



وزارة التخطيط والتنمية الاقتصادية
والتعاون الدولي
Ministry of Planning, Economic
Development & International
Cooperation



The Summit of the Future 2024 – The Arab Republic of Egypt's High-Level Side Event

“Tapping into Innovative Financing Instruments to Accelerate Sustainable Development: A Roadmap to Just Development Finance” – 21st September 2024 from 14:30 to 15:45
United Nations Headquarters (Room CR5), New York

KEY Messages

The bilateral debt swaps for development should be considered by developing nations as innovative financing modality. The replicable model of Egypt's debt-swaps is an innovative financial solution that can assist developing countries in achieving sustainable and inclusive growth, in alignment with the objectives of the Road to 2030 and beyond.

The existence of conducive investment environments is needed to attract both international and national private capital. Emphasizing that good governance, adherence to the rule of law, and the creation of investment friendly environments are collective efforts involving multiple stakeholders.

The international financial system must avail innovative financial solutions to developing countries while supporting national systems build their capacities to maximize efficiency and Impact. Egypt is a leading example of a developing nation launching its own country-led platforms of bankable green projects, as demonstrated by Nexus of Water, Food and Energy and the National Initiative for Smart Green Projects (NISGP).

Multi-stakeholder partnerships are a cross-cutting enabler to support governments in creating stable macro-economic environment that is 'good for business'. The availability of innovative financial solutions is crucial for developing countries to tackle debt-based challenges.

The availability of data, statistical analytics, and high quality monitoring and evaluation national systems, allows for good governance via evidence-based decision-making and will accelerate the achievement of sustainable development impact and economic growth. Research and Development (R&D) lags and this goes back to the need to prioritize competitiveness and the improvement of data systems.

The risk profiles of developing countries are derailing them from accessing financial solutions that are available. The global financial architecture should be more just and inclusive. Applying de-risking modalities for investments will be important to scale-up business and foreign direct investments (FDIs). The de-risking of private and international investments should come at the top of the modifications in the global financial architecture.

Despite efforts made by governments globally through public spending, one-third of children globally still lack access to basic services. It is imperative that all stakeholders unite to ensure that no child is left behind. **Egypt's commitment to investing in social protection and human capital, despite the current macroeconomic challenges brought by the simultaneous global crisis is commendable.** National governing capacities must be enhanced to ensure the optimal use of resources.

The alignment between climate investments and both national and international trade opportunities is much needed to foster climate FDIs. Azerbaijan, during its Presidency of COP29, will launch the "Baku



Initiative for Climate Finance, Investment and Trade" in December 2024, in collaboration with UNCTAD and UNDP.

Focus on sustainable economic growth that is centered upon quality growth. Egypt's new framework towards achieving sustainable and inclusive growth is underpinned by 3 key drivers: 1) using data-driven & evidence-based policy to address sectoral development gaps, 2) building a future-resilient economy, 3) optimizing resource allocation.

Just and transparent Credit ratings and development of domestic capital markets are important. The limitations of current credit rating systems hindering African countries from getting the proper financial resources for development. Underscoring the need for an African-led agency to promote transparency and fairness in credit assessments – African Credit Rating Agency (AfCRA) that will enhance Africa's access to global capital markets, thereby attracting sustainable investments and supporting economic growth through balanced and independent credit assessments.

Cooperation between developing nations through South-South collaboration will enable these countries to develop and replicate innovative solutions for shared challenges. This approach will facilitate the exchange of knowledge, enhancement of skills, and sharing of expertise to meet development goals. These discussions will continue during the 3rd African High Level Forum on South-South and Triangular Cooperation for Sustainable Development, to be held in Sierra Leone in 2025.

The Private Sector must be utilized in partnerships for development, untapped resources will be unlocked upon the existence of the necessary business environment. Engaging the private sector in data development and analytics is important. Crowding in private finance through the right instruments must be employed to offset declines in public spending.

The emphasis on concessional finance and ensuring that it reaches people in the most vulnerable situations will not be possible without good data. This will help countries prioritize their investments to ensure that no one is left behind.

The 4th Financing for Development Conference (FfD4) scheduled for July 2025 in Seville of Spain, will highlight the significance of integrated solutions to enhance the efficiency of public debt management for developing and least developed countries. The conference will address the future of Special Drawing Rights (SDRs), and the pivotal role of international financing institutions and development partners such as the World Bank, the African Development Bank and the European Union, in the context of budget support programs.

The centrality of localizing the SDGs is crucial for enhancing progress at the grassroots level. This approach places local communities at the heart of the sustainable development agenda, while also boosting economic competitiveness at the local level.

More inclusion of women in the economy and finance will accelerate the achievement of the SDGs and will lead improved living conditions in all societies. The empowerment of women and girl's a significant and cross-cutting accelerator towards the 2030 goals, extending beyond just SDG 5.