

2024 Sustainable Development
Transformation Forum

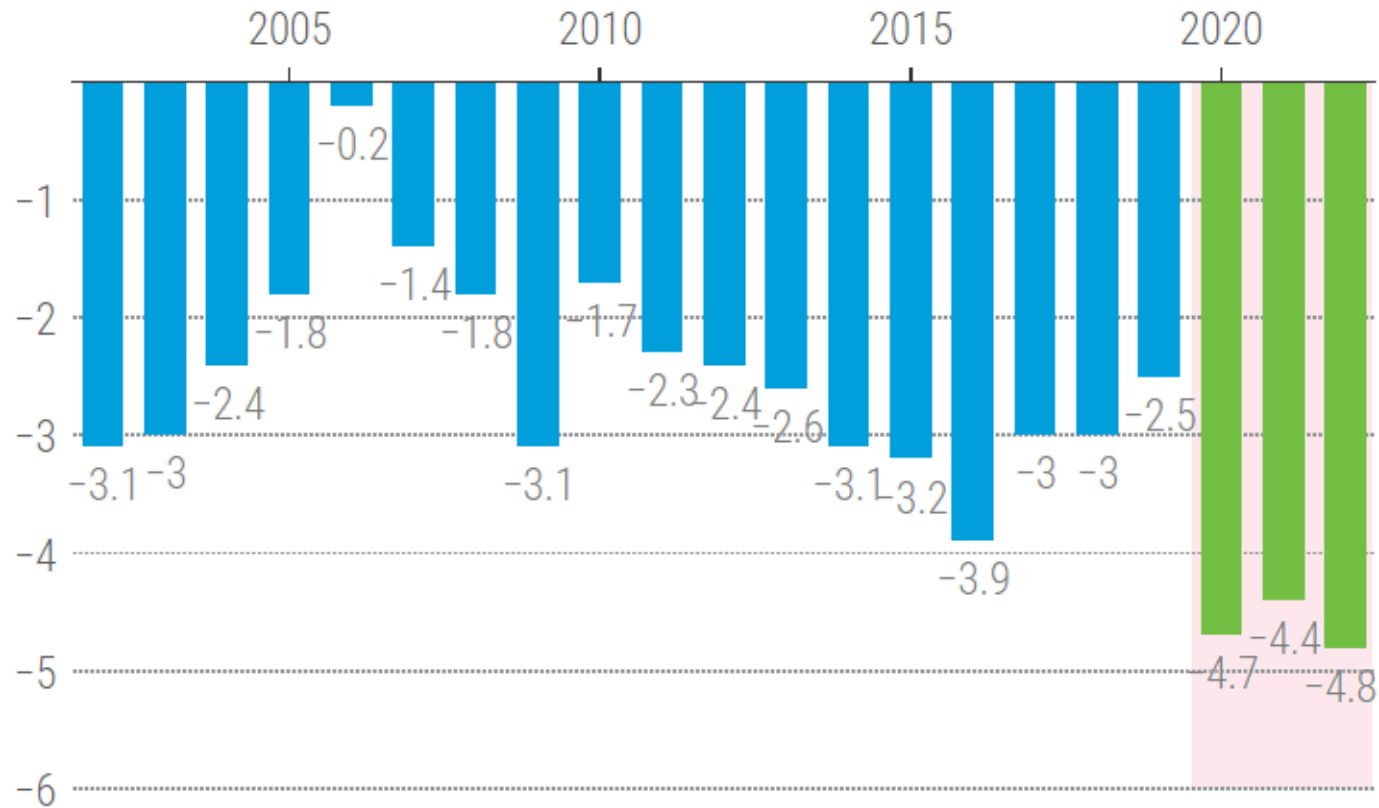
Financing the SDGs in the least developed countries

