

BRIEFING FOR THE UNITED NATIONS

AUGUST 2020



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



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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 the United Nations including the UN system, including all programmes, funds, specialized agencies, and related organizations.

THE TASK FORCE’S ACTION AGENDA: UNITED NATIONS

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.

The United Nations system has a critical role to play in supporting Member States to implement the action agenda and integrating digital financing into its operations. Depending on their expertise, experience and focus, UN entities can support Member States in realizing catalytic opportunities and aligning digital financing ecosystems with national and regional SDG priorities, progress international inclusive governance innovations to mitigate digital financing risks, exemplify good practice by advancing digital financing internally, and develop a mechanism for stewarding the implementation of Task Force recommendations.



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; *mobilizing 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 United Nations system can help initiate key sustainable development and digital financing 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 digital finance solutions and financing instruments** that empower citizens to invest their money in local sustainable development projects.
- **Provide technical assistance to digital finance innovators** who develop innovative SME financing through digital channels, ensuring that such innovations are inclusive and biases-free.
- **Accelerate efforts to digitalize public finance**, by sharing best practice and offering technical support.



- **Exemplify digital financing good practices in transparency and accountability across its own operations** to enable taxpayers and funders to see how their contributions are being used.
- **Build global consensus on frameworks for SDG impact integration** into business and financial decision making, for investors and companies interested in SDG-related risks and impacts.
- **Adopt digitally-enabled sustainable procurement and consumption practices** across its operations and share best practices.



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 United Nations system should support digital infrastructure improvements, help connect national sustainable development priorities with supportive digital finance planning, advance digital financing ecosystems, and promote citizens' digital and financial skills.

- **Partner to support universal, reliable and affordable connectivity**, secure digital identification, and good data sharing principles, including wider availability of environmental and social data.
- **Help governments prioritize national sustainable development objectives** and identify/design sustainability-aligned digital financing solutions at the country and regional levels.
- **Enhance consumer literacy, digital and financial skills** required to benefit from sustainable digital financing solutions.
- **Develop mechanisms for stewarding Task Force recommendations** such as **measurement frameworks** that support visibility on and systematic planning for inclusive digital financing.



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 United Nations system can help design principles for SDG-aligned digital financing and identify corporate governance practices to operationalize them. The UN can also contribute to international efforts to set norms and integrate SDG considerations into governance of global digital finance.

- **Engage in international efforts to advance more inclusive policy and regulatory developments and 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 and share emerging best practice.



The Action Agenda for Different Actors

Actors	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