IMPLEMENTING
THE ADDIS ABABA ACTION AGENDA

The 2017 ECOSOC Forum on Financing for Development Follow-up

United Nations

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Preface

The second anniversary of the adoption of the Addis Ababa Action Agenda on Financing for Development (Addis Agenda) will be marked on 16 July 2017. The past two years have witnessed notable progress in the implementation of the Addis Agenda, thanks to the efforts undertaken by Governments, international and regional institutions, and other stakeholders. However, significant gaps remain and the current global environment presents numerous challenges to the implementation of the Sustainable Development Goals (SDGs).

Against this backdrop, the Second Economic and Social Council (ECOSOC) forum on financing for development follow-up (FfD forum) was held from 22 to 25 May 2017 in New York. Chaired by the President of ECOSOC, H.E. Mr. Frederick Musiiwa Makamure Shava (Republic of Zimbabwe), the forum succeeded in fulfilling its mandate as a dedicated mechanism for the follow-up and review of financing for development outcomes and the means of implementation of the 2030 Agenda for Sustainable Development (2030 Agenda). The 2017 FfD forum was considered a great success on all fronts.

The broad representation of all stakeholders was a hallmark of the 2017 FfD forum. The forum brought together a large number of ministers, vice-ministers and other high-level officials from ministries of finance, foreign affairs and development cooperation. It also featured the active participation of the Executive Directors of the World Bank Group (WBG) and the International Monetary Fund (IMF), senior officials from the United Nations system and other international organizations, as well as other stakeholders, including civil society, the business sector and local authorities, among others.

The 2017 FfD forum offered an inclusive platform to share national experiences in the implementation of the Addis Agenda in the form of a dialogue with all stakeholders. The forum's extensive programme included: a ministerial segment featuring the special high-level meeting with the Bretton Woods institutions, the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD), general debate and ministerial roundtables; and an expert segment organized around a series of round tables and panel discussions on themes spanning the entire scope of the Addis Agenda. The video address by the Deputy Secretary-General, outlining key challenges to financing sustainable development, sent a strong call for action. The major institutional stakeholders—the WBG, IMF, WTO, UNCTAD and the United Nations Development Programme (UNDP)—played a prominent role. The rich discussions highlighted the urgency of changing the current growth trajectory and strengthening international cooperation to increase investment in sustainable development.

The FfD forum is mandated to come up with intergovernmentally agreed conclusions and recommendations that feed into the overall follow-up and review of the implementation of the 2030 Agenda in the high-level political forum on sustainable development. Under the guidance of the President of ECOSOC and with the constructive participation of all Member States, the co-facilitators of the negotiation process, H.E. Mr. Marc Pecsteen de Buytswerve (Belgium) and H.E. Mr. Jerry Matthews Matjila (South Africa) succeeded in achieving consensus on a substantive, balanced and comprehensive outcome document. The 2017 report of the Inter-agency Task Force on Financing for Development on progress and prospects provided an important input and served as a substantive point of reference for the negotiations.

The 26-paragraph outcome document reaffirms key elements of the Addis Agenda, and contains new commitments on policies and actions to ensure the full and timely delivery of the means of implementation of the SDGs. It calls for corrective actions in all seven action areas of the Addis Agenda, as well a range of cross-cutting issues, including gender equality, infrastructure investment and social protection. Throughout the document, Member States also note the importance of paying attention to the needs of countries in special situations.

Overall, the 2017 FfD forum sent a strong signal that the international community remains deeply committed to multilateralism and the global partnership for sustainable development, despite a challenging global macroeconomic environment and the threats posed by climate change, humanitarian crises and conflicts. The modalities applied at the 2017 forum proved to be instrumental to its success.

With this publication, it is our hope that the discussions and outcome of the 2017 FfD forum will reach a wider audience, stimulate public debate and help mobilize political commitments and concrete actions to implement the Addis Agenda at all levels and by all actors.

Alexander Trepelkov
Director
Financing for Development Office
UN-DESA

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I. Introduction

The second Economic and Social Council (ECOSOC) forum on financing for development follow-up (FfD forum) was held in New York from 22 to 25 May 2017. The FfD forum was chaired by the President of ECOSOC, H.E. Frederick Musiiwa Makamure Shava (Zimbabwe). The FfD forum brought together a large number of high-level participants, including 20 ministers and vice-ministers, as well as numerous high-level government officials in the areas of finance, foreign affairs and development cooperation. An unprecedented number of World Bank Group (WBG) and International Monetary Fund (IMF) Executive Directors (24), as well as senior officials from the United Nations system and other international organizations, including the major institutional stakeholders of the Financing for Development (FfD) process, attended the FfD forum. Civil society organizations, the business sector and local authorities were also represented.

The ministerial segment was held on the first two days of the FfD forum (22–23 May). The first day featured the special high-level meeting with the WBG, IMF, the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD). The morning session provided an opportunity for the heads of the major institutional stakeholders, as well as their intergovernmental bodies, to interact with their United Nations counterparts on issues of common interest in the follow-up to the FfD outcomes. This session featured a high-level opening segment, statements by intergovernmental representatives, keynote presentations and a general debate.

A salient feature of the special high-level meeting was the interactive dialogue with the representatives of intergovernmental bodies and senior management of the WBG, IMF and UNCTAD, which provided an opportunity for institutions to share information and build on a mutual understanding of their respective policy processes toward the coordinated and coherent follow-up of FfD outcomes. The dialogue addressed two themes: (i) fostering policy coherence in the implementation of the Addis Ababa Action Agenda (Addis Agenda); and (ii) inequalities and inclusive growth. Following last year's example, the innovative format of the meeting allowed for a high level of interaction between the Executive Directors and United Nations delegates.

The second day of the ministerial segment was structured around three ministerial round tables on "Steps taken towards the implementation of commitments contained in the Addis Agenda and other FfD outcomes". Responding to the mandate of the Addis

Agenda for the FfD follow-up process to promote the sharing of lessons learned from experiences at the national and regional levels, the ministerial round tables were the main innovation of the 2017 FfD forum. All three round tables brought together ministers and vice-ministers from developed and developing countries, representatives of major institutional stakeholders, and non-institutional stakeholders including the business sector, local authorities and civil society. The round tables provided an opportunity to discuss national realities, successes, challenges and lessons learned in mainstreaming the Addis Agenda in national development policies. The ministerial round tables were followed by the adoption of the intergovernmentally agreed conclusions and recommendations of the FfD forum. In addition to reaffirming key elements of the Addis Agenda, the agreement contained a number of new commitments on policies and was widely considered a success by Member States. The adoption was followed by the general debate.

The expert segment of the FfD forum, held on 24–25 May, was organized around thematic round tables and expert discussions on progress and implementation gaps in all action areas and major cross-cutting issues of the Addis Agenda. It began with a panel discussion on the 2017 report of the Inter-agency Task Force on Financing for Development (IATF), followed by four round tables on: (1) Domestic and international public resources; (2) Domestic and international private business and finance; (3) Debt and systemic issues; and (4) Trade, science, technology, innovation and capacity building. The round tables were followed by two expert discussions on: (1) Promoting international cooperation to combat illicit financial flows in order to foster sustainable development; and (2) the specific challenges to finance sustainable development for countries in special situations. In addition, a stakeholder dialogue was organized, with the participation of civil society, the business sector and local authorities. This was followed by a panel discussion on the outcomes of the fora mandated by the Addis Agenda and updates on key voluntary initiatives launched at the Third International Conference on Financing for Development, including the Global Infrastructure Forum, the multi-stakeholder forum on science, technology and innovation (STI forum) and the Development Cooperation Forum (DCF).

The 2017 IATF report entitled “Financing for development: progress and prospects”, provided the major substantive input to the discussions at the FfD forum. The participants also had before them a note by the Secretary-General on “Financing for development: progress and prospects” (E/FFDF/2017/2), which highlighted the main findings of the IATF report.

The official programme of 2017 FfD forum (Annex I) was complemented by a rich programme of 28 side events, which enabled participants to engage in deep and substantive dialogues on a wide array of themes and subjects. Side events included high-level participants from Member States, international organizations, civil society, the business sector, local authorities and other stakeholders and highlighted the truly multi-stakeholder approach of the FfD process.

II. Opening of the ECOSOC forum on financing for development follow-up

The opening of the FfD forum featured statements by the President of ECOSOC (Annex II), Deputy Secretary-General of the United Nations (video message), Ms. Amina Mohammed (Annex III); the Managing Director of the IMF, Ms. Christine Lagarde (video message); the Senior Vice-President for the 2030 Agenda, United Nations Relations and Partnerships of the WBG, Mr. Mahmoud Mohieldin; and the Deputy Director-General of the WTO, Mr. Yonov Frederick Agah.

The President of ECOSOC pointed out that the world was facing a host of economic, social, environmental and humanitarian challenges and that the challenge of realizing the Sustainable Development Goals (SDGs) in this difficult environment made the full and timely implementation of the Addis Agenda more important than ever. Reaching consensus on a substantive and comprehensive outcome document of the FfD forum, reaffirming key elements of the Addis Agenda and new commitments on policies and actions, sent a strong signal that the international community remained deeply committed to multilateralism and the global partnership for sustainable development. In this regard, the President of ECOSOC congratulated the two co-facilitators, the Permanent Representative of Belgium and the Permanent Representative of South Africa, on their impressive efforts to reach consensus on the outcome document of the FfD forum, which will be fed into the High-level Political Forum on Sustainable Development (HLPF).

"The world is facing a host of economic, social, environmental and humanitarian challenges. Realizing the SDGs in this difficult environment makes the full and timely implementation of the Addis Ababa Action Agenda more important than ever."

— President of ECOSOC

The Deputy Secretary-General highlighted that the Addis Agenda, the 2030 Agenda for Sustainable Development (2030 Agenda) and the Paris Agreement on climate change provided the framework for sustainable development. Referring to the challenging environment characterized by slow growth,

food insecurity, water scarcity and widening inequality, among others, the Deputy Secretary-General emphasized the need for additional long term high-quality investments to stimulate sustainable low-carbon growth and for urgent measures to address the needs of the poor and vulnerable. The FfD forum provided an opportunity for governments and stakeholders to reaffirm their collective commitment to sustainable development and multilateralism. The Deputy Secretary-General called on developed countries to deliver on their commitments on official development assistance (ODA) and climate finance. She also encouraged the Global South to further advance the already fruitful South-South and triangular cooperation.

> **"This forum is an opportunity to reaffirm collective commitment and responsibility to multilateral and national action for sustainable development."**
>
> —Ms. Amina Mohammed

Ms. Lagarde stressed that cooperation and coordination between the IMF and the United Nations was critical. The policies outlined in the Addis Agenda were of vital importance and the IMF was working to advance the Agenda in five key ways. First, the IMF continued to strengthen the global financial architecture, while also helping countries with external financing to support their development efforts. Second, the IMF continued to support countries in strengthening domestic revenue mobilization. Third, the IMF was evaluating the negative impact that illicit financial flows (IFFs), including tax evasion and criminal activity, can have on development efforts. It was supporting reforms that address money laundering and terrorist financing. Fourth, as part of its work on growth and resilience, the Fund was engaging with small states to help them build their macroeconomic and financial resilience to natural disasters and climate change. And finally, the IMF continued to work with a variety of stakeholders, both public and private, to promote debt sustainability and explore innovative instruments to manage public debt.

> **"The only way to reach the SDGs is through open communication and collaboration."**
>
> —Ms. Christine Lagarde

Mr. Mohieldin emphasized that in order to move the discussion from "billions" in ODA to "trillions" in investments of all kinds, multilateral development banks (MDBs) needed to change the way they worked and their approach to development finance. The WBG had made some progress. First, the WBG's International Development Association (IDA) had a record replenishment of $75 billion. Second, the WBG was working closely with the IMF and other MDBs to increase the effectiveness of domestic resource mobilization, developing a tax policy assessment framework and increasing the voice of developing countries in the global discussion on tax issues. Third, the WBG continued to invest in knowledge and programmes to build durable global public goods, on issues such as climate action, crisis response and infrastructure finance. Finally, the Bank was crowding-in the private sector, whenever possible, combining this with its technical and local knowledge to make that capital work for those who need it most.

> **"It is our hope that this forum will put us on the path to use our collective knowledge, skills and resources to finance the achievement of the SDGs and end extreme poverty."**
>
> —Mr. Mahmoud Mohieldin

Mr. Agah highlighted the importance of multilateral trade agreements in the implementation of the 2030 Agenda and the

Addis Agenda. In this regard, he emphasized that trade was a driver of economic growth. However, trade growth underperformed GDP growth after the 2008 financial crisis. Achieving the right policy mix was needed to foster a recovery in trade levels. Trade contributed to the "great convergence" between developed and developing countries and also offered the means for developing countries to achieve the ambitious SDGs. The multilateral trading system brought predictability, security and sustainability to international relations. The rules-based multilateral trading system was indispensable. The Deputy Director-General drew the conclusion that priority should be given to strengthening the system and delivering new reforms, so as to ensure the WTO delivers new outcomes for the achievement of the SDGs and the Addis Agenda. Moving forward, more needed to be done to spread the benefits of trade, including creating more jobs.

"Our priority needs to be to keep strengthening the system, delivering new reforms and resisting the imposition of new barriers to trade."

—Mr. Yonov Frederick Agah

Ministerial Segment

III. Statements by institutional stakeholders

Statements were made by the President of the Trade and Development Board of UNCTAD, Mr. Christopher Onyanga Aparr (Uganda); Development Committee Executive Secretary and Vice President and Corporate Secretary of WBG, Ms. Yvonne Tsikata; and the Acting Secretary of the International Monetary and Financial Committee of the IMF, Ms. Patricia Alonso-Gamo. Keynote presentations were also delivered by the Under-Secretary-General for Economic and Social Affairs and Chair of the IATF, Mr. Wu Hongbo; the Secretary-General of UNCTAD, Mr. Mukhisa Kituyi (video message); the Acting Administrator of the United Nations Development Programme (UNDP), Mr. Tegegnework Gettu; and the Executive Secretary of the Economic and Social Commission for Asia and the Pacific, Ms. Shamshad Akhtar.

Mr. Aparr pointed out recent worrying trends including the fragile global economy, weak trade growth, continued political uncertainty,

rising income inequality, slow productivity growth, growing debt burdens, climate change and migration. He also expressed concerns about the fact that ODA growth was mainly due to increases in in-donor refugee costs and a wider digital divide. He emphasized that globalization must be new and inclusive. It must move beyond the globalization of exclusion, which left behind the poorest in the developing world. Reviving global solidarity and partnership was a vital part of the Addis Agenda. In this regard, he suggested that the FfD forum consider: (i) how developing countries could mobilize domestic and international resources in the context of weak trade growth; (ii) what reforms would be required to create inclusive international financial markets and investment regimes; (iii) how to ensure the participation of developing countries in global economic governance; and (iv) how developing countries can take advantage of new opportunities, including e-commerce.

"We must move beyond the globalization of exclusion, that, over the recent decades, has left behind the LDCs and the poorest in the developing world."

