

BRIEFING FOR MEMBER STATES

AUGUST 2020



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



BRIEFING FOR MEMBER STATES

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 country governments in their role as member states - through permanent missions to the UN and regional UN bureaus that represent nations and support their sustainable development.

THE TASK FORCE’S ACTION AGENDA: FOR MEMBER STATES

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.

Member States, as part of the UN system have a key role to play in cooperating to share experience, coordinate and advance ambition and develop common principles and approaches, while building capacity, infrastructure, regulations and industry support at home.



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.*

Member States can guide their policymakers to design sustainable development projects, monitor their performance and impact, and disseminate learning amongst their peers.

- **Coordinate the development of incentives for financing instruments** that empower citizens to invest their money in local sustainable development investments.
- **Support and share learning on innovative financing through digital means for SMEs** working on sustainable development issues.
- **Share knowledge and offer technical support on digitally enabled fiscal transparency and accountability practices**, including through initiatives such as the Open Government Partnership.
- **Spearhead integration of material SDG-related risks and impacts assessments into public pension and sovereign wealth fund management.**
- **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.

Member States can support digital infrastructure improvements, help connect digital transformation and national sustainable development financing plans, and promote citizens' digital and financial skills.

- **Form public-private partnerships to pursue universal, reliable and affordable connectivity**, secure digital identification, and wider availability of environmental and social data.
- **Define national sustainable development objectives** and draw up corresponding financing plans with digital financing at their core.
- **Work to 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.

Member States can engage in the design of principles for SDG-aligned digital financing and identifying corporate governance practices to operationalize them. They can also contribute to international efforts to integrate SDG considerations into global governance of digital finance.

- **Use SDG expertise to 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.
- **Identify and share knowledge on corporate governance practices** to operationalize SDG considerations company operations and financing decisions.



THE ACTION AGENDA FOR DIFFERENT ACTORS

ACTOR	KEY ROLES
Policy makers and regulators	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.
Member States, as part of the UN system	Cooperate to share experience, coordinate and advance ambition and develop common principles and approaches, while building capacity, infrastructure, regulations and industry support at home.
Fintech companies and global digital platforms	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.
Financial institutions	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.
International development community	Technical assistance and disseminating learning, supporting governance innovation. Provide support for development of inclusive infrastructure and the capacity of citizens
Development finance institutions	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.
Civil society organisations	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.
The United Nations	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