النهج المبتكرة لوضع السياسات: حلول التمويل الديناميكية القائمة على الأدلة
Research Questions and Policy Inferences/Applications

1. What is the country’s financing outlook? (Peer into 2030)
2. How much is needed to bridge SDG-financing gaps? (Chart the Future)
3. How do various financing channels respond to shocks? (Navigate Shockwaves)
4. Is the economy performing at optimum in terms of financing? (Lost Opportunities)
5. How best to allocate resources to maximize SDG performance? (Resource Allocation)
6. How much more needs to be mobilized to meet national priorities? (Monitor Performance)
7. What growth potentials can spur a generous SDG-stimulus? (Growth led-Financing Nexus)
8. How to safeguard budget credibility and reduce contingency financing? (Simulate Trajectories)
9. When will national plans be achieved under various financing trajectories? (Landing zones and Timelines)

THE BEST WAY TO PREDICT THE FUTURE IS TO CHART IT, OR BETTER, CREATE IT
Country Tailored Estimations

Multivariate Econometric Model
Tailored to country specific dynamic causalities among macroeconomic variables interacting over time.

Macroeconomic Variables are Recursive
Captures present and past interactions and behaviours

SVAR Model
Endogenous Variables
Intertemporal Dynamics

Growth and Financing Channels
Endogenous: A change in one of the variables impacts all others.

Captures intertwined effects of GDP and SDG financing
Integrated Financing Solutions

**Financing Outlook Simulator**

- Comparative Evidence-Based Outlooks (Macro-model, CGE, and Artificial Neural Network)
- Simulate Trajectories and Depth of Financing Space (Support public financial planning and investment strategies)
- Build Scenarios (Impact assessment of distributive policies on SDG progress)
- Assess opportunity costs (Measure propensities and public/private financing efficiency)

**Financing Gap Estimator**

- Assess Financing Gaps (Visualize and monitor SDG-financing gaps)
- Estimate Public SDG-Spending (Magnitude of resources supporting the SDGs)
- Identify Blending Opportunities (Scale private SDG contribution)
- Measure SDG-Financing Space (Track SDG performance)

**SDG-Financing Solver**

- Targeted Output Growth (Output needed to spur sufficient financing and capture financing shocks)
- Domestic Resource Mobilization Efficiency (Actual vs Potential Revenues)
- Private Finance Potentials (Actual vs untapped financing)
- Financing Trajectories (Simulate alternative financing pathways)

The financing simulator offers a dynamic integrated medium to project financing potentials, densities and identifies sources to bridge SDG gaps capturing efficiency gains from optimizing and sequencing financing decisions.
A Peek into the Findings

2030 FINANCING OUTLOOK
Comparative Assessment (IMF vs ESCWA)

PRIVATE INVESTMENTS (DOMESTIC)

GROSS BORDER PRIVATE TRANSFERS

DEBT LEVERAGING (Public and Publicly Guaranteed)

Aggregate Financing

Source Forecasts are based on ESCWA National Financing Simulator and IMF working paper (Gaspar et al., 2018).

*Debt financing represents the stock-flow adjustment taken by the government.