—Mr. Chistopher Onyanga Aparr

Ms. Tsikata shared a brief overview of the 95th meeting of the Development Committee which took place on 22 April 2017. Noting that the global economy was gaining momentum, the Committee stressed that risks remained tilted to the downside. Governors called on the WBG and IMF to provide advice and support to advance inclusive and sustainable growth policies, deliver the 2030 Agenda and protect the most vulnerable. The Development Committee members also underscored that reducing inequality was necessary to ensure long-term and sustainable growth. They urged the WBG and IMF to redouble efforts to eradicate poverty and ensure that the benefits of international economic integration are shared widely. Governors welcomed the implementation update on the World Bank Forward Look. They also supported the WBGs scaled-up activities in crisis preparedness, prevention and response, through investments to address the root causes

"Governors recognized plans to leverage IDA's equity and the innovative measures introduced to help catalyse additional resources for IDA countries."

—Ms. Yvonne Tsikata

and drivers of fragility by helping countries build institutional and social resilience. They also welcomed the progress made in the Shareholding Review.

Ms. Alonso-Gamo presented a brief summary of IMF strategic priorities. She highlighted that global growth was strengthening, but the outlook was subject to much uncertainty. The IMF's proposed strategy includes three elements — structural, fiscal and monetary policies — to provide an impetus to growth, sustain the recovery and set the foundation for a strong global economy. The IMF would continue to support its membership to deliver on FfD commitments by: (i) providing policy advice, financial support and capacity development; (ii) facilitating multilateral solutions across countries to meet global challenges; and (iii) providing support to low-income countries, commodity exporters and small and fragile states to strengthen their revenue mobilization and public financial management and deepen financial markets.

"Future generations should not be left to pay for our mistakes."

—Ms. Patricia Alonso-Gamo

IV. Keynote presentations

Keynote presentations were delivered by the Under-Secretary-General for Economic and Social Affairs and Chair of the IATF, Mr. Wu Hongbo; the Secretary-General of UNCTAD, Mr. Mukhisa Kituyi (video message); the Acting Administrator of UNDP, Mr. Tegegnework Gettu; and the Executive Secretary of the Economic and Social Commission for Asia and the Pacific, Ms. Shamshad Akhtar.

Mr. Wu Hongbo officially launched the 2017 report of the IATF and shared its key findings. The Under-Secretary-General noted that the 2017 IATF report provided the first comprehensive and substantive assessment of progress in implementing the Addis Agenda. He pointed out that the current growth trajectory would not deliver the goal of eradicating extreme poverty by 2030. However, a combination of national actions and international cooperation could help change the trajectory of the global economy and support countries in achieving the SDGs. In this regard, long-term and quality investments in sustainable development had to be increased. The IATF proposed a range of measures to address impediments to private investments and to enhance public investments in infrastructure and the SDGs. To ensure that no one is left behind more targeted measures were needed. Social protection floors could directly improve the living conditions of the poor and vulnerable. The report also underlined that policies and actions on investment and vulnerabilities need not be just gender-sensitive, but should actively advance the goal of gender equality and women's empowerment. Countries had already taken actions on many of the commitments they made in Addis Ababa, including the development of integrated national financing frameworks. In the current challenging environment, international cooperation was as vital as ever and thus the IATF report included a strong call to the international community to remain steadfast in its commitment to multilateral cooperation for sustainable development.

> "A combination of national actions and international cooperation can help change the trajectory of the global economy and support countries toward achieving the SDGs."
>
> —Mr. Wu Hongbo

Mr. Kituyi expressed concern about the recent ODA trends which affected the realization of core ODA targets. In this regard, he called for innovative financing as opposed to innovative accounting. There was a need to strengthen smart partnerships with the private sector. More

"We need to speak boldly about the obstacles that are hampering implementation and resolutely about actionable initiatives we can each take to meet our obligations to the next generation."

—Mr. Mukhisa Kituyi

action-oriented initiatives, such as the sustainable stock-exchange initiative, were needed. However, the risks of public private partnerships (PPPs) must be jointly studied so that they do not backload debt burdens for future generations. Mr. Kituyi reminded participants that there were no shortcuts to implement the 2030 Agenda and the Addis Agenda and invited all to "walk the talk" at the 2017 FfD forum.

Mr. Gettu emphasized that it was critical to mobilize long-term investment for sustainable development to assist the poorest and most vulnerable people, as well as provide fiscally sustainable and nationally appropriate social protection, including floors. There were a variety of options at the national level to finance social protection systems. Concessional resources should focus on those most vulnerable and least capable of mobilizing external resources. Resources for hosting refugees in donor countries should not dilute ODA for long-term sustainable development. Financing strategies should be risk informed. UNDP was supporting countries in developing integrated financing frameworks with a focus on, among others, catalytic interventions, crowding-in private investments and building partnerships.

"It is important to ensure that resources spent in donor countries on hosting refugees do not reduce the amount of aid available for spending on long-term sustainable development priorities in developing countries."

—Mr. Tegegnework Gettu

Ms. Akhtar shared that despite signs of recovery, growing distrust of globalization was leading to short-sighted protectionist measures and an unanticipated tightening of monetary policy compounding global uncertainty, which could lower growth in the Asia-Pacific region. Policies needed to play a greater role in expanding the social safety net and reducing inequality, which required holistic public finance management. Well-calibrated fiscal policy could promote inclusive sustainable development. Regional Commissions had made efforts to support the implementation of the Addis Agenda with a focus on four key areas: domestic resources mobilization, efficient public financial management, fostering of infrastructure investment and financial inclusion.

"We need a well-designed regulatory framework that strikes the right balance between increasing access to finance for individuals and SMEs, and maintaining financial stability."

—Ms. Shamshad Akhtar

V. Adoption of the intergovernmentally agreed conclusions and recommendations

In accordance with paragraph 132 of the Addis Agenda, the annual FfD forum resulted in intergovernmentally (see Annex IV) agreed conclusions and recommendations to be fed into the overall follow-up and review of the implementation of the 2030 Agenda in the HLPF.

H.E. Mr. Marc Pecsteen de Buytswerve, Permanent Representative of Belgium to the United Nations, and H.E. Mr. Jerry Matthews Matjila, Permanent Representative of the Republic of South Africa to the United Nations, were appointed by the President of ECOSOC as co-facilitators for the conclusions and recommendations of the 2017 FfD forum.

The co-facilitators skillfully guided negotiations, arriving, on 22 May 2017, at a consensus outcome document of a substantive, balanced and comprehensive nature. The IATF report provided an important input to the negotiations. On 23 May, the outcome document was tabled by the President of ECOSOC for adoption by the Council. The President thanked the co-facilitators for their outstanding work which brought the negotiations to a successful conclusion. He invited the co-facilitators to introduce the outcome document. The co-facilitators thanked Member States for their very constructive spirit throughout the consultations and their willingness to compromise on very difficult issues. They also extended their gratitude to the Secretariat, in particular the Financing for Development Office, for its dedicated and tireless substantive support throughout the consultations. The co-facilitators were convinced that the outcome document, reflecting compromises from all sides, fully met the high standard that Member States had set for themselves. The outcome was adopted by Member States on 23 May 2017. Following the adoption of the outcome document, the European Union and the United States delivered statements (see Annex V).

The outcome document acknowledged the significant impact of the challenging global environment on the implementation of the Addis Agenda, including difficult macroeconomic conditions, humanitarian crises and conflicts. It recognized that to deliver on the goal of eradicating poverty in all its forms and dimensions by 2030, accelerated national and international efforts to implement the Addis Agenda were required. To this end, the outcome assessed progress, identified implementation gaps and recommended concrete corrective measures in all seven action areas of the Addis Agenda, and on a range of cross-cutting issues, including gender equality, infrastructure investment and social protection. Throughout the document, Member States also noted the importance of paying particular attention to the needs of countries in special situations. The document also included concrete recommendations on strengthening data, monitoring and follow-up and established that the third ECOSOC forum on financing for development follow-up would be held from 23 to 26 April 2018, using the same modalities as those utilized in the 2017 FfD forum. It further noted, with appreciation, the IATF report and its online annex and called on the IATF to further examine a number of thematic areas within its mandate and existing resources and as part of its 2018 report.

In addition, the outcome contained a number of new commitments on policies including:

- transformative actions on gender and the need to better consider the impact of development finance on gender equality;
- an emphasis on investment in quality, reliable, sustainable and resilient infrastructure;
- a commitment to expand peer learning among countries on financing social protection systems;
- strengthened international cooperation in tax matters, supporting greater international efforts to curb IFFs, and making the recovery of stolen assets a priority;
- a pledge to increase the volume and quality of domestic and foreign investment and to pursue policies that better align these flows with sustainable development to fully tap private finance at the national and international levels;
- a call on ODA providers to fulfill their respective commitments and set a target to provide at least 0.2 per cent ODA/GNI to least developed countries (LDCs). Countries also highlighted the potential of catalyzing additional finance from other sources, public and private, and through appropriately designed risk-sharing instruments, including co-investments, PPPs, and guarantees;
- the welcoming of further progress towards the goal of providing duty-free and quota-free market access for LDCs; Member States also committed to put in place policies that encourage access by micro, small and medium enterprises to adequate and affordable trade finance;
- a call to further explore the role of state-contingent debt financing instruments, address aggressive litigation by non-cooperative minority creditors and to continue work on guidelines for debtor and creditor responsibilities;
- a commitment to strengthen the investment climate to attract long-term flows and work to address excessive volatility through necessary macroeconomic policy adjustments;
- a commitment to consider both the transformative and disruptive potential of new technologies on labour markets and on the jobs of the future; and
- a pledge to strengthen data collection to determine the value of unpaid care work and its contribution to the national economy.

Widely acknowledged as a success, the outcome of the FfD forum was fed into the deliberations of the 2017 HLPF (New York, 10 – 19 July 2017).

VI. General debate

During the general debate, representatives of Member States took the floor, including 20 ministers and vice-ministers, as well as other high-level government officials. Joint statements were delivered by the Group of 77 and China, the European Union, LDCs, Landlocked Developing Countries (LLDCs), Community of Latin American and Caribbean States, MIKTA, and a group of countries in support of middle-income countries. Statements were also made by representatives of United Nations agencies and civil society organizations.

Delegations welcomed the IATF report. Several delegates stressed its robust and well-balanced nature and called it a sound basis for reflection on progress and gaps in the implementation of the Addis Agenda. It had served as an important input to both the FfD forum and its intergovernmentally agreed conclusions and recommendations. In order to facilitate the timely preparation of agreed conclusions and recommendations of the 2018 FfD forum, Member States stressed the need to issue the next report no later than the end of February 2018.

Countries acknowledged the significant impact of the challenging global environment on implementing the 2030 Agenda, including difficult macroeconomic conditions, as well as humanitarian crises and conflicts. In order to ensure that the current global trajectory would not jeopardize the achievement of the SDGs, Member States called for accelerated national and international efforts to implement the Addis Agenda. Several countries noted their efforts to develop national action plans to implement the Addis Agenda. It was highlighted that the FfD forum should continue to provide a platform for sharing national experiences in mainstreaming the Addis Agenda into domestic policies and reforms.

Countries underlined the importance of international conventions and agreements, including the Paris Agreement on climate change. There were strong calls for further climate action and predictable and sustainable support, taking into account the specific needs and special circumstances of developing countries, especially those particularly vulnerable to the adverse effects of climate change.

Countries also called for transformative actions on gender and highlighted the need to better consider the impact of development finance on gender equality and the empowerment of women and girls.

Many delegations emphasized the need for greater investments into quality, reliable, sustainable and resilient infrastructure. National, regional and multilateral development banks should continue to leverage private investment, especially in infrastructure. In this regard, countries also emphasized that increased long-term oriented investments needed to be complemented by measures to assist poor and vulnerable people, including through social protection systems.

Delegations underlined the importance of domestic resource mobilization at the national and subnational levels. Several delegations highlighted the need to fight corruption, increase transparency and enhance public resource management. Countries emphasized the importance of effective and efficient tax systems, including through greater tax cooperation and enhanced capacity building programmes.

Developing countries called for an upgrade of the Committee of Experts on International Cooperation in Tax Matters to an intergovernmental body with experts representing their respective governments. At the same time, several delegations stressed the need to ensure an equitable geographical distribution of the new membership of the Committee of Experts, in particular through an increase in participation of members from developing countries. Countries also reaffirmed the commitment in the Addis Agenda to substantially reduce IFFs by 2030, with a view to eventually eliminating them.

To fully tap private finance at the national and international levels, countries noted the importance of increasing the volume and quality of domestic and foreign investment and pursuing policies that better align these flows with sustainable development. Delegations underlined the importance of further expanding financial inclusion across all segments of the society, particularly for women and youths.

Several delegations expressed concern about a decrease in ODA to LDCs and called on donors to meet their commitments and to set a target to provide at least 0.2 per cent ODA/GNI to LDCs. Countries also highlighted the potential of catalysing additional finance from other sources, public and private, and through appropriately designed risk-sharing instruments, including co-investments, PPPs and guarantees.

A few delegations referred to the shared principles of the Global Partnership for Effective Development Cooperation, namely: (i) ownership of development priorities by developing countries; (ii) a focus on results; (iii) inclusive development partnerships; and (iv) transparency and mutual accountability, as important inputs for international cooperation for development, including North-South, South-South and triangular cooperation.

Member States emphasized that trade remained an engine for sustainable development. Developing countries expressed alarm at the increase in protectionist rhetoric and tendencies of some developed countries and reaffirmed the importance of a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable trading system under the WTO, in line with the Addis Agenda. Calls were made to the international community to conclude the Doha Development Round of multilateral trade negotiations and to give priority to issues that address the imbalances and inequities of the current global trading system. Countries called for further progress towards the goal of providing duty-free and quota-free market access for LDCs.

Several delegations urged international financial institutions to consider the impact of indebtedness. While some countries welcomed progress on sovereign debt management, others called for further actions on debt crisis prevention and on market-based solutions for sovereign debt restructuring. Several developing countries also called for debt relief measures in cases of severe debt distress and for improving global economic governance, including through giving greater voice and participation to developing countries in international financial institutions and standards and norm-setting bodies.

Countries noted the important progress that has been made in facilitating access to many technologies, but expressed concern about significant digital divides across and within countries.

Many delegations pointed out the unique challenges faced particularly by African countries, LDCs, LLDCs, SIDS, as well as middle-income countries and countries in conflict and post-conflict situations.

VII. Interactive dialogue with intergovernmental bodies of major institutional stakeholders

Programme	
Opening remarks	H.E. Mr. Frederick Musiiwa Makamure Shava (Zimbabwe), President of ECOSOC Mr. Hervé De Villeroche, Co-Dean of the Board of Executive Directors, WBG Mr. Hazem Beblawi, Executive Director, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Maldives, Oman, Qatar, Syria, United Arab Emirates, and Yemen, IMF H.E. Mr. Christopher Onyanga Aparr, President, Trade and Development Board, UNCTAD
Moderator	Ms. Sara Eisen, Correspondent, CNBC
Segment 1: Fostering policy coherence in the implementation of the Addis Ababa Action Agenda	
Lead discussants	Mr. Frank Heemskerk, Executive Director, Cyprus, Israel, and Netherlands, WBG Mr. Daouda Sembene, Chair, Executive Board Committee for Liaison with the World Bank, the United Nations and other International Organizations, IMF H.E. Mr. Nabeel Munir (Pakistan), Vice President of ECOSOC
Interactive discussion	
Segment 2: Inequalities and inclusive growth	
Lead discussants	Ms. Patience Bongiwe Kunene, Executive Director, Angola, Nigeria, and South Africa, WBG

	Ms. Nancy Gail Horsman, Executive Director, Antigua and Barbuda, The Bahamas, Barbados, Belize, Canada, Dominica, Grenada, Ireland, Jamaica, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines, IMF Mr. Masaaki Kaizuka, Executive Director, Japan, IMF H.E. Mr. Juergen Schulz (Germany), Vice President of ECOSOC
Interactive discussion	
Closing remarks	H.E. Mr. Frederick Musiiwa Makamure Shava (Zimbabwe), President of ECOSOC

Background note

Policy coherence

Major institutional stakeholders are aligning their work streams, in an unprecedented manner, with UN-led outcomes including the 2030 Agenda and the Addis Agenda.

