

Asia Pacific Forum for Sustainable Development
Agenda Item 3: Towards the 2023 Sustainable Development Goals Summit
Theme of ADB Remarks: Financing for Development
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Woochong Um, Managing Director General, Asian Development Bank
Speaking Notes (5 mins, 700 words)

(714 words)

Introduction

Good afternoon. I am pleased to participate in this topical discussion, on behalf of the Asian Development Bank (ADB), as we look towards the important SDGs Summit in September.

These are challenging times. We are facing multiple compounded crises, including recovery from the COVID-19 pandemic, the climate crisis, and the effects of the Russian invasion of Ukraine. This 'polycrisis' has derailed the attainment of SDGs. Poverty remains high, and the continuing global economic turbulence is hampering the recovery for many of our region's economies.

However, this must not deter us from our long-term focus on a sustainable, inclusive and resilient recovery. The SDGs Summit will mark a pivotal moment for the international community to take stock and renew our common ambition towards the 2030 Agenda. One critical question is *how* we will finance the sustainable development agenda.

Reforming the international financial architecture

In his SDG Stimulus in February, the UN Secretary General highlighted the “great finance divide”, which limits the ability of developing countries to invest in recovery, climate action,

and sustainable development¹. The Stimulus identifies three solutions, namely: tackling the rising risks of debt distress, massive scaling up of finance, and expanding contingency financing. While some of these will require reforms to the international financial architecture, the more immediate question that we need to deal with today is how to protect the most vulnerable amidst the polycrisis. Strengthening social safety nets and increasing social spending, therefore, are critical issues for countries and international financial institutions. For example, in the aftermath of the COVID-19 pandemic, the IMF considered social spending as a “macro-critical” issue due to its impacts on domestic and external stability.²

All these issues are important for ADB in our role as a catalyzer of finance for development.

ADB plays an important role in financing the SDGs

Supporting our developing member countries to achieve the SDGs is at the core of our operations in ADB.

ADB is making financing commitments in key sectors such as health and education, which have been particularly impacted by the recent crises, and are critical to drive recovery in Asia-Pacific and advance the SDGs. We have a \$14 billion package for food security in 2022-2025 to support vulnerable groups bearing the brunt of the food crisis that we discussed in this morning's session. We finance \$8 billion annually through our Trade and Supply Chain Finance program. And we have set an investment target of \$100bn of climate financing by 2030 and are committed to ensuring at least 75% of projects will address climate change mitigation and adaptation by then.

¹ <https://www.un.org/sustainabledevelopment/wp-content/uploads/2023/02/SDG-Stimulus-to-Deliver-Agenda-2030.pdf>

² <https://www.imf.org/en/News/Articles/2019/06/14/sp061419-md-social-spending>;
<https://www.imf.org/en/Publications/Fiscal-Affairs-Department-How-To-Notes/Issues/2020/09/14/How-to-Operationalize-IMF-Engagement-on-Social-Spending-during-and-in-the-aftermath-of-the-49718>

We have institutionalized Agenda 2030 by aligning the SDGs with our corporate strategy and results frameworks.³ Our Strategy 2030 and its 7 operational priorities are aligned to key SDG areas namely, *poverty & inequality; gender; climate and environmental sustainability; cities; rural development and food security; governance; and regional cooperation and integration.*

Projects financed by the ADB are mapped to the SDGs to identify how our operations contribute to each Goal. In addition, ADB also collaborates with other multilateral development banks through the 'MDB Working Group on Managing for Development Results' to promote common approaches to reporting on the SDGs.

Mobilizing private finance is crucial to address the financing gap for SDGs

Multilateral Development Banks such as ADB have a major role in leveraging their own capital to catalyze greater private investments for attainment of the SDGs. In 2021, ADB's commitments totaled nearly \$23 billion, and we mobilized an additional \$12.9 billion. Nearly \$8 billion of this was private cofinancing. Between 2020-2022, for every \$1 committed by ADB, it was matched by \$2.1 in long-term cofinancing.

Using blended finance to crowd in private financing for the SDGs is essential to mobilize investment in high development impact areas including climate and gender. We are working with other Development Finance Institutions towards improving the results of blended concessional finance programs.⁴ In Indonesia, a blended finance platform called SDG Indonesia One—which ADB supports—channels public and private finance for infrastructure across different sectors to support the country's SDG agenda.

Moving Forward

³ <https://www.adb.org/sites/default/files/institutional-document/684471/adb-support-sdgs-2030-agenda.pdf>

⁴ <https://www.adb.org/sites/default/files/institutional-document/786396/dfi-bcf-joint-report-2021.pdf>

As we look towards the SDGs Summit in September, financing for development is crucial to drive recovery from these compounded crises. Finding innovative ways to raise private finance and orient it towards the SDGs is hugely important. We at ADB are committed to further contributing solutions in this area. We will continue to leverage our financing—as well as our knowledge and partnerships such as with ESCAP and UNDP—to support our developing member countries to advance the SDGs.