

# BRIEFING FOR INTERNATIONAL DEVELOPMENT

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THE UNITED NATIONS SECRETARY-GENERAL'S  
TASK FORCE ON DIGITAL FINANCING  
OF THE SUSTAINABLE DEVELOPMENT GOALS



## BRIEFING FOR INTERNATIONAL DEVELOPMENT INSTITUTIONS

on their role in harnessing digitalization to accelerate financing of the SDGs

The Task Force on Digital Financing of the Sustainable Development Goals (SDGs) was established by the UN Secretary General with a mandate to recommend and catalyse ways to harness digitalization in accelerating financing of the SDGs.

Its final report “**The People’s Money: Harnessing Digitalization to Finance A Sustainable Future**”. The Task Force’s Action Agenda includes a three-part action agenda:

- 1) **Advance catalytic opportunities**
- 2) **Build the foundations for sustainable digital financing ecosystems**
- 3) **Strengthen inclusive international governance**



This briefing sets out specific actions for international development institutions including multilateral and bilateral government agencies, philanthropic institutions, and international non-governmental organisations.

### THE TASK FORCE’S ACTION AGENDA: INTERNATIONAL DEVELOPMENT INSTITUTIONS

*Digital disruption creates an historic opportunity to reshape finance* towards empowering people in financing their goals. Finance can and should meet the priorities of the people it is intended to serve, as savers, lenders, borrowers, investors, and taxpayers.

**Institutions in the development sector** have different roles to play depending on their expertise, experience and focus. Key roles are likely to include offering technical assistance and disseminating learning, supporting governance innovation, the development of inclusive infrastructure and the capacity of citizens.



*Catalytic opportunities can harness digitalization in aligning finance with the SDGs.* Digitalization is already making a difference to the SDGs, but far more can be achieved by realizing key, catalytic opportunities; *mobilising domestic savings for long-term development, enhancing accountability of public financing, making SDGs count in global financial markets, financing small and medium enterprises, and promoting SDG-aligned consumer spending.*

**The international development community** help initiate key sustainable development projects, carry out market research and offer technical assistance to governments, financial institutions and fintech innovators, assess the impact of such projects and disseminate learning.

- **Support the design of financing instruments** that empower citizens to invest their money in local sustainable development projects.
- **Provide technical assistance to, and document experiences of, SMEs** who access innovative financing through digital channels.
- **Accelerate efforts to digitalize public finance**, by sharing best practice and offering technical support.
- **Adopt transparent practices** that enable taxpayers and individual donors to understand how their contributions are being used.
- **Enhance availability and quality of environmental and social data for financial institutions** wanting to assess material SDG-related risks and impacts.



- **Drive improvements in corporate supply chain transparency** and share best practices on customer-friendly sustainability labeling.



Foundations for sustainable digital financing ecosystems are needed to overcome barriers and risks to harness digitalization's potential in financing the SDGs. These include inadequate digital infrastructure, and access, affordability and capabilities, algorithmic biases which may exclude women and minorities, increased short-termism, cyber vulnerability, and market concentration.

**The international development community** should support digital infrastructure improvements, help draw up national sustainable development plans, and promote citizens' digital and financial skills.

- **Partner to support universal, reliable and affordable connectivity**, secure digital identification, and the wider availability of environmental and social data.
- **Help governments prioritize national sustainable development objectives** and identify / design projects aligned with national goals.
- **Enhance consumer literacy, digital and financial skills** required to benefit from sustainable digital financing solutions.



Inclusive international governance innovations are critical for harnessing digitalization in delivering financing of the SDGs. Regulations and standards governing digital financing need to be informed by SDG commitments and goals, with a particular need to ensure that the SDGs inform the governance of a new generation of global digital financing platforms with cross-border, spillover impacts.

**The international development community can help** design principles for SDG-aligned digital financing and identify corporate governance practices to operationalize them. They can also contribute to international efforts to integrate SDG considerations into global governance of digital finance.

- **Engage in international efforts to define principles** for integrating sustainable development into digital financial services.
- **Contribute knowledge and experiences to international dialogue** on SDG impacts and risks of global digital platforms.
- **Support corporate governance experiments** to operationalize SDG considerations company operations and financing decisions.



## THE ACTION AGENDA FOR DIFFERENT ACTORS

ACTOR	KEY ROLES
<b>Policy makers and regulators</b>	Provide standards and regulatory certainty, advance cooperation with innovators, steer market development in support of national sustainable development priorities, empower citizens and mitigate risks brought by digitalization of finance.
<b>Member States, as part of the UN system</b>	Cooperate to share experience, coordinate and advance ambition and develop common principles and approaches, while building capacity, infrastructure, regulations and industry support at home.
<b>Fintech companies and global digital platforms</b>	Innovate products and services which meet consumer demand to channel finance to sustainable development goals. Commit to principles of SDG-aligned digital financing and develop corporate governance mechanisms to ensure they operationalize them.
<b>Financial institutions</b>	Identify and advance opportunities in own products and systems, advance interoperable digital ID and data systems. Engage with international standard setting and explore corporate governance options for stewarding the SDGs.
<b>International development community</b>	Technical assistance and disseminating learning, supporting governance innovation. Provide support for development of inclusive infrastructure and the capacity of citizens
<b>Development finance institutions</b>	Offer solutions to share risk to enable the development of catalytic solutions. Share knowledge to help governments design risk capital projects aligned to sustainable development and provide incentives via conditionality for corporate governance innovations.
<b>Civil society organisations</b>	Across civic, religious, youth, women's, worker, trader consumer and other interest groups: mobilize collective voice, documenting problems and solutions to hold the powerful accountable. Build the capacity of citizens.
<b>The United Nations</b>	Support Member States in realizing catalytic opportunities and establishing digital financing ecosystems aligned with SDG priorities. Advance inclusive international norm-setting and governance innovations to mitigate risks. Exemplify good practice on digital financing internally. Develop a mechanism for stewarding the implementation of Task Force recommendations.

*For more information explore the Task Force's report at [www.digitalfinancingtaskforce.org](http://www.digitalfinancingtaskforce.org)*