Through the Forward Look, WBG shareholders reaffirmed the central role of the WBG in contributing to the ambitious global development agenda (including the SDGs, COP21, and FfD). This requires the WBG to stay engaged with all client segments, while continually ensuring that its resources are strategically deployed to meet global and client needs and targeted to areas of the world that most need funding. The current trend of building up the International Bank for Reconstruction and Development (IBRD) portfolio for the IDA graduates and lower middle-income countries while protecting the Bank's triple-A rating is foreseen.

A number of Forward Look milestones and supporting building blocks have been achieved or are well advanced. First, strong and enthusiastic support for IDA has resulted in a record mobilization of resources. IDA will mobilize finance from the markets, leveraging its balance sheet to generate a 50 per cent increase in resources available to the neediest countries. Second, the International Finance Corporation (IFC) introduced a new long-term strategy, *IFC 3.0*, designed to scale up the impact of the private sector; the strategy includes the strengthening of IFC's Advisory Services to enhance support for upstream engagement in key sectors, particularly in IDA and other neediest countries. Third, the WBG institutions are working closely together through new approaches such as the Cascade [1] to allow policy reforms and institution-building supported by IBRD/IDA to be complemented by private sector investment enabled by IFC and the Multilateral Investment Guarantee Agency (MIGA) across the full range of clients, including the poorest countries. New financing platforms for refugees, crisis response including pandemics, climate action, and infrastructure are providing innovative solutions to clients and significantly strengthening the WBG's engagement on global issues.

IMF deliverables to support the 2030 Agenda and the Addis Agenda include increased financial support for low-income countries at zero per cent interest; scaling up capacity building for domestic revenue mobilization, public investment, and financial sector stability in countries most in need. Systemic issues are being tackled through: reforms to further strengthen the global financial safety net; completion of global financial regulatory reforms with periodic monitoring of effects; and through greater attention to international tax issues.

1 Paragraphs 17-25, Forward Look

Questions

- The major institutional stakeholders have further aligned their work with the 2030 Agenda and the Addis Agenda. Which areas have yielded the most tangible results, particularly as a result of greater coherence across the stakeholders?
- Where should priority action areas be in the years to come, so as to deliver greater progress in areas where data challenges and institutional differences may have slowed progress?
- What can be done by intergovernmental bodies of these institutions to sustain the momentum to implement the Addis Agenda?

Inequalities and inclusive growth

Inclusive growth is a priority that resonates globally today. It relates to growth that is robust and broad-based across sectors, promotes productive employment across the labor force, embodies equal opportunities in access to markets and resources, and protects the vulnerable.

Economic growth and inequality, the two sides of inclusion, have a complex nexus that can generate trade-offs. Growth is the basis for generating inclusion. Across countries, growth has been instrumental in narrowing income gaps; within countries, growth has reduced poverty, raised the means to higher living standards and job opportunities. But policies driven by an exclusive growth focus can also set back inclusion in certain circumstances. While some inequality is integral to a market economy, high and persistent inequality can undermine the sustainability of growth itself.

Questions:

- What are the domestic and international drivers of inequality and growth that is not inclusive?
- The major institutional stakeholders have an important role to play in advising and supporting countries as they work to reduce inequality and promote inclusive growth. Can policies be designed in a way to be conducive to growth, poverty alleviation, and lessening inequality at the same time?
- What measures can be taken to boost both productivity and workers' economic opportunities? How can fiscal policies be more effective in mitigating growth-inequity trade-offs?

Summary

The interactive dialogue was chaired by the President of ECOSOC and moderated by Ms. Sara Eisen of CNBC. Opening remarks were delivered by the President of the Council; the Co-Dean of the Board of Executive Directors of the WBG, Mr. Hervé De Villeroche; the Executive Director of the IMF, Mr. Hazem Beblawi on behalf of the Dean of the Board of Executive Directors of the IMF; and the President of the Trade and Development Board of UNCTAD, Mr. Christopher Onyanga Aparr.

"I couldn't be more thrilled to have these conversations on international cooperation, integration and coordination on policies."

—Ms. Sara Eisen

The President of ECOSOC pointed out that collaboration among institutions had yielded tangible results. Major institutional stakeholders in FfD follow-up were aligning their work streams, in an unprecedented manner, with United Nations-led outcomes including the 2030 Agenda, the Addis Agenda and the Paris Agreement. Scaling-up support for peoples and countries whose needs are the greatest had been a common thread of these efforts. He noted that inequality around the world

"We, representatives of governments, have a special responsibility to ensure that our institutions, despite different mandates, governance and expertise, work coherently toward the common vision enshrined in the 2030 Agenda."

—President of ECOSOC

remained high. Building on a strong foundation of growth, specific policies and approaches could improve growth and reduce inequality. He highlighted that investments in inclusive and resilient infrastructure were an important way to address inequality in access to markets, finance and technology and other opportunities. Policy frameworks should be geared toward long-term investment.

Mr. De Villeroche noted that the FfD forum was a critical platform for monitoring financing commitments and financing initiatives to achieve the SDGs. He further emphasized that official aid needed to be used strategically to catalyse additional private capital. WBG IDA reached a record replenishment of $75 billion. The IFC adopted a new long-term strategy to scale impact investing from the private sector and strengthen strategic engagement in key sectors in developing countries. The WBG was completely committed to use its balance sheet to achieve the SDGs. In this regard, the Co-Dean highlighted three important policies, namely, creating a growth-friendly environment; mobilizing domestic resources; and keeping a commitment to global public goods, including climate change and support for refugees.

"To effectively support the FfD agenda, we all need to deepen our ability to mobilize additional resources outside of traditional ODA."

—Mr. Herve De Villeroche

Mr. Beblawi noted that two years after the Addis Ababa Conference, good progress across a wide range of objectives had been made. He saw a close parallel between global economic recovery and a sequence of actions

by the major institutional stakeholders. There were gaps that needed to be tackled energetically and risks of setbacks and unintended consequences. More specifically, he informed the forum that later in the week, the IMF Executive Board would consider proposals to improve the debt sustainability framework for low income members of the IMF. He concluded by acknowledging the importance of continued cooperation with the other major institutional stakeholders in accordance with their respective mandates to address the remaining agenda.

"I see a close parallel between a global economic recovery that is gaining momentum and a sequence of actions by the major institutional stakeholders to support the Addis Agenda."

—Mr. Hazem Beblawi

Mr. Aparr noted that all countries needed to grow their exports and reform their trade to kick-start domestic revenue collection at the national level. Actions by development banks and the private sector were needed to address obstacles to investment in LDCs. It was key to hold donors accountable for their ODA commitments to LDCs. There was also a need for careful and balanced analysis of PPPs. He emphasized the importance of dealing with IFFs. He informed that UNCTAD was working to improve the measurement of IFFs and looked to work more with other institutions in these areas. He also called for more inclusive discussions on sovereign debt workout at the United Nations.

"FDI cannot be a substitute for ODA in LDCs."

—H.E. Mr. Christopher Onyanga Aparr

The dialogue addressed two themes: (i) fostering policy coherence in the implementation of the Addis Agenda; and (ii) inequalities and inclusive growth. Under the first theme, the lead discussants were: Executive Director of the WBG, Mr. Frank Heemskerk; Chair of the Executive Board Committee for Liaison with the World Bank, the United Nations and other International Organizations of the IMF, Mr. Daouda Sembene; and the Vice President of ECOSOC, H.E. Mr. Nabeel Munir (Pakistan).

Mr. Heemskerk commented that the strength of the United Nations was in bringing together a wide range of stakeholders. The United Nations could promote coherence by benchmarking the performance of Member States and applying peer pressure on the private sector. There was a need for a tool box for engaging smaller companies. He also stated that the best leveraging machine continued to be a well-functioning state. Governments must obey the rule of law and invest in infrastructure. In this context, he mentioned that IDA resources must be spent effectively and target the poorest of the poor. On policy coherence, he recommended that MDBs get the definition of the PPPs and incentives right.

"Let's not forget that the best leveraging machine continues to be a well-functioning state."

—Mr. Frank Heemskerk

Mr. Sembene noted that growth prospects had weakened, particularly for Low Income Countries (LICs). The IMF had tried to deepen policy analysis and support in the area of inclusion-related issues. The IMF supported capacity building on domestic resource mobilization and public financial management to fragile states and LICs. The IMF had also taken recent measures to support LICs through increasing concessional finance and debt relief for LICs. The IMF Board decided that emergency concessional finance for LICs would be at 0 per cent permanently and that countries affected by natural disasters will have increased access to concessional finance. In addition, the Fund continued to work on promoting global economic and financial stability through strengthening the global financial safety net and regulatory reforms.

"The IMF has been successful in fundraising for our concessional trust fund and we plan to conduct a comprehensive review of all IMF concessional toolkits in 2018."

—Mr. Daouda Sembene

H.E. Mr. Munir noted that the coherent and mutually reinforcing implementation of both the 2030 Agenda and the Addis Agenda called for a wide range of policies at the national, regional and global levels. At the national level, countries continued to face major challenges with formulating multi-sectoral, integrated and coherent policies and actions towards the achievement of the SDGs. For countries that are the least capable of implementing these changes, particularly those in special situations, more international assistance to support their transition was warranted. At the regional level, existing regional mechanisms must continue to adapt their work programmes to the Addis Agenda and the broader 2030 Agenda. Finally, more must be done at the global level to increase the coherence between national policies and global development priorities. All global and regional organizations and institutions must consider the SDGs as they develop their strategies, policies and practices.

"Achieving policy coherence necessitates reorienting our policy priorities and strategies at the national, regional and global levels."

—H.E. Mr. Nabeel Munir

In the ensuing interactive discussions, several issues were highlighted. There was a call for international trade and financial institutions to scale up their policy and financial support for LICs and fragile states in regards to public financial management and domestic resources mobilization, financial inclusion and combating IFFs. It was also noted that there was a need to learn from progress, for example on tax cooperation, and apply the lessons learned to other areas. Emphasis was placed on mainstreaming trade in the SDGs and building trade capacity. In this regard, three priorities were highlighted, namely trade facilitation reforms, establishing new global rules for e-commerce and concerted efforts to improve small business access to finance. The importance of financing peacebuilding was also emphasized.

Under the second theme, the lead discussants were: the Executive Director of the WBG, Ms. Patience Bongiwe Kunene; Executive Directors of the IMF, Ms. Nancy Gail Horsman and Mr. Masaaki Kaizuka; and the Vice President of ECOSOC, H.E. Mr. Juergen Schulz (Germany).

Ms. Kunene noted that the Bank's practice was reviewed and reorganized in line with the SDGs. She referred to two issues related to inequality, namely access and quality. In this regard, she said one of the most visible gaps was connectedness. For example, the pace of urbanization in Africa was fast, whereas connectedness among cities was low. To address this, there should be demand-led strategies to create evidence-based solutions that use data. There was a need for a new way of organization, which is focused and strong enough to respond to all issues that come from client countries. The old normal and disjointed approaches would not work anymore.

"Ensuring access to services and quality opportunities is essential to address inequality."

—Ms. Patience Bongiwe Kunene

Ms. Horsman pointed out that in most advanced and emerging economies, inequality increased after the 2008 financial crisis. The slow growth environment led to difficulties for some groups to adapt to technological change. IMF research indicated that technological change rather than integration was the leading factor behind the falling income of labour in advanced economies. Even if integration were reversed, technology change would continue to drive inequality. Therefore, protectionism was not the answer. The IMF responded by providing policy advice that supported inclusive growth and incorporating inclusion in all business lines. The IMF encouraged national authorities to boost productivity, while reducing the trade-offs between productivity growth and inequality. Coordinated action among multilateral organizations could boost growth and avoid spillover effects.

"Protectionism and inward-looking policies are not the answer to rising inequalities."

—Ms. Nancy Gail Horsman

Mr. Kaizuka shared that the IMF had several tools to tackle inequality and contribute to inclusive growth. He noted that country specificities should be respected in formulating policy advice. The real application of policies should be prioritized. For some countries that lacked capacity to implement policies, the IMF provided technical assistance, tailored to country specificities. It was also important to monitor technical assistance. The IMF used a milestone approach to monitor the impact of interventions that would materialize over

"Fiscal policies should play a decisive role in fighting inequalities, but social policies also need to be emphasised."

—Mr. Masaaki Kaizuka

the longer term. In this connection, he called for effective collaboration among institutions, based on comparative advantages and mandates.

H.E. Mr. Schulz recalled that inequality referred to multiple areas — gender, income, wealth, opportunity, access to health, education, technology and other human needs — and it could seriously threaten the successful implementation of the 2030 Agenda. Inequality had been at the core of the ECOSOC agenda. There was a need to establish inclusive institutions at all levels to make sure that those with the greatest needs were heard. There was also a need for the right policies and regulations to ensure that everyone benefits from a society's economic gains and to address systemic issues at the international level. In this regard, strengthening the quality and further disaggregation of data was essential.

> **"Rising inequalities compromise the fight against poverty, social justice, stability and human dignity."**
>
> —H.E. Mr. Juergen Schulz

The interactive discussions highlighted several issues to be addressed to promote equality and inclusive growth. First, it was noted that technology and the digital economy provided opportunities, but also led to inequalities. On one hand, the IMF had used technology to promote financial inclusion. On the other hand, the flip side of technological change needed to be tackled. For example, fintech needed to be regulated to bring the intended results.

Second, it was pointed out that women's contributions to growth were below their potential. The WBG and IMF had made a strong push to address this challenge. For example, the new IMF support programme demanded the inclusion of gender equality in structural transformation. The WBG had a gender strategy. Initiatives in transport and education with an aim to promote gender equality were mentioned. It was also recommended that all governments should source goods and services from women in business in their public procurement.

Third, the importance of social protection was underlined. Beyond its traditional role, the IMF had shifted to address social spending in budgets. The Fund had an indicative target to set out the floor for budget formulation for social safeguards in most LICs. There must also be strong institutions to provide social services, which enable society to be equal. It was also pointed out that investing in future generations is not only morally right, but also makes good economic sense.

Fourth, on financing, it was cautioned that the engagement of the private sector in the SDGs, which aims to address inequalities, should not be taken for granted. The current size and pace of private sector involvement could not fill the funding gap. Without risk mitigation, private investment in the SDGs would still fall short. Transaction-level focused best practices were needed. The FfD forum should bring agencies, which work on impact investing to the United Nations. It was also stressed that trade finance plays a key role in addressing inequalities in trade and should not be overlooked.

Last but not least, there was a call for international trade and financial institutions to avoid a one-size-fits-all approach. It was pointed out that the removal of subsidies in developing countries could lead the rural and most vulnerable people to lose out.