29-31 October 2024, Incheon City, Republic of Korea

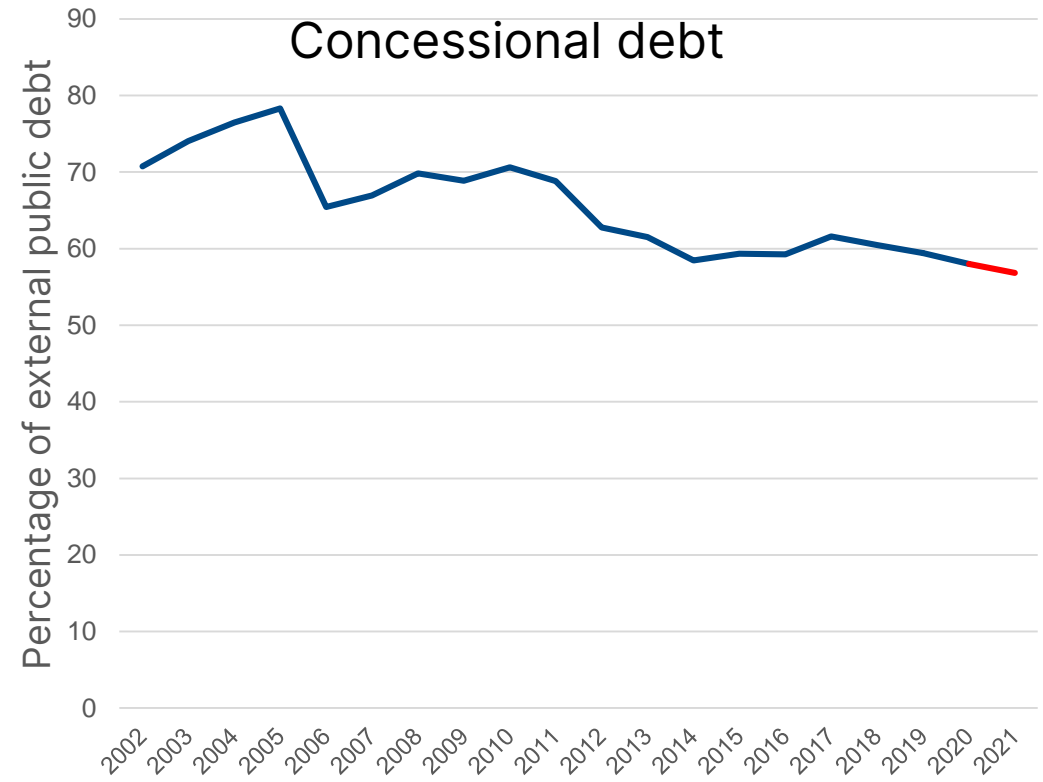
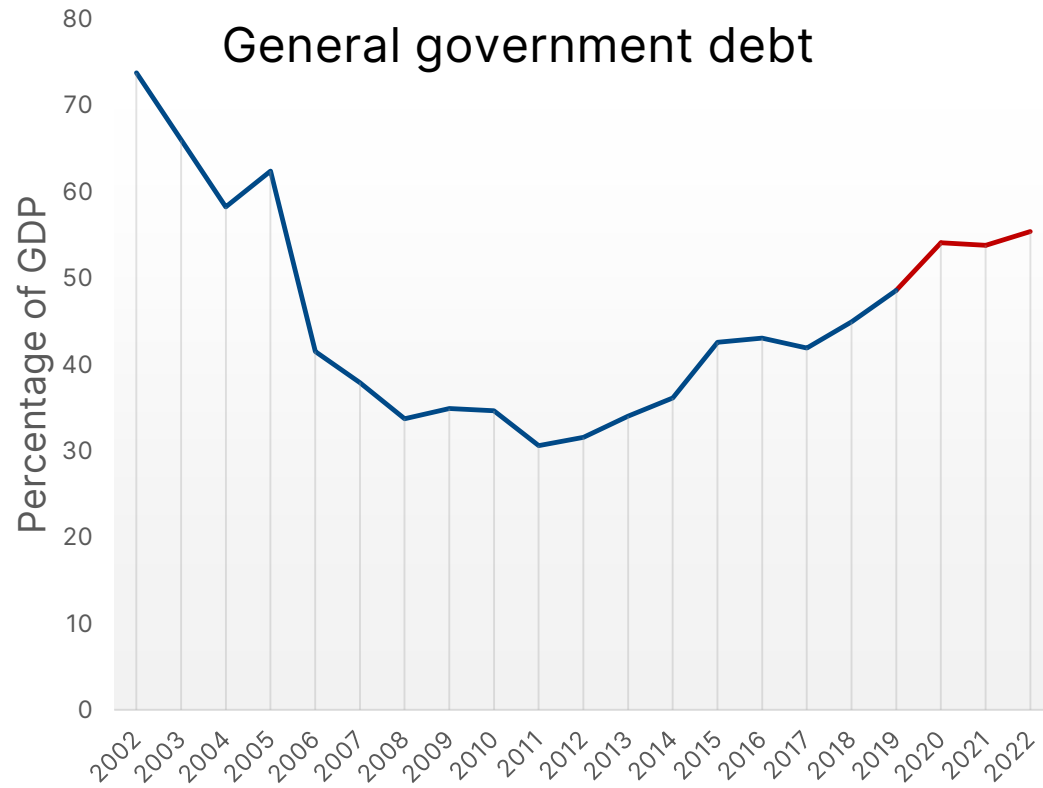
Stefan Csordas

