



**United Nations
Secretary-General's
SDG Stimulus to
Deliver Agenda 2030**



**United
Nations**



GRAPHIC VERSION
MAY 2024

INTRODUCTION

The global economy
has been facing multiple shocks.

The ability of many developing countries to
invest in sustainable development and climate
action has been sharply curtailed.

Only 15% of the Sustainable Developments
Goals (SDGs) are on track to be achieved
by the 2030 milestone.

The SDGs need an urgent booster.

The SDG Stimulus is a plan to scale up
financing and investment for the SDGs
to at least \$500 billion per year.

This is the plan...

CONTENTS



Page 3

SDG's reckoning



1

Page 8

Tackle the high cost of debt
and rising risks of debt distress



2

Page 11

Massively scale up affordable and
long-term financing for development



3

Page 15

Expand contingency financing
to countries in need



SDG's reckoning:
More than half of the world
is being left behind

Only 15% of SDGs are on track. We need to act now.



The world has been hit by cascading crises, today:



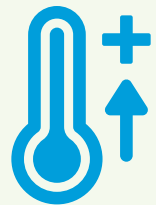
724
million people
are living in
extreme poverty



2
billion workers
are in
informal jobs



2.5
billion people
**lack access to
drinking water**



1.5°C The Paris Agreement
threshold commitment is at risk

Without decisive action, by 2030:




600
million people
will
face hunger



300
million people
will **lack basic
literacy skills**



3.1
billion people
will live
in slums



Achieving the SDGs requires additional
USD 3,000,000,000,000
per year by 2030

Note: The above figure includes additional financing needs for developing countries excluding China, as the latter has the capacity to finance SDG-investments from domestic sources (even though it may be mutually beneficial if it could engage with international financiers and related practices).

Source: [Strengthening Multilateral Development Banks: The triple agenda - Report of the Independent Expert Group](#)

We must rescue the SDGs.

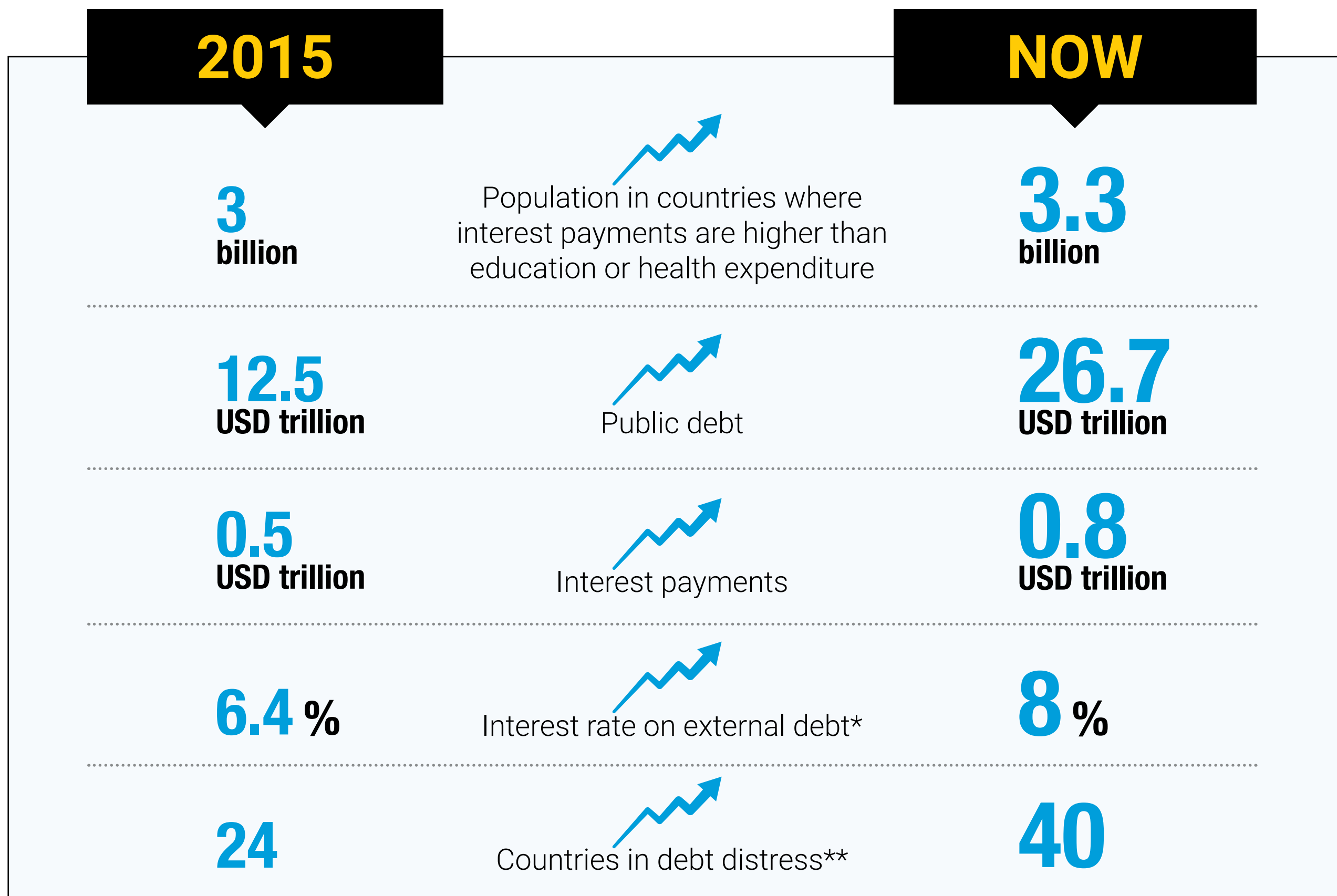
We must:



