Committee: United Nations General Assembly – Second Committee (ECOFIN)
Country: Argentine Republic

Topic: Closing the Financing Gap to Achieve the Sustainable Development Goals (SDGs)

Delegate: Akshaj

I. Background of the Issue

The **Sustainable Development Goals (SDGs)** are a universal call to action to **end poverty**, **protect the planet**, and ensure **peace and prosperity** for all by **2030**. However, with only less than five years to go, the world has a **terrifying US$4 trillion financing gap** every year. For **Argentina**, this is especially pressing. At least **US$51 billion every year** in sustainable funds is needed by Argentina from **2019 to 2030** to achieve these objectives, based on a **2018 UN Environment Inquiry report**. In **2018**, however, only **US$14.1 billion** was mobilized—**less than 30%** of the required amount.

This **US$36.9 billion yearly deficit** has a direct impact on the **everyday lives of millions**: it **postpones infrastructure development** in poor communities, **hinders access to clean energy** for rural households, **puts investment in education** for poor children in restraint, and **underfunds healthcare systems** for the elderly and the marginalized. As a **middle-income nation (MIC)**, Argentina has distinct structural issues—**excessive inflation**, **pressures to service debt**, and **restrictive access to concessional funding**—that are exacerbated by an **international financial system** that tends to ignore the **subtle requirements** of nations such as ours.

II. Argentina’s Position

Argentina is firmly dedicated to realizing the **SDGs** and has made **bold, integrated moves** to shift its financial system. At the heart of that vision is the **National Strategy for Sustainable Finance (ENFS)**, approved with **Resolution No. 696/2023**, which presents a **five-pillar strategy** to spur **public and private investment** in sustainable development:

- **Regulatory Framework**: Strengthening financial regulation to facilitate Argentina's shift towards a **low-carbon, inclusive economy** by prioritizing **transport, energy, agriculture**, and **waste sectors** that have a **direct impact on the quality of life** of citizens.

- **Common Language and Taxonomy**: Creating **precise, flexible classifications** to inform public agencies, private investors, and local business to **identify and scale sustainable investments**.

- **Transparency and Data**: Enhancing the **reliability of ESG data** to enable financial institutions, government planners, and civil society with **responsible decision-making tools**.

- **Incentives**: Establishing **selective mechanisms**—**green fiscal incentives** and **loan guarantees**—designated to incentivize **local and foreign investors** to give precedence to projects that **benefit vulnerable communities**.

- **Financial Instrument Development**: Creating **green bonds**, **social impact bonds**, and **SDG-linked securities** that direct capital into sectors beneficial for **employment, education**, and **community resilience**.

These **country-wide initiatives** are coordinated by the **Technical Board for Sustainable Finance (MTFS)**, a **cross-government platform** founded in **2020** under the leadership of the **Ministry of Economy**. Collaborating with the **Central Bank**, **National Securities Commission**, and **Superintendence of Insurance**—and backed by the **Inter-American Development Bank**—the MTFS promotes **coherence, innovation, and responsibility** across Argentina's sustainable finance agenda.
A notable achievement is the **Sustainable Finance Protocol**, which has been **extended for another five years**. The protocol seeks to **leverage US$200 million** in investment in **eight provinces**, with particular emphasis on backing projects headed by **women** and **gender-responsive development**. More than **7,000 women entrepreneurs**—some of whom are **rural** or from **disadvantaged communities**—can

gain from **expanded access to credit and business development services**. More widely, the initiative has already found **US$2.2 billion worth** of **SDG-aligned investment opportunities**, across key sectors such as **agriculture, green building, clean industry**, and **renewable energy—creating jobs directly, enhancing food security**, and **increasing clean energy access** for **poor communities**.

Nevertheless, **macroeconomic restrictions remain**. Argentina's **gross government debt** was **76.3% of GDP** in **2023**, and **restricted access** to the **international capital markets** has required **expansionary monetary policy**, fueling **inflation locally**. However, our **ratio of debt servicing to revenue is 10.3%**, less than the **emerging and middle-income economy average of 12.3%**. This is testimony to **Argentina's commitment to being fiscally prudent** while **safeguarding investments in critical services**. However, these country efforts need to be **supplemented with fair global reforms**.

III. Proposed Solutions

Leveraging **strengths and areas of limitation** of domestic approaches, **Argentina calls on the international community** to act with determination in confronting **imbalances in SDG financing** at the systemic level:

Redefining Access to Concessional Finance

Argentina urges to change the access to **international development finance** by applying **multi-dimensional vulnerability indices** rather than **GDP per capita**. Nations experiencing **climate fragility, income inequality, or social instability** have to be provided with the assistance required to serve their people and **not be punished for being classified in the wrong income category**.

Scaling Debt-for-SDG and Climate Swaps

Argentina promotes the use of **formal debt swaps** that lower **external obligations** in return for **tangible investment** in **education, healthcare, renewable energy**, and **disaster preparedness**—enabling governments to channel debt payments towards **raising citizens out of poverty** and **enhancing national welfare**.

Mobilizing Private Capital through Blended Finance
Argentina underscores the need for **public-private partnerships** where **first-loss and public guarantees** de-risk necessary investments. The **ENFS** is an instrumental, **scalable model** for aligning financial flows with **SDG priorities**—bringing capital to **schools, clinics, start-ups**, and **green infrastructure** that enhance the **daily lives of Argentinians**.

Achieving Climate Finance Commitments
Argentina reaffirms that **developed nations** must make good on the **US$100 billion annual climate finance commitment**, with support that is **available, transparent, and locally appropriate**. For **frontline countries** such as Argentina, such support means **enhanced flood protection, resilient agriculture**, and **renewable energy networks** for **tens of thousands of households**.

Increasing Regional and South–South Cooperation
Argentina leads **more robust connections** in **MERCOSUR, CELAC**, and the broader **Global South** to **co-develop scalable SDG solutions**—such as **common green infrastructure initiatives** to **ESG knowledge exchanges**. Together, these partnerships **drive capacity, limit duplication**, and **fast-track results** beyond borders.

Strategic Multilateral Investment
Argentina recognizes the essential role of the **Inter-American Development Bank (IDB)**, which has approved over **US$2 billion** in recent transactions. These include:

- **US$700 million** for **early childhood development** for **pregnant women and children aged up to 4 years**
- **US$700 million** for the **transition to a sustainable power system**, reducing the cost of energy for **2.5 million poor households**
- **US$85 million** for the **digitalization of the Buenos Aires health system**, serving more than **1 million users of public health**
- **US$650 million** to **enhance tax efficiency** and **protect public resources** for **core public services**