➤ Fiscal space in LDCs has eroded amidst crises

Fiscal balances in LDCs, 2002-2022, percentage of GDP

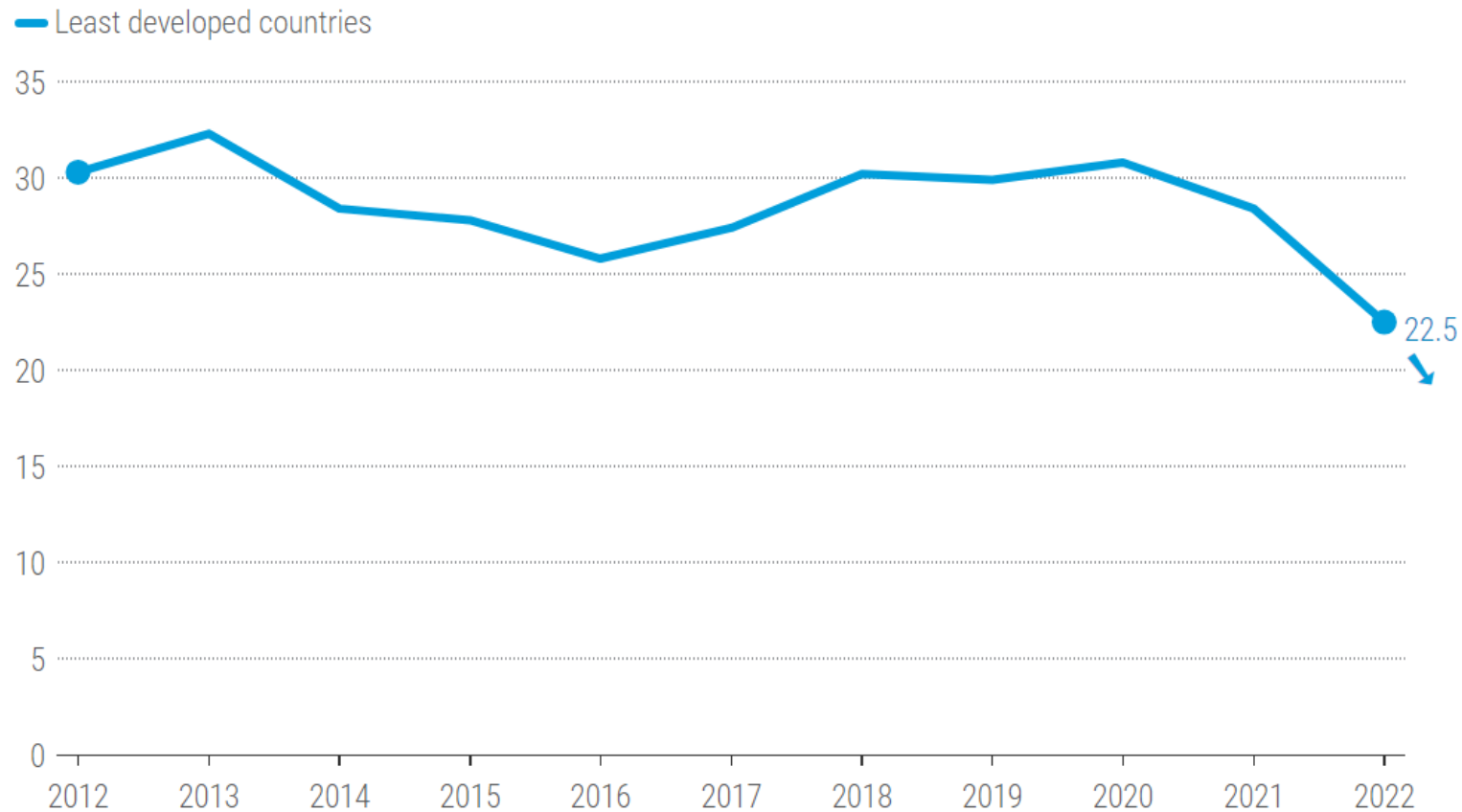


➤ Debt conditions have worsened