1

**Tackle the high cost of debt
and rising risks of debt distress**

An unbearable debt burden is crushing the hopes of developing countries.



Latest figures available for developing countries (2022-2023).

*Data on interest rate on external debt refers to the JP Morgan EMBI global diversified bond yield index.

** Countries in debt distress includes developing countries rated as in high risk or in debt distress by the IMF-World Bank LIC DSF and/or with bond spreads above 1000 basis points.

Figures as of April 2024.

Source: UN (2023), A World of Debt.

How the SDG stimulus proposes to tackle the rising risk of debt distress.

SDG Stimulus Proposal

How does it help debt challenges?

Develop an improved multilateral debt relief initiative

▶ Provide immediate debt suspension and relief to developing countries in financial distress

Incentivize or enforce private creditors participation in debt restructuring

▶ Ensure comparability of treatment between private and official creditors in debt relief

Develop a program for debt for SDG or climate swaps

▶ Provide debt relief to mobilize resources for SDGs and climate action

Conduct independent review and evaluation of debt initiatives

▶ Identify challenges and implement solutions tailored to the needs of developing countries

Establish a permanent mechanism to address sovereign debt distress

▶ Provide a multilateral mechanism for timely and fair debt crisis resolution for developing countries

Promote the systematic use of state-contingent debt instruments

▶ Provide automatic debt suspension in the event of climate and other shocks

Improve debt sustainability assessments (DSAs)

▶ Account for development financing needs in DSAs conducted by countries and creditors