VIII. Ministerial round tables

Programme	
Chair	H.E. Mr. Frederick Musiiwa Makamure Shava (Zimbabwe), President of ECOSOC
Ministerial round table 1	
Moderator	Mr. Tao Zhang, Deputy Managing Director, IMF
Panellists	H.E. Ms. Isabel de Saint Malo de Alvarado, Vice President and Minister of Foreign Relations, Panama
	H.E. Mr. Neven Mimica, Commissioner for International Cooperation and Development, European Commission
	H.E. Mr. Admasu Nebebe, State Minister, Ministry of Finance and Economic Cooperation, Ethiopia
	H.E. Ms. Karen Singson, Chief of Staff and Undersecretary for Privatization and Office of Special Concerns, Department of Finance, Philippines
	Mr. Dmitry Pankin, Head, Eurasian Development Bank
Lead Discussant	Mr. Saqib Rashid, Principal, The Abraaj Group
Ministerial round table 2	
Moderator	Mr. Mahmoud Mohieldin, Senior Vice President for the 2030 Agenda, United Nations Relations and Partnerships, WBG
Panellists	H.E. Mr. Nabindra Raj Joshi, Minister of Industry, Nepal
	H.E. Mr. Tevita Lavemaau, Minister of Finance and National Planning, Tonga
	H.E. Mr. Väino Reinart, Undersecretary of Economic and Development Affairs, Ministry of Foreign Affairs, Estonia
	H.E. Mr. Agustín García-López, Head, Mexican Agency for International Development Cooperation (AMEXCID), Mexico
Lead Discussant	Mr. Mpho Khunou, Mayor of Rustenberg, National Chair of South African Local Governments Association (SALGA)

Ministerial round table 3	
Moderator	Mr. Yonov Frederick Agah, Deputy Director-General, WTO
Panellists	H.E. Mr. Miguel Angel Estuardo Moir Sandoval, Secretary of Planning, Guatemala
	H.E. Dr. Teuea Toatu, Minister for Finance and Economic Development, Kiribati
	H.E. Mr. Modeste Randrianarivony, Permanent Secretary of the Ministry of Foreign Affairs, Madagascar
	H.E. Ms. Carola Iniguez Zambrano, Undersecretary of International Organizations, Ministry of Foreign Affairs, Ecuador
	Ms. Inger Buxton, Deputy Head, Global Agenda Department, Ministry of Foreign Affairs, Sweden
Lead Discussant	Mr. Fanwell Kenala Bokosi, Executive Director, AFRODAD

Background note

The ministerial round tables were guided by paragraph 131 of General Assembly resolution 69/313 on the "Addis Ababa Action Agenda of the Third International Conference on Financing for Development", which states that the FfD follow-up process should promote the sharing of lessons learned from experiences at the national and regional levels. Each round table would bring together a balanced mix of ministers from developed and developing countries, one high-level representative from an international financial institution or an intergovernmental organization, and high-level representatives from civil society and the business sector. The purpose of the ministerial round tables was to provide space for Member States to discuss and learn from each other's experiences in operationalizing and implementing the commitments contained in the Addis Agenda and other financing for development outcomes.

Guiding questions:

- What steps have been taken at national level as well as by international financial institutions towards the implementation of commitments contained in the Addis Agenda and other FfD outcomes?
- What obstacles and challenges have been encountered in the implementation of the FfD outcomes and the delivery of the means of implementation of the SDGs?
- How can the FfD forum best promote the sharing of lessons learned from experiences at the national and regional levels?

Ministerial round table 1

Summary

The round table was chaired by the President of ECOSOC and moderated by the Deputy Managing Director of the IMF, Mr. Tao Zhang. Presentations were made by: the Vice President and Minister of Foreign Relations of the Republic of Panama, H.E. Ms. Isabel de Saint Malo de Alvarado; the Commissioner for International Cooperation and Development of the European Commission, H.E. Mr. Neven Mimica; the State Minister, Ministry of Finance and Economic Cooperation of Ethiopia, H.E. Mr. Admasu Nebebe; the Chief of Staff and Undersecretary for Privatization and Office of Special Concerns, Department of Finance of the Philippines, H.E. Ms. Karen Singson; the Head of the Eurasian Development Bank, Mr. Dmitry Pankin; and the Principal of the Abraaj Group, Mr. Saquib Rashid.

Mr. Zhang noted that domestic resource mobilization was a core element of the Addis Agenda. Real progress had been made in increasing tax revenues in LICs over the last 15 years, with the median tax revenue/GDP ratio rising from 10 to nearly 15 per cent. However, much remained to be done as for many countries revenues remained below the levels needed to achieve the SDGs. Strong commitment was needed from countries to increase revenue mobilization, including through coherent revenue collection strategies that were part of development financing plans, as well as strong coordination among well-informed development partners. The IMF remained fully committed to building revenue capacity in developing countries and supported a wide range of multilateral initiatives, such as the Addis Tax Initiative and the Platform for Collaboration on Tax.

H.E. Ms. de Saint Malo de Alvarado highlighted that Panama had fully integrated the 2030 Agenda in its national sustainable development strategy with the majority of public investments earmarked for the SDGs. For example, great emphasis was placed on investing in health, water and sanitation, and primary schools. To ensure broad buy-in from all stakeholders into a domestic agenda in support of the SDGs, Panama had initiated a national dialogue round table, which brought together key actors of the society to develop a long-term road map towards the SDGs. Sustained economic growth, proper fiscal incentives, and openness were key components that had allowed Panama to attract domestic and foreign investment. The Vice-President called on the international community to explore how foreign investments could promote the transfer of technology and know-how in destination countries.

H.E. Mr. Mimica highlighted that the European Commission had taken concrete actions to implement the Addis Agenda. In 2016 and 2017, the European Commission had allocated millions of euros in support of international tax cooperation, including by supporting the participation of developing country experts in meetings of the Committee of Experts on International Cooperation in Tax Matters, as well as by providing financial support to regional tax bodies and capacity-building, with €3 billion committed to budget support programmes in 89 countries. The European Commission had also stimulated greater public and private investment into the SDGs through a new European External Investment Plan, which would generate €44 billion, including €4 billion in grants in vulnerable developing countries. The Commission had increased ODA for the fourth consecutive year in 2016, by 11 per cent. The new European Consensus on Development, to be signed in June 2017 would reaffirm the collective European Union commitment on ODA (0.7 per cent of GNI) with a more ambitious commitment for LDCs, as well as concrete steps to improve development cooperation.

H.E. Mr. Nebebe highlighted that Ethiopia had fully integrated the 2030 Agenda in its national sustainable development strategy. The country had also developed a road map of policy actions, in close coordination with donors, on how to implement all seven action areas of the Addis Agenda. Over recent years, Ethiopia had invested 25 per cent of its GDP in infrastructure, as well as education and health. Infrastructure investments were complemented by social protection policies to protect vulnerable people. Ethiopia would continue to work with bilateral and multilateral partners to improve its tax revenue collection capacities. New policies had also been enacted on PPPs to ensure the fair sharing of risks and rewards between the public and private sectors. Moreover, the promotion of industrial parks would play an important role in Ethiopia's short-term goal to become a light manufacturing industrial hub and its longer-term vision to become a middle income country (MIC) by 2025.

H.E. Ms. Singson emphasized that the Philippines would implement the Addis Agenda by shifting towards an investment-driven economy, including through infrastructure spending that addressed congestion, pollution and social development. The new government was addressing challenges with an extreme sense of urgency, by cutting red tape, modernizing revenue collection, improving customs and pursuing a government-wide crackdown on tax evasion. Much emphasis would be put on broader tax reform, including through exemptions for most people from income taxes, while still collecting sufficient revenues from richer households. Overall, personal income and corporate tax rates would be lowered, while value-added tax and excise tax rates on oil, as well as taxes on sugary beverages would increase. Such policies would lead to increased revenue collection, which should promote inclusive economic growth, lift 6 million people out of poverty and help the

Philippines reach its goal of becoming an upper middle income country by 2022.

Mr. Pankin highlighted that five of the Eurasian Development Bank's client countries were landlocked countries and faced particular challenges in the implementation of the Addis Agenda, especially in terms of transport and trade facilitation. As a result, those countries had seen much lower growth than other developing countries. High transportation costs could reach 10 to 20 per cent of all economic costs, compared to 1 to 2 per cent in the United States. The solution would not lie in unconditional trade liberalization and tariff reduction but rather in regional cooperation. For example, through the Eurasian Economic Union, LLDCs had managed to lower transportation costs, and increase capital and labour mobility. The Eurasian Development Bank would foster member state cooperation and integration by linking the value chains present in the region, with a particular focus on: infrastructure development projects (transport, energy, telecommunications and municipal facilities); development of high value-added production; and energy efficiency programmes. The Bank also remained strongly committed to the implementation of the Almaty and Vienna Programmes of Action.

Mr. Rashid emphasized that Abraaj was one of the largest private sector investors in the Middle East and North Africa, Pacific and East African regions, in particular in the areas of financial services, health care and education. Much of Abraaj's investor base came from family endowments and foundations, which sought to put their capital to work in productive and sustainable ways. He emphasized that the 2030 Agenda provided a coherent road map and that the simplicity of the SDGs had helped engage the business sector. As a result, more investors were expanding their Environmental, Social and Governance (ESG) Criteria approach towards SDG investing by actively seeking out companies that had made strides on corporate governance, labour relations and environmental policies. Looking ahead, it would be crucial for countries to move towards a more dynamic regulatory environment in sectors like health and education while also ensuring a high standard of service delivery. The speaker also highlighted that much of development finance had gone to micro and small enterprises, yet the ability to affect change required large-scale investment into sectoral ecosystems like hospital and school networks.

Ministerial round table 2

The round table was chaired by the President of ECOSOC and moderated by the Senior Vice President for the 2030 Agenda, United Nations Relations and Partnerships of WBG, Mr. Mahmoud Mohieldin. Presentations were made by the Minister of Industry of Nepal, H.E. Mr. Nabindra Raj Joshi; the Minister of Finance and National Planning of Tonga, H.E. Mr. Tevita Lavemaau; the Undersecretary of Economic and Development Affairs, Ministry of Foreign Affairs, Estonia, H.E. Mr. Väino Reinart; the Head of the Mexican Agency for International Development Cooperation, Mexico, H.E. Mr. Agustín García-López; and the Mayor of Rustenberg and National Chair of South African Local Governments Association (SALGA), Mr. Mpho Khunou.

Mr. Mohieldin highlighted that demographic pressures would increase the need for jobs and infrastructure. A major future challenge would lie in finding the right balance between public and private finance to ensure affordable, accessible, reliable and climate-friendly infrastructure. Both private and public finance played an important role in this connection. While current infrastructure spending would still largely come from public sources, there was much room for private and commercial financing to expand. MDBs were well positioned to leverage more investment into infrastructure at the national and subnational levels.

H.E. Mr. Joshi laid out the challenging circumstances Nepal had experienced during recent times, including the devastating earthquake two years ago and the effects of internal strife that had lasted more than ten years. Despite these challenges, Nepal had been able to arrive at a democratic constitution that guaranteed the rights of all citizens and established a stable economic and political climate that was conducive for foreign investment. Efforts were underway to upgrade domestic infrastructure and nourish entrepreneurship, including at the village level. Domestic resource mobilization was also a core priority for Nepal and important progress had been made in this regard. Indeed, its tax to GDP ratio was among the highest in the region at 23 per cent, up from 9 per cent 20 years ago. The speaker further noted that Nepal was seeking more access to concessional finance from other donors with a focus on catalytic aid that could help crowd in private investment, in particular into infrastructure.

H.E. Mr. Lavemaau elaborated on the challenges Tonga faced in implementing the

Addis Agenda, noting that those were likely to be similar to other Small Island Developing States (SIDS). Tonga had experienced GDP growth between 3 and 4 per cent in recent years, supported by construction activities, agricultural output, increasing domestic demand and remittances. Its medium-term budgetary framework was aligned with the SDGs. National development priorities included a knowledge-based economy, good governance, infrastructure, gender equality, environmental protection and efforts to enhance resilience to climate change. In terms of domestic resource mobilization, Tonga was pursuing a medium-term tax management strategy to achieve tax revenue of at least 22 per cent of GDP. Future reforms would aim for more progressive taxation, while more expenditure should target the combatting of non-communicable diseases. Another objective was to ensure debt sustainability by maintaining nominal external debt below 50 per cent of GDP. The speaker stressed that ODA and other international support was also critical, including access to the Green Climate Fund and other global funds. The speaker emphasized that MDBs should factor in the vulnerability of SIDS into their lending decisions. Knowledge and capacity transfer, including through South-South cooperation was important in implementing the Addis Agenda, including through the recommendations contained in the IATF report.

H.E. Mr. Reinart emphasized that the true value added of the Addis Agenda was its comprehensive nature and the fact that it went beyond finance and tackled issues like trade, science and technology. It also recognized that national governments had a key role to play in implementing the Agenda. In Estonia's national experience, the rule of law and good governance had been the most critical factors that allowed it to rise quickly to become a high-income economy. Estonia had also adopted a new development cooperation policy based on the 2030 Agenda and the Addis Agenda. Its primary focus was on supporting democracy, advancing peace and stability, guaranteeing human rights and promoting economic growth. Since the Addis Ababa conference, Estonia had also continuously increased its percentage of ODA. On science, technology and innovation (STI), Estonia had greatly benefited from digital solutions, particularly in e-governance. Advances included the use of online tax declarations, e-health tools and e-prescriptions, as well as online voting. Embedded in the proper regulatory and legislative frameworks, such as data security laws, these innovations had contributed to growth and development and had helped reduce corruption. To further explore the potential of STI in advancing sustainable development, Estonia would host an e-governance conference immediately following the 2017 FfD forum.

H.E. Mr. García-López highlighted that ODA had hit an historic high in 2016, but flows to countries in Latin America had declined and accounted for only 4.6 per cent of the total. It was important to put into place an architecture for development cooperation that would reach all countries in need and that would help deliver global public goods. All countries should give and receive based on their respective capacities and needs. While the 2030 Agenda saw development as a universal, multidimensional process, international cooperation must follow an equally comprehensive framework. Moving beyond ODA should not mean replacing it with other flows, but rather finding a proper balance of all flows, public and private, national and international. In this context, it was important to include the United Nations in the discussions on total official support for sustainable development (TOSSD) with the objective to more effectively mobilize additional flows that were complementary to ODA and South-South cooperation. The speaker stressed that it was crucial to comply with the ODA commitments made, in particular to LDCs and Africa. It was also important to address graduation concerns of LICs, including through methodologies for allocating resources that were not confined to per capita income.

Mr. Khunou shared the perspective of local governments in the implementation of the Addis Agenda. Some of the continued challenges to local government included urbanization leading to informal settlements that were characterized by insufficient infrastructure and service delivery. Investments into urban areas needed to be enhanced dramatically. In South Africa, most municipalities relied on electricity as the major source of revenues. However, new revenue sources needed to be tapped as this was an insufficient and decreasing revenue stream. The speaker emphasized that strengthening domestic resource mobilization could be achieved by diversifying local government resources. MDBs and national development banks could also help by crowding in investment, while PPPs and other instruments should be further explored. The Treasury in South Africa had revised regulations to enable less onerous procedures for municipal financing mechanisms. The speaker further highlighted that most metropolitan areas had been given investment grade ratings and encouraged international investors to invest in South Africa at the subnational level. In this context, national governments could take on an important role in guiding international donors towards greater engagement at the subnational level.