➤ Share of global aid to LDCs hit low

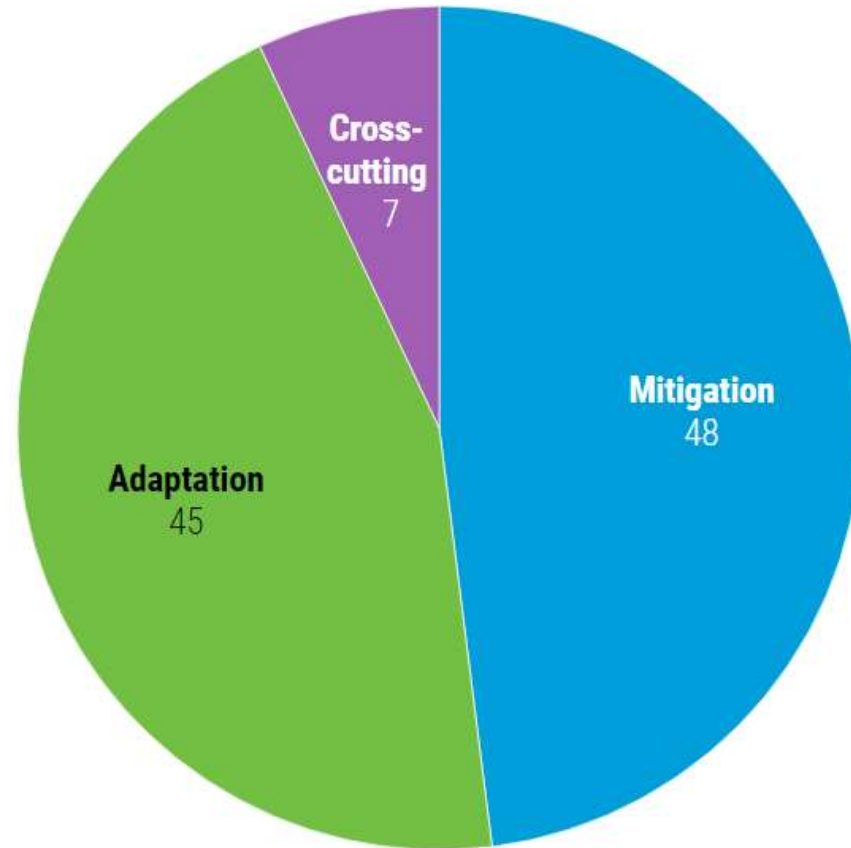
Proportion of total official development assistance (ODA) to least developed countries (LDCs), constant 2021 prices