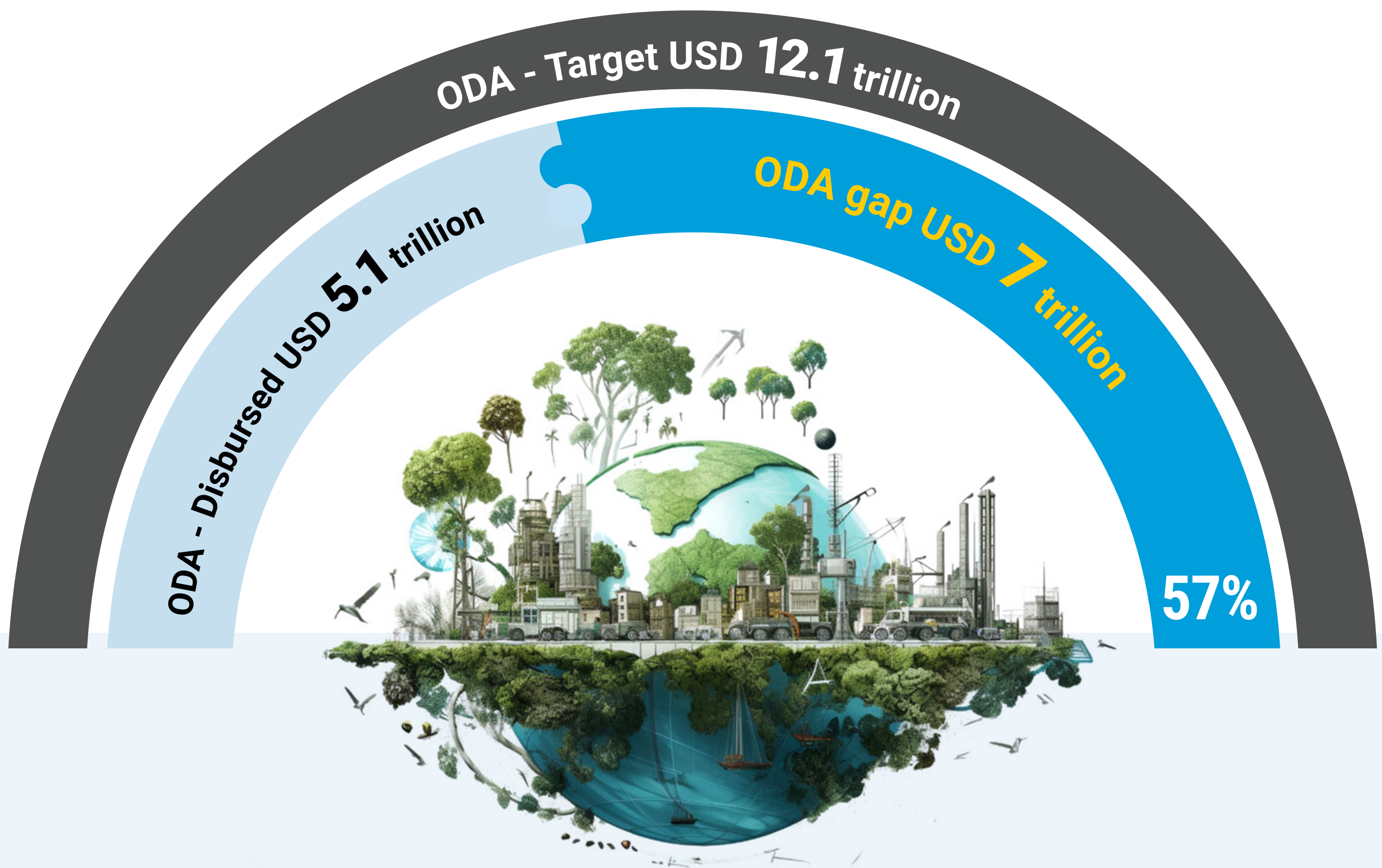


2

**Massively scale up
affordable and long-term
financing for development**

Official development assistance (ODA) remains well below its target.

Cumulative figures from 1970 to 2022, USD.



Note: The figure for total ODA target is obtained as the cumulative 0.7% of donor countries' GNI from 1970 (year in which the ODA target was first adopted) to 2022. Total ODA disbursements represent the cumulative aid flows actually disbursed by donor countries over the same period. The cumulative ODA gap corresponds to the difference between the two.

All figures for DAC countries in constant prices 2021.

Source: OECD.

How the SDG stimulus proposes to scale up affordable and long-term financing for development.

SDG Stimulus Proposal

How does it improve long-term development financing challenges?

Strengthen MDBs

- ▶ Increase MDB capacity by USD 260 billion through stronger capital bases, leveraging balance sheets and re-channeling of Special Drawing Rights (SDRs)

Improve MDB's lending terms

- ▶ Increase concessional and affordable financing through lower interest rates, state-contingent clauses, local currency lending and longer amortization periods

Establish a network of public development banks

- ▶ Increase lending and technical capacity through synergies and cooperation amongst development banks

Meet ODA commitments

- ▶ Maximize concessional resources available to developing countries (e.g. ambitious IDA replenishment)

Combine public and private finance for public aims

- ▶ Leverage bilateral and multilateral resources to catalyze private investment for the SDGs