Ministerial round table 3

The round table was chaired by the President of ECOSOC and moderated by the Deputy Director-General of WTO, Mr. Yonov Frederick Agah. Presentations were made by: the Secretary of Planning of Guatemala, H.E. Mr. Miguel Angel Estuardo Moir Sandoval; the Minister for Finance and Economic Development, Kiribati, H.E. Mr. Teuea Toatu; the Permanent Secretary of the Ministry of Foreign Affairs, Madagascar, H.E. Mr. Modeste Randrianarivony; the Undersecretary of International Organizations, Ministry of Foreign Affairs, Ecuador, H.E. Ms. Carola Iniguez Zambrano; the Deputy Head, Global Agenda Department, Ministry of Foreign Affairs, Sweden, Ms. Inger Buxton; and the Executive Director of AFRODAD, Mr. Fanwell Kenala Bokosi.

Mr. Agah noted that it would be interesting to hear country and civil society views on the implementation of the actions contained in the Addis Agenda concerning international trade, as well as on the implementation of other commitments related to science, technology, capacity-building and development cooperation. During the WTO's 10th ministerial conference, a ministerial decision was adopted on export competition related to implementing targets of the Addis and 2030 Agendas, including by eliminating export subsidies and setting out new rules on export credits. The entry into force of the Trade Facilitation Agreement showed how governments aim to reduce bureaucracy and trade costs. Its full implementation could reduce global trade costs by 14.3 per cent and boost trade exports to an estimated $1 trillion annually. Another Addis commitment delivered by the WTO was to allow improved access to affordable medicines by developing countries. Among the outstanding challenges faced by the WTO was the debate over subsidies for fisheries that contributed to overfishing.

H.E. Mr. Sandoval emphasized that while the responsibility for development would lie primarily with each country, ODA and South-South cooperation were needed because of current funding constraints. Due to different levels of development across countries, a new approach to ODA was crucial, which reflected the different realities of countries. In this connection, ODA should be aligned with the national sustainable development priorities of each country. Promoting international trade as an engine for development should also remain a top priority for the international community, especially by helping small and medium enterprises. The speaker emphasized that since 2014 Guatemala's national development plan had outlined priorities for the next 20 years and covered implementation of 90 per cent of the SDGs. It aimed to link 2030 Agenda priorities with public policies and the budget, prioritizing food security, nutrition, education and democratic institutions. Guatemala had also improved its institutional framework and monitoring processes with respect to the judicial and tax systems, making the administration more efficient and transparent. In addition, Guatemala had passed an anti-money-laundering law to combat IFFs. Since Guatemala's tax collection ratio remained one of the lowest in the world at 10.5 per cent of GDP, it was imperative to improve tax collection, while enhancing efficiency in public expenditures to finance sustainable development.

H.E. Mr. Toatu explained Kiribati's national development plan and strategies that have been carried out so far, in particular with respect to strengthening the financial framework, dealing with international debt, managing public expenditure, and implementing tax and subsidy reforms. The country faced challenges related to the lack of financial resources and a non-conducive environment, including structural and physical constraints in infrastructure, human resources, population dynamics, geographical fragmentation and the challenges posed by climate change. The sustainable implementation of the SDGs required infrastructure and institutional capacity, which was lacking across the country. Due to geographical fragmentation, which did not allow for economies of scale, building infrastructure was extremely costly and above the capabilities of Kiribati. ODA and multilateral financing was essential to address these challenges. Mr. Toatu explained that it usually took at least two years to move from donor disbursement to spending by receiving countries. In order to ensure that no one was left behind, ODA needed to become more flexible and predictable. Kiribati would also continue to leverage national savings, to attract concessional funding and funding from other countries, which should be used to fast track development projects including on climate change.

H.E. Mr. Randrianarivony welcomed that the participants at the FfD forum showed such strong commitments to transforming the Addis Agenda into concrete actions. Madagascar was implementing the Addis Agenda by taking national ownership, through a national implementation plan. In particular, the country was focusing on: (i) ensuring the rule of law; (ii) creating a stable and inclusive financial system; (iii) improving the fiscal system; (iv) promoting PPPs and ensuring that private and public services are accountable, effective and efficient; (v) streamlining the use of capital; (vi) creating a system for information and monitoring of mobilization of domestic resources; (vii) updating sectoral policies and raising awareness through workshops on several SDGs; and (viii) improving coordination with development partners. Among the main challenges faced in the implementation of the SDGs, Madagascar underlined the recent disaster brought by a cyclone and stressed the need for support from the international community to address these types of challenges.

H.E. Ms. Zambrano highlighted that, in addition to the implementation of the Addis Agenda, further efforts were needed to implement commitments made in Monterrey and Doha, including stronger cooperation between developed and developing countries, as well as reformed and more inclusive multilateral institutions. It was crucial to have a proper tax system so that sustainable development commitments could be achieved. She called for reforms to the international financial system to address tax evasion. Ecuador had lost thousands of jobs through an estimated $30 billion in evaded taxes hidden in tax havens. Last February, a national referendum had been held, making Ecuador the first country in the world to prevent individuals with financial accounts in tax havens from being elected to office. The speaker stressed that unilateral actions to address tax evasion and avoidance could be effective only within a framework of international cooperation. The speaker urged all Member States to support the United Nations Committee of Experts on International Cooperation in Tax Matters through voluntary contributions to the relevant trust fund and reiterated that it was important for the new membership to reflect an equitable geographical distribution. Ecuador further believed that there was a need for an intergovernmental body within the United Nations to address international tax matters and, in this context, called for an upgrade of the Committee to an intergovernmental body.

Ms. Buxton mentioned that Sweden had produced a report on the implementation of the Addis Agenda, including through national interventions and international cooperation. The report contained 200 examples of activities by all levels of society, linked to 70 commitments in the Addis Agenda. A systematic approach was used to group relevant illustrative examples, which allowed learning lessons in their implementation and drawing relevant conclusions. Implementation challenges were also illustrated in the report. For instance, as a feminist government, Sweden had a gender-based approach to budget and provided step-by-step training on gender equality assessment to all actors involved in national budgeting, to ensure the budget was gender-responsive. SIDA, Sweden's international cooperation agency, had created an instrument for assistance to leverage private capital for development and to manage the associated risks. The capital was then used in health, agriculture, infrastructure and market development, but also to support media companies to promote transparent and balanced communication. The overall aim of the report was to promote a more action-oriented approach through a systematic knowledge bank that draws on the lessons and experiences of different actors involved in the implementation of the Addis Agenda. The exercise would also build on the contributions made by the FfD forum and the IATF report.

Mr. Bokosi focused his presentation on domestic resource mobilization and international cooperation. He welcomed all efforts to implement fiscal measures focused on promoting gender equality and supporting disabled people. He stressed that many developing countries were unable to raise sufficient tax revenues due to a lack of international tax cooperation. Thus, it was important to improve tax cooperation, including by establishing an international tax body within the United Nations. He also argued that efforts to increase the tax-to-GDP ratio should target the richest people and not the poorest people. The speaker noted that the Global Infrastructure Forum should go beyond issues of blended finance and PPPs. Such mechanisms could benefit a great deal from transparency and accountability measures for the private sector. The speaker also recalled the importance of ODA and urged donor partners to fulfil their commitments. He noted that for the last decade, cooperation had not increased much. In 2015, only seven countries had met their pledges to allocate 0.7 per cent of gross national income to ODA, down from eight in 2014. He also called on donors to monitor ODA allocations so as to ensure that the funds are used to help the most marginalized people.

During the **interactive discussion**, speakers stressed that more work needed to be done to translate the commitments contained in the Addis Agenda to the national level. For example, even though many developing countries had robust institutions, promoted the rule of law, and pursued sound macroeconomic policies, FDI was still not forthcoming, especially in SIDS. A point was made that tax incentives had often proved ineffective in attracting investment, while resulting in a significant erosion of the tax base of developing countries. Developing countries should therefore implement a solid framework to assess the costs and benefits of tax incentives regimes and monitor their administration.

There were also calls for the Financing for Development Agenda to be more strongly aligned with the 2030 Agenda, including on human rights and environmental issues. Some speakers noted that discussions on financing for development continued to be dominated by the potential role of the private sector, in particular on PPPs. According to some participants, PPPs were an expensive and inefficient way of financing infrastructure, which suffered from low transparency and limited public scrutiny. The United Nations was the right place to explore guidelines to ensure that PPPs share risks and rewards fairly, include clear accountability mechanisms and meet social and environmental standards.

Some speakers highlighted the need for progressive taxation policies in order to fight poverty and inequality noting that regressive consumption taxes had led to higher levels of inequalities. One speaker mentioned that tobacco taxation was a useful tool to increase domestic resources. Others stressed that it was critical to effectively tackle corporate tax avoidance and IFFs. Several speakers expressed their appreciation for the work of the Committee of Experts on International Cooperation in Tax Matters and called for upgrading it to an intergovernmental body.

Institutional capacity was seen by several speakers as key in ensuring the success of financing mechanisms that involved the private sector. Others stressed that there was significant interest from the private sector to invest in the SDGs. However, it was crucial to put into place the right regulatory framework that provided for proper incentives for capital to support sustainable development.

Several speakers emphasized the importance of meeting the 0.7 per cent commitment of ODA/GNI, as well as the need for a more nuanced approach to graduation that goes well beyond measures of per capita income. More progress was also needed in improving development effectiveness, especially in terms of country ownership.

Speakers stressed that trade had lifted many out of poverty, especially in countries that had pursued industrial policies. Aid for trade could play an important role in trade facilitation but also should be geared towards increasing compliance with international labour standards. Some speakers called on the 2017 WTO Ministerial Conference in Buenos Aires, Argentina to focus on completing the Doha Development Agenda.

With regard to debt and debt sustainability, participants called on Member States to take forward the commitment in the Addis Agenda to work towards a global consensus on guidelines for debtor and creditor responsibilities.

A point was made that civil society participation in the implementation processes should be strengthened, especially in LDCs. In this connection, some speakers called on Member States to strengthen existing links and develop new links between civil society and governments, and to create integrated strategies to meet the SDGs, including on cross-cutting issues such as migration and climate change.

Expert Segment

IX. Panel discussion: 2017 report of the Inter-agency Task Force on Financing for Development

Programme	
Chair	H.E. Ms. Marie Chatardova (Czech Republic), Vice President of ECOSOC
Opening remarks	Mr. Alex Trepelkov, Director, Financing for Development Office, UN-DESA (on behalf of Mr. Wu Hongbo, Under-Secretary-General for Economic and Social Affairs and the Chair of IATF)
Moderator	Ms. Shari Spiegel, Chief, Policy Analysis and Development Branch, Financing for Development Office, UN-DESA
Panellists	Mr. Yonov Frederick Agah, Deputy Director-General, WTO Mr. Siddarth Tiwari, Director, Strategy Policy and Review Department, IMF Mr. Richard Kozul-Wright, Director, Division on Globalization and Development Strategies, UNCTAD Mr. Pedro Conceição, Director, Bureau for Policy and Programme Support, UNDP Mr. David Kuijper, Advisor, Financing for Development, WBG

Summary

Mr. Trepelkov set the stage for the expert segment by emphasizing its importance for assessing the implementation of the Addis Agenda. He thanked the IATF members for their contributions and cooperation in preparing the 2017 report and encouraged all

participants to utilize the report as the basis for the discussions. Furthermore, Mr. Trepelkov suggested that the IATF should be informed by the forum's deliberations on progress, as well as on areas that would require additional efforts by the international community, in its future work.

Ms. Spiegel described the structure and key findings of the IATF report. She highlighted the challenging global economic environment and its implications for the implementation of the Addis Agenda and the SDGs. The report identified long-term investment, particularly in infrastructure, and social protection as two important cross-cutting areas that specifically address these challenges. In this context, the report also analyzed the role of public, private, national and international financing, trade, debt, the international financial system, as well as technology and innovation.

Mr. Agah emphasized the importance of multilateralism to resist protectionism, which would hurt the poor, and the role of policies to ensure that the benefits of trade are shared more widely and equitably. He underscored that strengthening a rules-based multilateral trading system will contribute to inclusive growth. Mr. Agah also highlighted the role of the WTO in fostering equitable trade, settling disputes through a rules-based system and providing a forum for discussion between governments. Technological innovation and automatization are additional challenges, since they will have a major impact on businesses, employment and the future of trade. These will have to be addressed by a cross-cutting policy mix, including labour market policies, education, skills building, support to small and medium-sized enterprises (SMEs) and social protection. Connectivity of countries also needs to be improved as one measure to address the development gap caused by unequal levels of digital commerce.

"Governments should work together to resist protectionism and ensure the benefits of trade are spread more widely and equitably."

—Mr. Yonov Frederick Agah

Mr. Tiwari pointed out the need for efforts at the subnational, national, regional and international levels for the implementation of the financing for development outcomes. Infrastructure investments will be critical to achieve progress towards sustainable development. Mr. Tiwari also referred to the ratio of tax revenues to GDP, which were below 15 per cent in many developing countries, which was inadequate for the provision of basic public services. Therefore, the IMF is increasing its efforts to strengthen public revenue generation. Medium-term revenue strategies and stronger enforcement mechanisms can play critical roles in this regard. In addition, Mr. Tiwari called for stronger private sector investment and efforts to raise productivity to be included in national development strategies. Finally, he suggested that MDBs should further leverage their balance sheets.

"One key focus of this report, and a key focus for us moving forward in our policy advice and capacity development will be raising domestic revenues."

—Mr. Siddarth Tiwari

Mr. Kozul-Wright stressed the need for a sustainable growth strategy to achieve the SDGs. Post-financial crisis growth has been slow and non-inclusive. Investment has also been insufficient because of the slowdown in global demand from developed economies, the short-term and rent-seeking behaviour of corporations and high debt levels. Developing countries therefore need to expand their fiscal space. In addition to strengthening domestic resource mobilization, tax avoidance and tax evasion also need to be addressed in this regard. Furthermore, more ambitious mechanisms, including a debt workout mechanism, would be required to deal with debt distress.

"Developing countries need to be able to expand their fiscal space, including by addressing tax avoidance and tax evasion."

—Mr. Richard Kozul-Wright

Mr. Conceição stated that UNDP has been integrating the SDGs into strategies, plans and budgets. Partner countries increasingly ask how they should prioritize the SDGs and how they can be financed. UNDP supports countries with the implementation of integrated national financing frameworks, which could provide an integrated approach on how to mobilize and allocate resources for national sustainable development priorities. Various internal and external shocks could jeopardize a country's ability to implement the SDGs, which would result in increased poverty and inequality. For a systematic approach at the country level, state-contingent financing instruments are a promising option allowing countries to address risks. Mr. Conceição also stressed the importance of ODA for fragile countries.

"Integrated national financing frameworks can help countries to move forward with the SDG implementation."

—Mr. Pedro Conceição

Mr. Kuijper commended the contribution of the IATF to the coherence of the international system and to promoting the implementation of the SDGs and the Addis Agenda. The biggest challenges that needed to be addressed were fragile states and countries under environmental stress, which would be home to 75 per cent of the poor. To address these challenges, countries require access to long-term finance. ODA and other international public finance play a critical role in this regard. Efforts for better leveraging of ODA, as well as increasing effectiveness, should be taken to address fundamental issues such as governance, regulatory environments and capacity building. In addition, one of the best recommendations to achieve progress is to ensure gender equality by implementing policies to advance the role of women in the economy.

"Gender-sensitive policies have the highest potential to achieve further progress in developing countries."

—Mr. David Kuijper

During the interactive discussion, speakers addressed a variety of issues for consideration by the IATF, including the role of IFFs, the potential of tobacco taxation for domestic resource mobilization, and the impact of trade on growth and labour markets.