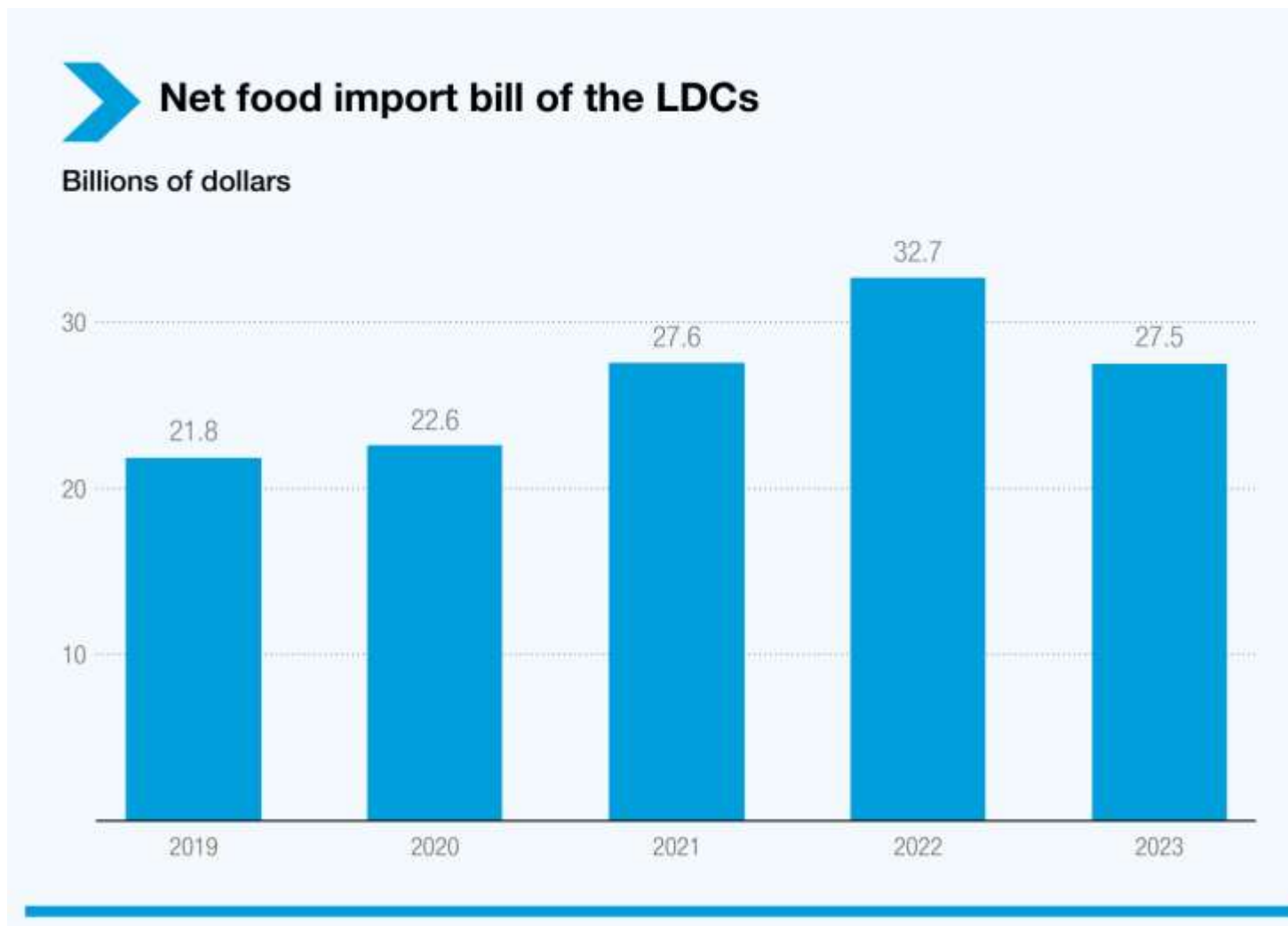
Source: UN GCRG based on OECD (Dec. 2023)

