishes a strengthened FfD follow-up mechanism

FINANCING FOR DEVELOPMENT: RESOURCE FLOW



THE FINANCING ‘TOOL BOX’

	Domestic	International
Public	<ul style="list-style-type: none"> – Taxation (personal income, value added, corporate, property etc.) – Natural resource revenues – National development banks – Bonds (national capital market) – Savings 	<ul style="list-style-type: none"> – Sovereign (and in some cases sub-national) governments – Multilateral agencies – International capital markets (bonds and other instruments) – Guarantees and insurance schemes – Global taxation (<i>proposed</i>)
Private	<ul style="list-style-type: none"> – Household income and savings – Banking sector – Private sector (large, medium and small-scale enterprises) – Private agents (e.g. domestic philanthropists, NGOs, religious institutions etc.) 	<ul style="list-style-type: none"> – Diaspora (especially remittances) – Banks – Multinational companies (incl. M&A and “social investment”) – Private actors (e.g. philanthropists, NGOs, religious institutions etc.)



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THE FINANCING TOOL BOX

Bonds	<ul style="list-style-type: none">▪ Sovereign bonds issued on international and domestic markets▪ Diaspora bonds▪ GDP-linked bonds▪ Green/blue bonds▪ Social impact bond▪ Development impact bonds
Loans and guarantees	<ul style="list-style-type: none">▪ Loans (<i>Including:</i> Multilateral and bilateral development banks, other official flows (OOFs), counter-cyclical loans, contingent credit facilities, development policy loan deferred drawdown options, catastrophe risk deferred, drawdown options, debt buy backs, debt-swaps, blended finance, public-private partnerships, guarantees)
Public Revenue	<ul style="list-style-type: none">▪ Taxes and levies (<i>Including:</i> income taxes, value added/consumption tax, property taxes, tariffs, green taxes, domestic financial transaction tax, airline ticket tax)
Insurance	<ul style="list-style-type: none">▪ Weather index-based insurance▪ Catastrophe Risk Insurance Facility
Funds	<ul style="list-style-type: none">▪ Vertical Funds (e.g. GAVI Alliance, Global Fund and UNITAID, Adaptation Fund, Global Environment Facility, Green Climate Fund, Securities and structured funds)▪ Microfinance investment funds
Grants	<ul style="list-style-type: none">▪ Official Development Assistance (ODA)▪ Philanthropic and other private donations

But challenges remain



- Domestic resource mobilization remains a challenge for some countries (e.g. LDCs, SIDS etc.)
- Private financial flows heavily skewed
- ODA remains short of international commitments
- Climate funds often difficult to access
- Countries remain vulnerable to shocks and crises
- Some countries' capacities to make use of financing "tool-box" constrained
- "Sustainable finance" initiatives still small in scale
- Illicit financial flows remains a key problem

FINANCING SOLUTIONS