X. Thematic round tables

Round table A: Domestic and international public resources

Programme	
Chair	H.E. Ms. Marie Chatardova, (Czech Republic) Vice President of ECOSOC
Moderator	Ms. Pooja Rangaprasad, Policy Coordinator, Financial Transparency Coalition
Panellists	Mr. Darrell Bradley, Mayor of Belize City Ms. Elfrieda Steward Tamba, Commissioner General, Liberia Revenue Authority Mr. Philippe Orliange, Director, Agence Française de Développement Mr. Jorge Moreira da Silva, Director, Development Co-operation Directorate, Organisation for Economic Co-operation and Development (OECD)

Background note

Public finance is essential to providing public goods and services, increasing equity and supporting macroeconomic stability. The Addis Agenda recognizes the centrality of mobilizing and effectively using domestic resources to achieving the SDGs, and of complementing these efforts through scaled up and effective international public financial support, especially in the poorest and most vulnerable countries.

This round table discussed public financing policies and tools at the local, national and international levels to increase the availability and effectiveness of public finance for sustainable development investments.

Sustainable development investments often take place at the subnational level. However, local authorities frequently lack adequate technical and technological capacity, financing and support to carry them out at the scale required. Political will and leadership are vital. For example, in Belize City, the city council has initiated a local economic development programme, spearheaded by the Mayor. The experience shows the importance of building relationships across the community to engage local people and the private sector. To finance local infrastructure investments, Belize City also established a domestic municipal bond program in 2012 and has since issued three separate bonds. The city government used the proceeds to build over 100 streets.

At the national level, tax administration and public financial management capacities have improved in many countries, but scope remains to increase revenue collection, through improved tax policies, enhanced capacity building and scaled up international tax cooperation. Liberia, which emerged out of conflict less than fifteen years ago, had to rebuild its state capacity to both tax and spend effectively. The Liberia Revenue Administration was made an independent agency in 2014 and its commissioner has set out to reform the tax administration, including developing highly rated dispute resolution and tax collection systems.

International public financing flows also increased in recent years. ODA rose in both 2015 and 2016, as did lending by multilateral development banks. However, bilateral ODA to LDCs fell slightly in real terms in 2016, after increases in 2015. Available evidence suggests that South-South cooperation, a complement to North-South cooperation, also increased. The urgent needs associated with a number of large scale humanitarian crises, however, command an increasing share of international public finance, raising concerns that fewer resources may be available for long-term investments in sustainable development. The OECD Development Assistance Committee (DAC) is working to establish clearer rules for using ODA to cover in-donor refugee costs and has established a Temporary Working Group on Refugees and Migration to help determine whether donors are targeting their assistance in the right way, in the right place, and at the right time.

Development banks and development finance institutions represent a source of long-term public finance. They have the ability to mobilize additional finance by borrowing from financial markets and can also mobilize private capital for specific projects, while ensuring that investments are aligned with sustainable development. The French Development Agency (AFD) has been working to develop better means of supporting local institutions and of thereby mobilizing local resources. This involves appropriate financial tools to address the complex variety of specific situations, such as soft finance, guarantees, equity investments, and lines of credit to strengthen the local financial sector, among other such instruments. AFD is also a leading member of the International Development Finance Club, a network of 23 national and regional development banks and development finance institutions. Such institutions are widespread and some have large capital bases; they have significant potential to provide financing and expertise for sustainable development investments.

Guiding questions

- What are effective public financing policies and tools at the local, national and international levels, and how can they best complement each other?
- What is the role of development banks in providing international public finance for sustainable development investments at the global level, including their providers' efforts to blend public with private finance? What is the recipient countries' experience with such instruments? What role can national development banks play in different country contexts and how do we ensure such banks operate efficiently and effectively to support national sustainable development strategies?
- How can we ensure that ODA commitments toward long-term sustainable development in the most vulnerable countries are met in the face of urgent geopolitical challenges? How can the impact of ODA be maximized in support of sustainable development?
- What concrete reforms have been successful in raising domestic resources? How can governments create and sustain the political will for domestic tax policy and administration reform, for

example on broadening the tax base, creating trust with taxpayers, and cooperative compliance? What are country preferences on how to strengthen international tax cooperation in support of domestic efforts?

Summary

Ms. Rangaprasad emphasized the critical role of domestic and international public resources and highlighted the importance of gender as a cross-cutting issue in this context, such as supporting gender equality through addressing gender biases in tax structures and budgeting processes.

> "Progressive, direct taxation can remove gender biases in tax structures."
>
> —Ms. Pooja Rangaprasad

Mr. Bradley noted the central role of local and regional governments for public resource mobilization and the achievement of the SDGs. He pointed out the vertical imbalance between investments at the local level and central government transfers, which increases the pressure for own-source revenue mobilization from taxes, fees and other sources. For example, in 2013, the Belize City Council issued a general obligation bond to finance public road infrastructure. The use of such financing instruments required good governance, transparency, stakeholder engagement and a conducive legal, structural and policy framework provided by the central government.

> "Local and regional governments have a central role to play in implementing the Addis Agenda and the SDGs."
>
> —Mr. Darrell Bradley

Mr. Bradley also called for national and multilateral development banks to strengthen their engagement with local governments, including in areas of long-term infrastructure investment, enhancing creditworthiness and access to international public finance such as ODA and climate finance.

Ms. Tamba described how Liberia had implemented effective public finance policies and tools at the local and national levels that contributed to strong economic growth between 2006 and 2013. However, growth rates declined significantly as a result of the Ebola crisis. Ms. Tamba explained that intergovernmental transfers and own-source revenue from tax fees were the main sources of revenue at the local level, while at the national level revenue was generated from taxes (on income, property, goods and services) and fees. International public funds remained a critical source of financing for Liberia, with grants accounting for 9 per cent of total revenue in the last five years. To strengthen use and management of public resources, Liberia utilizes several frameworks, tools and initiatives, such as the Tax Administration Diagnostic Assessment Tool (TADAT), Public Expenditure and Financial Accountability (PEFA) assessments and Tax Inspectors Without Borders. Ms. Tamba also elaborated on the key role of development banks for financing infrastructure, social development, environmental protection and capacity building.

> "Domestic revenue mobilization will rise as a result of economic growth and smart reforms in revenue administration."
>
> —Ms. Elfrieda Steward Tamba

Mr. Orliange discussed the work of development banks on domestic and international resource mobilization. The recognition of development banks in the Addis Agenda had further strengthened their role in development finance. Mr. Orliange also highlighted

the role development banks play in long-term finance for sustainable development, in the fight against climate change and as implementing entities for international funds, for example the Green Climate Fund. In this context, the work of the International Development Finance Club (IDFC) was outlined. The IDFC is an association of 23 national, regional and international development banks and provides a collaborative platform through which members can share experiences and combine financial resources. Specific focus areas are climate change, sustainable urban development, access to project preparation and financing, and increasing cooperation among its members.

"Development banks play a critical role in long-term financing of sustainable development and in the fight against climate change."

—Mr. Philippe Orliange

Mr. da Silva presented preliminary ODA data for 2016. International aid peaked in 2016, partly as the result of increased domestic spending on refugees. At the same time, the share of ODA allocated to LDCs declined. Mr. da Silva provided an update on the status of the discussions on the modernization of the ODA measurement and the proposed measure of TOSSD. As an effort to better understand patterns of financial flows, TOSSD is expected to capture contributions to global public goods and other cross-border flows. The OECD Development Assistance Committee would also continue its discussion on the use of blended finance. Furthermore, the OECD is conducting research on linkages, synergies and trade-offs between different financing sources and instruments to understand their impacts, inform policy choices and reinforce accountability.

"We need to hold OECD members accountable to the 0.7 per cent ODA/GNI target."

—Mr. Jorge Moreira da Silva

During the ensuing discussion, participants called to further promote domestic resource mobilization through strengthening national tax systems and international cooperation on tax, for example through the Platform for Collaboration on Tax and the establishment of an intergovernmental body on international tax cooperation at the United Nations. Several participants agreed on the potential to support gender equality though tax reforms and gender responsive budgeting. Participants further urged countries to honour their ODA commitments and expressed their concern about the declining trend in ODA to LDCs. Many participants also highlighted the importance of capacity building at all levels, including for tax administration. Finally, some participants recommended expediting the implementation of the commitment in the Addis Agenda to end tax exemptions on goods and services delivered as part of international aid.

Round table B: Domestic and international private business and finance

Programme	
Chair	H.E. Mr. Nabeel Munir (Pakistan), Vice President of ECOSOC
Moderator	Ms. Preeti Sinha, Senior President, YES Institute, India
Panellists	H.E. Mr. Courtney Rattray, Permanent Representative of Jamaica to the United Nations
	Mr. Hervé Duteil, Managing Director, Head of Corporate Social Responsibility & Sustainable Finance, Americas, BNP Paribas
	Mr. Naohiro Nishiguchi, Executive Managing Director, Japan Innovation Network
	Ms. Nidia Reyes, Chief, Competitive Intelligence, Banca de las Oportunidades, Colombia
	Ms. Leora Klapper, Lead Economist, Development Research Group, WBG

Background note

Business activity and investment is critical to productivity, employment and economic growth. The Addis Agenda builds on the earlier financing for development outcomes in recognizing the central role of the private sector, but broadens the focus to incorporate the economic, environmental and social dimensions of business activities. The Addis Agenda also calls for promoting incentives aligned with sustainable development across the investor chain, including the full array of financial institutions and actors.

This round table discussed measures to mobilise and align private finance with sustainable development, including mobilising long-term investment, catalysing business activity in SDG priority areas, and promoting inclusive finance, including for micro, small and medium enterprises (MSMEs).

There are two alternative strategies for incentivizing greater investment in the SDGs. The first is to better align profit oriented investment with the SDGs including through promoting policies to change relative prices, standards and/or regulations to guide investment behaviour, and appropriately-designed risk-sharing instruments. The second is to try to reorient investment and business models to incorporate environmental, social and governance (ESG) impacts, which includes initiatives and actions by the private sector. The two strategies presented above are not mutually exclusive. Indeed, both should be pursued.

Sustainable investments, in theory, should be attractive to long-term funds, since the risks associated with climate change are a potential long-run liability. Yet the short-term nature of investment horizons sometimes impedes the incorporation of longer-term risks, such as environmental risks, into firms' risk/return analysis. Thus a first step to align investment with the SDGs is to encourage greater longer-term investing. In December 2016, the Permanent Missions of Jamaica and Canada established a Group of Friends of UN Member States to collectively discuss and promote ideas to unlock long-term investment to finance the implementation of the SDGs. The Group of Friends is working to both understand the needs of private investors and to sensitise permanent missions in New York to their concerns.

As noted in the 2017 IATF Report, the SDGs can also open new business opportunities. Indeed, the Business and Sustainable Development Commission (BSDC) found that achieving the SDGs could unlock $12 trillion in market opportunities across four sectors: food and agriculture; cities; energy and materials; and health and well-being. At the same time, the SDGs can be seen as an opportunity for innovation by businesses. The Japan Innovation Network (JIN) co-founded the SDGs Holistic Innovation Platform (SHIP) which sees innovation opportunities in achieving the SDGs and aims to solve worldwide issues and challenges with corporate know-how and technologies.

While the large preponderance of private business activity remains profit driven, a growing number of institutions have double or triple (social and environmental) bottom lines. In this regard, BNP Paribas has partnered with the World Bank to issue World Bank bonds linked to the performance of a SDGs Index, consisting of companies that are recognised as leaders in social and environmentally friendly activities. As another example, Yes Bank in India has developed a sustainability strategy under its Responsible Banking ethos, which aims to mainstream the SDGs in the bank's operations by integrating sustainability principles into the bank's value chain.

The private sector also has an important role in advancing inclusive development through the provision of finance to previously unbanked segments of society, as well as to MSMEs. Access to financial services, particularly for women, can help improve individual and household welfare and spur economic activity. Efforts to boost financial inclusion can include new technologies, the development of credit registries, and increasing the diversity of financial intermediaries beyond traditional banks, for example microfinance institutions, cooperative banks, and development banks. The World Bank's Findex database is a useful tool for monitoring developments in financial inclusion. It shows marked improvements in access to financial services, but also indicates significant gender and other gaps.

The Addis Agenda calls for countries to implement financial inclusion strategies as part of their broader national sustainable development strategies. Banca de las Oportunidades, managed by the Bank for Foreign Trade - Bancoldex, plays a key role in the long-term policy of the Government of Colombia to reduce poverty, promote social equity and stimulate economic development in Colombia by promoting access to credit and other financial services to the unbanked Colombian population, especially to the low-income families, MSMEs and entrepreneurs.

Guiding questions

- What are effective policy measures in promoting access to and usage of essential financial services to the unbanked? What are the key obstacles to better financing of SMEs? What innovative financing approaches are being proposed?
- How can governments, international finance institutions and business best

work together to create incentives for increased investments in infrastructure? What reforms can be set in place to encourage long-term lending by institutional investors and banks?

- What can governments do to support the development of responsible investment practices aligned with the SDG financing needs? What policies can enable responsible investment and corporate sustainability to flourish?

Summary

The Chair opened the discussion by describing the focus of the round table on action area B of the Addis Agenda, as well as the specific issue of "Financial inclusion for sustainable development" as mandated by General Assembly resolution 70/189.

Ms. Sinha drew attention to the potential of the 2030 Agenda to establish a link between the public and private sector for sustainable development. She also elaborated on the enormous financing needs for the achievement of the SDGs and pointed out the potential of financial inclusion and impact investment to bridge the financing gap.

> **"The Addis Agenda and the SDGs can bring the public and private sector together for sustainable development."**
>
> —Ms. Preeti Sinha

H.E. Mr. Rattray presented the work of the "Group of Friends of SDG Financing", which comprises Member States, think tanks, academia and private sector representatives and aims to identify how to mobilize the trillions of dollars required for the implementation of the SDGs.

The Ambassador emphasized the convening power of the United Nations to promote issues on the global agenda. For example, the group targets institutional stakeholders to instil a long-term orientation in global capital markets. The group also discusses how to incentivise investors to conduct more holistic risk assessments, including how to capture externalities. The speaker further underscored the need to build country capacity to develop projects that are viable for investments and the role of regulation. Though some progress has been made, fiduciary responsibilities would still prevent the consideration of the ESG criteria in many countries. Transparency, the rule of law and macroeconomic stability are additional important factors to strengthen SDG investment.

> **"We need to instil long-term orientation in global capital markets."**
>
> —H.E. Mr. Courtney Rattray

Mr. Duteil shared that BNP Paribas had set 13 quantified targets towards the achievement of the SDGs to be achieved by 2018. One example was that 15 per cent of loans should go to companies that contribute strictly to the achievement of the SDGs. The achievement of the 13 targets will affect the compensation of the top management of the bank. BNP Paribas also introduced a shadow carbon price in their credit analysis to understand how external carbon pricing would affect the profitability of companies. Furthermore, Mr. Duteil described how BNP Paribas would establish innovative tools for SDG financing that address critical private sector issues: yield, risks, liquidity and time horizon. He explained that even though a large transfer of wealth to a generation interested in sustainable investments is on its way, impact investment will remain a niche. Instead,

> **"We need to develop investment products that have a sustainable development impact and meet traditional investment standards."**
>
> —Mr. Hervé Duteil

sustainability criteria need to be included in products that meet traditional investment standards. Therefore, in cooperation with the WBG, BNP Paribas identified a range of sustainable development projects and issued equity-linked green bonds.