➤ Climate finance does not reflect needs and priorities of LDCs

Climate finance flows to LDCs, by sector, percentage 2016-2020

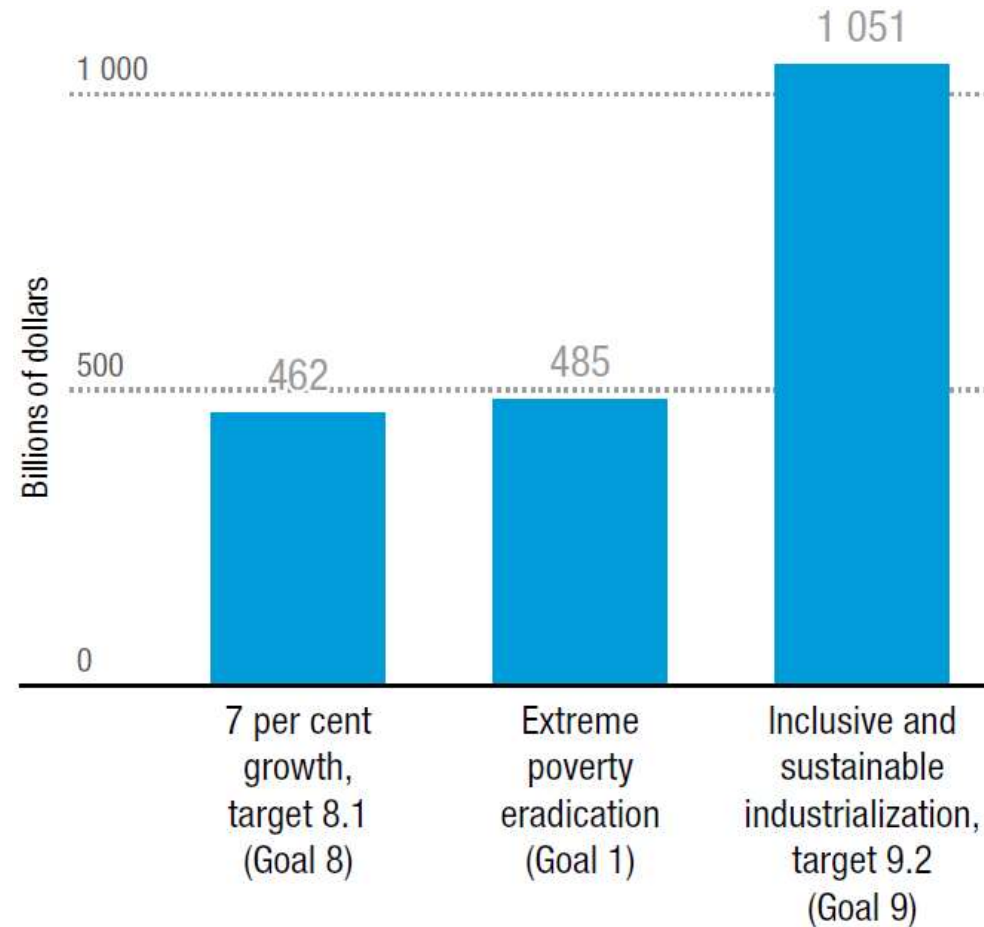


➤ Costs-of-living crisis adds to fiscal stress



➤ Enormous challenges ahead

Investment needs of LDCs to meet key SDGs, 2030



➤ Improvements along three dimensions needed



Quantity

- ▶ IFIs to raise funds in capital markets and increase liquidity
- ▶ ODA at targets would have generated an extra \$35 billion to \$63 billion for LDCs in 2021



Quality

- ▶ Scale up adaptation finance
- ▶ Delivery through low-cost instruments



Access

- ▶ Adapt international financial architecture to LDCs' needs
- ▶ Simplify access across fragmented funds
- ▶ Reduce transaction costs

Thank you