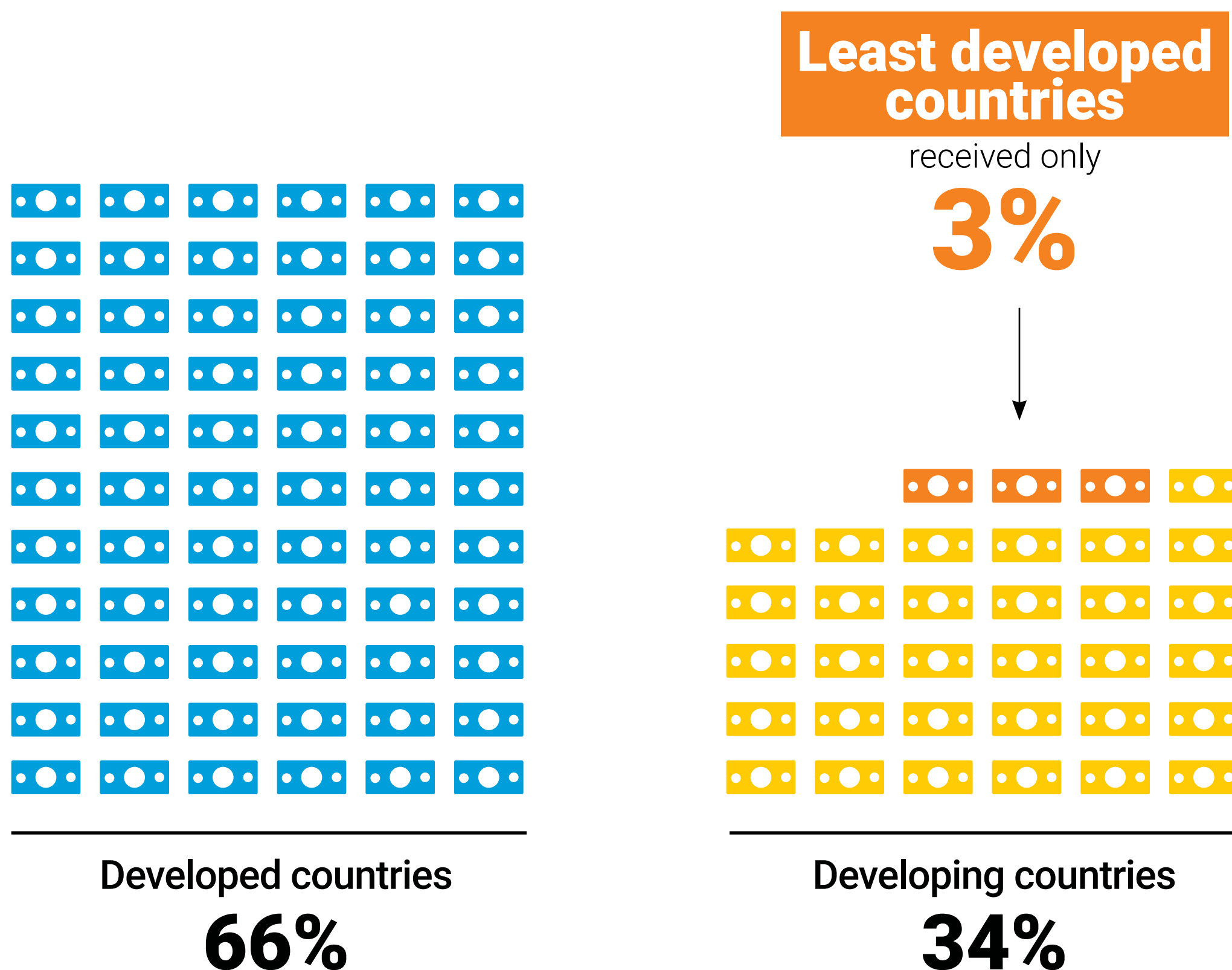


3

**Expand
contingency
financing to
countries in need**

SDRs are not going where they are most needed

Share of the IMF SDR allocation in 2021



We must accelerate the rechanneling of SDRs.

Faster disbursement of resources from the IMF Poverty Reduction and Growth Trust (PRGT) and the Resilience and Sustainability Trust (RST).

Total SDR reallocation pledges

USD 108.1 billion

**USD
1.6
billion**

**Amount of re-channeled
SDRs received by countries through
the PRGT and RST since 2021**

Only 1.5% of pledges have been re-channeled

How the SDG stimulus proposes to improve emergency financing

SDG Stimulus Proposal

How does it improve emergency financing?

A new issuance of IMF Special Drawing Rights (SDRs)

▶ Provide developing countries with additional liquidity

Explore a mechanism for automatic issuance of SDRs in times of crisis

▶ Automatic and immediate provision of SDRs in the event of global shocks

Reduce the cost of multilateral support

▶ Review IMF surcharge policy

Explore innovative mechanisms to increase global liquidity

▶ Broaden access to emergency financial facilities in concessional terms

Create regional mechanisms to increase liquidity

▶ Mobilize regional resources to tackle and foster development



**Today, the SDGs are
on life support across
the developing world**

**The SDGs are
too big to fail**



**United
Nations**