Mr. Nishiguchi presented the SDGs Holistic Innovation Platform (SHIP), promoting private sector innovation for the SDGs. SHIP is co-managed by the Japan Innovation Network and UNDP. It aims to increase the pipeline of investable projects supporting the implementation of the SDGs and to accelerate innovation progress. Mr. Nishiguchi explained that in order to prepare investment-ready projects for SDG investment, such projects would need to be linked to positive cash flows. SHIP provides support to an advanced innovation process by combining design thinking and lean start-up approaches during the critical incubation stage of the innovation process, which progresses on a non-linear path. At the incubation stage progress, entrepreneurship, innovation acceleration and the validation of the business model are required to shift a project to the operation stage. As of now, SHIP has supported the private sector in seven African countries on SDGs 3 and 7 and is working on expanding to other countries and sectors.

"The private sector needs to create a link between SDGs and positive cash flow to build bankable projects."

—Mr. Naohiro Nishiguchi

Ms. Reyes shared the experience of Colombia with its national financial inclusion strategy, which focused on deepening financial inclusion in rural areas, promoting stronger use of financial services, financing schemes for SMEs and the development and implementation of a national financial and economic education strategy to promote financial literacy at different life stages. For the implementation of the strategy, Banca de las Oportunidades provided technical assistance, competitive grants, subsidies and co-funding, as well as specialised information through studies and regular reports. Furthermore, it offered financial literacy programmes, guarantees and other support for small entrepreneurs. Between 2012 and 2016, Banca de las Oportunidades established more than 200,000 additional access points such as ATMs, service points and agents. More than 70 per cent of the adult population has a savings account, though a gap persists between urban and rural access rates.

"Strengthening institutional arrangements, including regulation, is critical to advance financial inclusion."

—Ms. Nidia Reyes

Ms. Klapper pointed out that the discussion on financial inclusion should move beyond credit to include account ownership and opportunities to store money. In her response to the mandate from General Assembly resolution 70/189, she stated that account ownership rates had grown significantly in the last few years. However, important gaps remain, for example between men and women, young and old, as well as among poor people. Adequate policies and regulations, and additional progress in consumer protection would be critical to advance financial inclusion. Ms. Klapper also presented several country cases to illustrate the link between financial inclusion and the SDGs, for example SDG 1 (no poverty) and 5 (gender equality). Financial inclusion would further promote innovation and financial sustainability of SMEs, which

"Financial inclusion helps people to escape poverty and promotes innovation."

—Ms. Leora Klapper

would currently face a credit shortfall of about $2 trillion.

During the interactive discussion, speakers supported the proposal to strengthen the quality of investments, including long-term investment, and emphasized the need to prepare a pipeline of investment-ready projects. The demand for risk-sharing mechanisms for investments in sustainable development was reiterated. Some participants urged stakeholders to ensure that PPPs served public interests and called for open and transparent discussions of guidelines at the United Nations. Speakers welcomed the discussion on financial inclusion and stressed the need for consumer protection. In this context, one speaker flagged the high service fees charged by some mobile banking applications.

Round table C: Debt and systemic issues

Programme	
Chair	H.E. Mr. Nabeel Munir (Pakistan), Vice President of ECOSOC
Moderator	Mr. Siddharth Tiwari, Director, Strategy and Policy Review Department, IMF
Panellists	H.E. Mr. E. Angus Friday, Ambassador of Grenada to the United States
	Mr. Camillo von Müller, Economist, Federal Ministry of Finance, Germany
	Ms. Marilou Uy, Executive Director, International Group of 24 (G24) Secretariat
	Ms. Patricia Miranda, Senior Officer on Finance for Development, Latindadd-Fundación Jubileo, Bolivia

Background note

Borrowing, both by governments and private entities, is an important tool for financing investments in sustainable development. However, high debt burdens can impede growth, and debt has to be well managed in both public and private spheres. Managing sovereign debt and addressing debt crises when they occur has been on the Financing for Development Agenda since the 2002 Monterrey Consensus. In commitments and actions to address systemic issues, the Financing for Development outcomes seek to reduce risks and vulnerabilities in the international financial and monetary systems, aim to render those systems coherent and consistent with poverty reduction and environmental sustainability, and strengthen the voice and participation of developing countries in their governance.

This round table discussed the dangers that elevated debt and cross-border risks pose to sustainable development, and policy measures to address them, as well issues of global economic governance and ways to enhance policy coherence.

While the overall debt situation of developing countries is currently relatively benign, averages mask elevated risks in a number of countries. Declines in export revenue and widening fiscal deficits in the context of slow growth — and, in some cases, commodity price declines — have led to increases in external-debt-to-GDP ratios in LDCs and in SIDS, some of which have been caught in debt difficulties for many years. A rise in interest rates could exacerbate these problems going forward. This has brought new urgency to advancing the policy agenda on debt financing, debt relief, debt restructuring and sound debt management.

The focus to date has been on sovereign debt management, debt crisis prevention and on market-based solutions for sovereign debt restructuring, but concerns remain over the efficiency and equity of these solutions. One innovative instrument to manage debt burdens that has drawn renewed interest is state contingent lending. To anticipate shocks from natural disasters, Grenada's 2015 debt rescheduling agreement with the Paris Club and private creditors included a "hurricane clause", which seeks to provide debt relief in the aftermath of a natural disaster. The G20 International Financial Architecture Working Group has analysed the potential of GDP-linked bonds in particular, and the IATF has encouraged public creditors to increase the use of state-contingent instruments in their lending.

In the face of continuing large and volatile capital flows, the IATF also notes that greater international macroeconomic coordination, including cooperation between capital flow source and destination countries, can help reduce the impact of spillovers and financial flow volatility. A strengthened, more flexible and counter-cyclical global financial safety net with an adequately-resourced, quota-based IMF at its centre would further enhance resilience and ensure that no one is left behind. These calls were echoed in the April 2017 Communiqué of the G-24.

More broadly, governance of global systems should reflect changes in the global economy and be responsive to the risks faced in all parts of the world, including from climate change. Civil society organisations have long sought reforms to governance structures at all relevant regional and global organizations to further strengthen the voice of developing country governments in global governance, but also argue that citizens' voices also need strengthening. Peoples' movements have also focused on the need for policy coherence, to treat issues together and in an inter-linked way. For example, they demand that the impacts of private sector activities on climate change, human rights and women, among others, are carefully considered.

Guiding questions

- How can we ensure adequate balance of payments financing in times of crises? Is the global financial safety net fit for purpose?
- What are the priorities of Member States for more effective management and coordination of cross-border finance to mitigate the pro-cyclical behavior of international capital flows and reorient them towards long-term sustainable development investment?
- What are the opportunities and challenges of state-contingent debt instruments, including GDP-linked bonds, to promote debt sustainability?
- What are the concrete measures that should be taken to increase policy coherence both at the national level, as well as at the international level and among the global economic, financial, social and environmental systems?

Summary

Mr. Tiwari shared that the IMF was committed to improve the international financial architecture and the global financial safety net, with a strong quota-based IMF at the centre. On debt sustainability, the IMF was reviewing the debt sustainability framework with a focus on prevention. Mr. Tiwari stated that after consultations, the framework was close to completion and it would be necessary to encourage early engagement of debt creditors towards efficient and timely restructuring.

> **"Ex-post resolutions of debt crises require the right frameworks for creditor engagement."**
>
> —Mr. Siddharth Tiwari

H.E. Mr. Friday shared Grenada's experience on debt restructuring. He referred to the linkages between exposure to extreme events

and higher level of indebtedness especially in SIDS. Learning from the past, Grenada implemented a home-grown programme around fiscal and structural adjustments; and introduced a haircut on principle and interest payments as well as a hurricane clause, which ensured a pre-determined deferral in the case of a hurricane. The state-contingent debt instruments, e.g. GDP-linked bonds, could be effective as they would force creditors and debtors to place realistic bets on the economy.

> **"Economic growth is the best hedge against unsustainable debt."**
>
> —H.E. Mr. E. Angus Friday

Mr. Müller presented relevant G20 work on debt under the German G20 presidency. He was of the view that GDP-linked bonds had the potential to contribute to debt sustainability. They could generate fiscal space for issuers and reduce public debt services in difficult times. However, one should be aware that GDP-linked bonds can deliver very different results, depending on the design. For markets to accept the instrument, the availability of statistical data was a prerequisite. Further work was still needed.

> **"State-contingent debt instruments have the potential to contribute to debt sustainability."**
>
> —Mr. Camillo von Müller

Ms. Uy stressed that putting in the right mix of macroeconomic structural policies to manage global headwinds must be complemented by multilateral actions. She further recalled that the tightening of financial markets in the systemically important economies and the volatility of exchange rates could disrupt investment and growth. Therefore, better macroeconomic coordination was needed, where the IMF and G20 play important roles. The G24 called for comprehensive financial regulatory reforms and welcomed evaluation by the Financial Stability Board (FSB) on the unintended impacts of such regulatory reforms on incentives for long-term financing and financing for SMEs. Furthermore, the quest for financial stability must be complemented by financial inclusion.

> **"An adequate global financial safety net will reduce the need for self-insurance of countries."**
>
> —Ms. Marilou Uy

Ms. Miranda highlighted the changing composition of debt, including more issuers of sovereign bonds in international markets and escalating domestic debt. She made two recommendations. First, to address current external debt, the General Assembly resolution in reference to the Principles on Sovereign Debt Restructuring was a good start but Member States needed to go further. Second, to address new debt, it was important to take into account aggregate debt when assessing debt sustainability and to agree on a new debt ratio that shows debt service to fiscal revenue. The social impact of debt sustainability should also be assessed.

> **"Debt service capacities need to be considered when setting new debt ratios."**
>
> —Ms. Patricia Miranda

In the **interactive discussions**, several participants warned about the risks of increasing debt burdens for the public sector by PPPs. It was also stated that the promise of sound regulation of financial markets was not delivered. In response, panellists explained that progress was being made and further action was pending the evaluation conducted by the FSB in this regard. The importance of transparency on debt levels was also highlighted by several speakers.

Round table D: Trade, science, technology, innovation and capacity building

Programme	
Chair	H.E. Cristián Barros Melet (Chile), Vice President of ECOSOC
Moderator	Ms. Chantal Line Carpentier, Chief, UNCTAD New York Office
Panellists	Mr. Ratnakar Adhikari, Executive Director, Enhanced Integrated Framework, Nepal
	Mr. Mark Henderson, Directorate General for Trade, European Commission
	Ms. Sirimali Fernando, Chairperson, National Science Foundation, Sri Lanka
	Mr. Joon Kim, Head of Global Trade, BNY Mellon

Background note

As noted in the Addis Agenda, international trade is an engine for inclusive economic growth and poverty reduction, and with the appropriate supporting policies can contribute to sustainable development efforts. The international trading system is also a main conduit for the spread of science, technology and innovation, which are at the heart of economic, environmental and social development. Synergies between the two areas are essential for progress.

This round table discussed efforts to make international trade, science, technology and innovation contribute to achievement of the SDGs. It will pay special attention to measures that can help countries and people furthest behind to benefit from trade and technology.

The decades before the 2008 global financial and economic crisis saw significant expansion in world trade. More recently, however, trade growth has slowed significantly, while skepticism about whether trade benefits all has increased. It is important to recognize that trade has distributional effects. To contribute to the SDGs, trade must become more inclusive and beneficial to all, and create wealth and decent jobs, especially for the poor. Meanwhile there has been important progress in access to many technologies globally, however, access remains uneven within and between countries. These inequalities are particularly pronounced in the gender and rural-urban divides.

While developing countries have steadily increased their share of global exports, increased uncertainty in world trade disproportionately harms LDCs and small economies. Relatively richer countries have benefited the most from trade expansion, while vulnerable countries and countries in special situations lack the capacities or infrastructure needed to diversify their exports and industrialise effectively. The European Union (EU) has prioritised helping LDCs use trade to grow their economies, including through improving market access conditions and providing 100 per cent duty- and quota-free access to EU markets. Their experience can be useful to developed and developing countries alike that are considering granting more concessional market access.

To take best advantage of existing market access and potential future enhanced access, developing countries need support in building trade capacity, enhancing their infrastructure and improving their ability to benefit from trade opening opportunities. Aid-for-trade, which in 2015 was valued at $11.7 billion, is an important effort to provide such support. The Enhanced Integrated Framework (EIF) is the only global Aid for Trade programme dedicated to addressing the trade capacity needs of LDCs. Its joint work with LDC Governments helps provide analysis of the constraints to trade integration, and identify and fund potential institutional and capacity-building solutions. EIF can thus provide a first-hand assessment of how the changing global sentiments on trade may impact on LDCs and the potential course LDCs can chart to navigate these changes.

Knowledge and technology transfer from developed to developing countries is a necessary part of ensuring access to technology. Many technologies are initially developed in industrialized countries and then spread through different types of trade. At the national level, the impact of STI on sustainable development is closely linked to the quality of policy frameworks, innovation strategies and supporting infrastructure. The STI performance of a country, as well as the economic and social impact of STI, are affected by the quality and level of interactions and flows of knowledge between agents in the innovation system — such as firms, universities, research centres, public agencies and intermediate organizations. For instance, Sri Lanka developed a national STI strategy in 2011. It provides the framework for bringing all these actors together and guides enabling policy, regulatory and institutional reforms. After adoption of the 2030 Agenda, the country is adapting this STI strategy to focus on pragmatic research focussed on the SDGs and directing funding and effort towards innovations that can be commercialised and serve the needs of the people of Sri Lanka.

Guiding questions

- How can the international community ensure that trade growth is inclusive, and that bilateral and regional trade agreements, do not further exacerbate the marginalization of LDCs or small and vulnerable economies in world trade?
- What has been the progress and what are the remaining gaps in innovation and technological capabilities in developing countries?
- What are the experiences in mobilizing long-term capital required to finance innovation? What policies and regulatory environments have helped incentivise investment into R&D?

Summary

Ms. Carpentier set the stage by highlighting the importance of action areas D and G of the Addis Agenda for sustainable development and observed an ongoing decline in trade growth rates. Instead of focusing narrowly on trade rules, she suggested promoting capacity building for customs agencies, facilitating economic diversification, strengthening regional

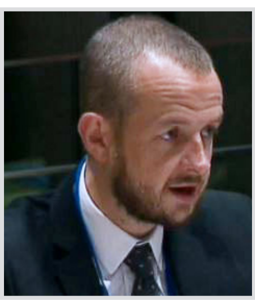
> **"Trade and technology are closely linked elements for the achievement of sustainable development."**
>
> —Ms. Chantal Line Carpentier

integration and supporting MSMEs. She also pointed to the growing digital divide, including the low participation of developing countries in e-commerce.

Mr. Adhikari presented the work of the Enhanced Integrated Framework, a dedicated programme for LDCs to assist them in harnessing the benefits of trade. Exports from LDCs remain at around 1 per cent of global trade, even though some positive trends have been observed for manufacturing exports. The main challenges for LDCs, especially those in the graduation process, would be the lack of adequate infrastructure, outdated technology, low productive capacities and insufficient trade financing. Mr. Adhikari argued that investments in Aid for Trade would have a high developmental impact. He also highlighted the importance of capacity building, especially for national project oversight and implementation. Finally, he called for support to the Technology Bank for LDCs.

"Poor infrastructure, outdated technology, limited access to finance for capital investments and low levels of productive capacities remain key challenges for developing countries to participate in international trade."

—Mr. Ratnakar Adhikari



Mr. Henderson emphasized that trade had a positive impact on developing countries. The EU provides support to initiatives such as Aid for Trade and Everything but Arms. Its Generalised Scheme of Preferences had resulted in export increases of 5 per cent from participating countries, while Everything but Arms had led to a 10 per cent increase in exports. Furthermore, the EU had 28 Economic Partnership Agreements in force and another 21 signed, which provided duty-free and quota-free market access and flexible rules of origin. The EU also adopted its trade strategy, which aimed to directly support the achievement of the SDGs. Mr. Henderson explained that the strategy would include clauses on labour rights, support the responsible conduct of business, provide better access to medicine and and promote gender equality. The EU would also aim to strengthen coherence of its trade policies with other aid activities through its new Consensus on Development.

"Economic Partnership Agreements have helped countries boost their exports and attract investments."

—Mr. Mark Henderson

Ms. Fernando highlighted that Sri Lanka's STI strategy focused on high-tech initiatives, techno-entrepreneurship and directed innovation to ensure contributions to economic, social and environmental development. She pointed out the need for public sector support and risk taking, including through PPPs, to ensure that innovations can reach the market stage. While research and development currently only contribute marginally to the Sri Lankan economy, some progress has been observed. For example, there has been a shift towards experimental development and research commercialisation. Also, private investment in research and development increased significantly. Sri Lanka still faces strong competition in accessing regional and international markets. High migration rates of skilled workers and risk-averse financing mechanisms pose constraints for the implementation of the STI strategy.

"It is vital to synergize, harmonize and coordinate public and private funding for science, technology and innovation."

—Ms. Sirimali Fernando

Mr. Kim elaborated on the trends, opportunities and challenges in trade finance in the last few years. These included changes to the regulatory landscape, especially anti-money

laundering and know your client rules, lack of standardization of jurisdictions, and technological changes. The raising of capital requirements in combination with increased regulatory costs would lead to some banks de-risking and reconsidering their activities in certain countries and regions. Banks generally would prefer large corporates and middle-market actors. Mr. Kim also elaborated on BNY Mellon's explorations of technological solutions to labour and paper intensive trade finance, for example through blockchain technology and artificial intelligence.

In the ensuing discussion, speakers emphasized the importance of inclusive trade and the link to sustainable development. Some speakers pointed to the implications of trade deficits for developing countries, especially LDCs in the process of graduation. Others raised the importance of ensuring that MSMEs could participate and benefit from global markets, since they were the biggest creators of employment. In the discussion on science, technology and innovation, speakers highlighted the vital role of human capacity building. The need for financing mechanisms for the early stages of the innovation process and SMEs was underscored. Furthermore, one speaker pointed out the need for impact assessments of technology to ensure its contribution to sustainable development.

> **"With collaborative efforts by all stakeholders, harmonisation of approaches and review of regulatory effectiveness, trade finance can effectively facilitate trade in a challenging environment."**
>
> —Mr. Joon Kim

XI. Expert discussions

Expert discussion 1: Promoting international cooperation to combat illicit financial flows in order to foster sustainable development

Programme	
Chair	H.E. Cristián Barros Melet (Chile), Vice President of ECOSOC
Moderator	Ms. Simone Monasebian, Director, United Nations Office on Drugs and Crime (UNODC), New York Office
Panellists	Mr. Eric C. Hylton, Executive Director, International Operations, Internal Revenue Service—Criminal Investigations, United States Mr. S.O. Olaniyan, Deputy Director, Ministry of Foreign Affairs, Nigeria Mr. Adam Elhiraika, Director, Macroeconomic Policy Division, Economic Commission for Africa (ECA) Mr. Alex Cobham, Director, Tax Justice Network

Background note

The Financing for Development outcomes stress the importance of domestic public resource mobilization for development (as discussed in Round table A). Increasing revenue mobilization ability is not enough if countries' resources are simultaneously drained as a result of illicit activity. The Addis Agenda and the 2030 Agenda call for the strengthening of the rule of law and combatting corruption at all levels, as well as the elimination of IFFs. The Addis Agenda also commits Member States to strive to eliminate safe havens that create incentives for IFFs and the transfer abroad of stolen assets, as well as calls for the development of good practices on asset return.

This round table built on the discussion on IFFs held during the special meeting of ECOSOC on international cooperation in tax matters, which was held on 7 April 2017. It focused on steps towards improving information about IFFs and using that information to effectively target compliance and enforcement action, as well as seizing and returning stolen assets.

A High Level Panel on Illicit Financial Flows from Africa was convened in 2012 in response to a mandate from the African Union/ Economic Commission of Africa Conference of Ministers of Finance, Planning and Economic Development. Its 2015 report estimated that Africa lost in excess of $50 billion annually from goods trade mis-invoicing between 2000 and 2008. The Addis Agenda noted that report and invited other regions to carry out similar exercises and suggested that appropriate international institutions and regional organisations should publish estimates of the volume and composition of IFFs. Since 2015, UN-ECA has convened a multi-stakeholder consortium to stem IFFs in Africa, to leverage partnerships and provide overall strategic direction to efforts to reduce IFFs from Africa, while also beginning a new series of research to estimate illicit outflows from Africa through other channels.

There is also a need to tackle IFFs through stronger enforcement of tax and crime issues. The most recent OECD Oslo Dialogue on Tax Crime in September 2015 promoted whole-of-government approaches to tackling financial crimes, encouraging inter-agency and international cooperation. The host of that dialogue, the Netherlands Tax and Customs Administration, has a well-developed national cooperation approach involving the police, public prosecutor's office, the financial intelligence unit, the financial regulatory agencies, the central bank and other agencies, which is complemented by international cooperation efforts.

Assets that stem from IFFs involving the proceeds of corruption are referred to as stolen assets. The return of stolen assets to their countries of origin is provided for under the United Nations Convention Against Corruption as a fundamental principle under international law. Since the 2002 Monterrey Consensus, progress has been made in all aspects of the process, including seizure, confiscation, management, return and disposal of stolen assets. Despite these efforts, only small amounts of resources have been returned to the countries of origin. The government of Nigeria has spent many years trying to recover billions of dollars that have been stolen by corrupt officials in connivance with corrupt businesses. They have called for greater accountability of both the officials and of the recipients of the stolen funds in other jurisdictions.

Civil society has been instrumental in bringing more attention on the issues of tax avoidance, tax evasion and IFFs. More than simply lobbying governments, NGOs have worked with the academic community to pioneer research on measuring different components of illicit finance, and to devise proposals for addressing the gap. The Tax Justice Network did much of the early work developing the proposal for country-by-country reporting for multinational enterprises, and continues to work with a broad array of civil society organisations on many of the potential policy reforms, such as information exchange and beneficial ownership transparency, which they consider essential to eliminating the safe havens that create the incentives for the transfer abroad of stolen assets and IFFs. They argue that ending the secrecy of jurisdictions, large and small, is critical to fairness in the international financial system.

Guiding questions

- What are the right policy measures at the national and international levels for attacking IFFs at different stages, including the source (where the money is earned), at the transfer (i.e. through trade, capital transactions, or transfer mis-pricing), or at the destination (where the money is used)?
- While there is no intergovernmentally agreed upon definition of IFFs, many international organization have initiated important initiatives to combat them. How can these efforts best work together to avoid duplication of efforts

keeping in mind the respective mandates of their organizations?

Summary

Ms. Monasebian highlighted that the curbing of IFFs was an integral part of the Financing for Development Agenda, as emphasized in the outcome document of the 2017 FfD forum. There was a need to better use existing normative frameworks and conventions, including the United Nations Convention Against Corruption (UNCAC) to deal with IFFs and stolen asset recovery. UNODC was advancing the discussion by developing the methodology on monitoring IFFs in the context of the SDG indicator framework.

> **"While asset recovery and return play an important role, so can efforts to prevent the loss of valuable financial means."**
>
> —Ms. Simone Monasebian

Mr. Hylton highlighted that the US Treasury had increased its criminal enforcement on tax evasion resulting in the seizure of many assets. While more needed to be done, recent years had seen an unprecedented increase in international cooperation on tax issues, including through the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes and the Platform for Collaboration on Tax. Whole-of-government approaches remained crucial at the national level to reduce tax evasion, while, internationally, countries should work together to create more effective global law enforcement networks.

> **"This is the era of global financial transparency."**
>
> —Mr. Eric C. Hylton

Mr. Olaniyan noted that IFFs were the results of immoral practices and impunity. Criminal activities, commercial tax evasion, and corruption were the three major reasons for IFFs with commercial tax evasion representing the bulk of these flows. Reversing this trend could generate desperately needed domestic revenues to implement the 2030 Agenda. Nigeria had introduced a variety of measures to reduce corruption and curb IFFs, including through the introductions of a single treasury account policy. However, more concerted international efforts were crucial, including through enhanced exchanges of information and stronger cooperation on asset recovery and return.

> **"Our efforts to curb illicit financial flows would be incomplete if they are not linked to the recovery and return of illicit assets, funds and materials stashed abroad back to their country of origin for developmental purposes."**
>
> —Mr. S.O. Olaniyan

Mr. Elhiraika underscored that the High Level Panel on Illicit Financial Flows from Africa had found that Africa loses $80 billion a year due to trade mispricing (65 per cent), criminal activities (30 per cent), and corruption (5 per cent). ECA and the African Union had formed a consortium to work with external stakeholders to help African countries curb IFFs through advocacy work, the strengthening of customs and tax databases, the establishment of financial intelligence units, peer reviews, the introduction of observatories, and research on IFFs. Capacity building was particularly critical for African governments, including in the area of tackling challenges related to trade mis-invoicing and trade mispricing.

> **"Track it. Stop it. Get it."**
>
> —Mr. Adam Elhiraika

Mr. Cobham expressed his belief that the international discussions did not reflect the scale of the problems. So far, greater international cooperation on tax matters and curbing IFFs had mostly benefited developed economies and exacerbated the tax gaps between LDCs and higher income countries. The central driver of IFFs was not corruption in poor countries but rather financial secrecy in the major financial centres of the world, as well as opaque corporate accounting and the existence of anonymous shell companies. The speaker also expressed his concern over corporate lobbying to remove multinational tax avoidance from IFFs estimates, including in SDG 16.4. Looking ahead, there was a need for greater availability and exchange of beneficial ownership information and enhanced public country-by-country reporting on IFFs.

"Avoidance is central to the definition of illicit financial flows."

—Mr. Alex Cobham

During the **interactive dialogue,** speakers emphasized that the recent General Assembly resolution 71/213 on "Promoting international cooperation to combat illicit financial flows in order to foster sustainable development" was an important first step to initiate intergovernmental discussions on IFFs at the United Nations. Some speakers called for the establishment of an intergovernmental body to deal with IFFs. Participants also pointed to the need to prevent a race to the bottom, as developing countries competed for the business of multinational corporations through tax incentives. Regional commissions like ECA could take on a critical role in counteracting this trend. Participants highlighted the need for a better understanding on the compositions of IFFs. Speakers also stressed the need to step up capacity building efforts through greater cooperation among enforcing agencies in developed and developing countries.

Expert discussion 2: The specific challenges to financing sustainable development for countries in special situations

Programme	
Chair	H.E. Cristián Barros Melet (Chile), Vice President of ECOSOC
Moderator	Mr. Magdy Martínez-Solimán, Assistant Administrator and Director, Bureau for Policy and Programme Support, UNDP
Panellists	H.E. Mr. Tevita Lavemaau, Minister of Finance and National Planning, Tonga Mr. Nim Dorji, Finance Secretary, Ministry of Finance, Bhutan Ms. Margarida Rose da Silva Izata, Director of Multilateral Affairs, Ministry of External Relations, Angola Mr. William Jose Calvo Calvo, Deputy Chief Negotiator for Climate Change and Sustainable Development Official, Costa Rica

Background note

The Addis Agenda emphasizes the need to address the needs and challenges faced by countries in special situations, in particular African countries, LDCs, LLDCs, and SIDS, as well as the specific challenges facing middle-income countries (MICs). It commits the international community to support these countries and the implementation of relevant strategies and programmes of action.

This round table discussed challenges that such countries face and measures by the international community that could help overcome them – focusing in particular on investment promotion, ensuring access to finance when countries graduate, and structural constraints to domestic resource mobilization.

LDCs face a number of obstacles that limit their ability to benefit from greater investment, including poor physical infrastructure, limited links between formal and informal sectors, and limited capacities. LDCs themselves have made efforts to attract more investment, including foreign direct investment (FDI), by improving the investment climate, strengthening investment promotion and facilitation, fiscal incentives, special economic zones, and special investment promotion agencies, amongst other measures. For example, the Zambia Development Agency acts as a "one stop shop" to offer both local and foreign investors fast registration services, and provide fiscal and non-fiscal incentives for investments in priority sectors.

The 2017 report of the IATF underlines the importance of aligning investment promotion with all dimensions of sustainable development, and of carefully designing any incentives. Investment policy should be embedded in a broader industrial and sustainable development strategy so that investment contributes to achieving the SDGs. Bhutan's FDI policy is embedded in its long-term development vision of maximizing Gross National Happiness.

The Addis Agenda also recognizes the specific development needs of MICs. As more developing countries pass per-capita-income thresholds, their access to external (both concessional and non-concessional) public finance tends to decrease faster than can be compensated by increasing tax revenues or access to affordable market-based finance. Yet, countries often continue to face significant development challenges, including high rates of poverty and inequality, and to be subject to a range of risks and vulnerabilities. Many countries have called for broadening eligibility criteria for concessional financing to move beyond income, and thus more accurately reflect risks and vulnerabilities.

Such vulnerabilities are pertinent in SIDS, which face a number of common development financing challenges due to their small size, remoteness, and vulnerability to external and environmental shocks. With limited capacity to mobilize public resources domestically, some of them remain dependent on international support. Similarly, the high transport and trade transaction costs – due to their geographical remoteness and isolation from major world markets – hamper LLDCs development efforts, and call for enhanced support, in particular in the areas of infrastructure and trade.

Guiding questions

- What actions can be taken to strengthen investment promotion regimes in countries with special needs, especially the LDCs?
- What needs to be done to effectively implement the call in the Addis Agenda to develop graduation policies that are sequenced, phased and gradual, and help ensure that countries have access to sufficient affordable finance after graduation?
- What international support measures can be taken to help SIDs and LLDCs address their respective structural constraints in mobilizing more domestic resources for sustainable development?

Summary

Mr. Martínez-Solimán highlighted the three aspects relevant to the discussion: (i) strengthening private investment in countries in special situations; (ii) ensuring that graduation processes are smooth and with access to finance with terms and conditions that are appropriate to the needs of countries in special situations; and (iii) supporting countries with structural constraints to mobilize domestic resources for sustainable development. He noted the importance of concessional finance in countries with the least capacity to mobilize development financing. Before handing the floor to the panellists, the moderator outlined some of the work undertaken by UNDP in supporting countries in special situations. In particular, UNDP was supporting the graduation process including planning for various financing scenarios, identifying financing requirements, and supporting South-South knowledge sharing for those that have recently been through the graduation process. He also noted the work UNDP is doing with the WBG and the Asian Development Bank on how vulnerability measures could be used to determine eligibility for

> **"Supporting counties in special situations is at the core of what we do at UNDP and furthermore at the UNDG."**
>
> —Mr. Magdy Martinez-Soliman

concessional finance. Finally, he recalled examples of practical assistance including tax audit support, through the Tax Inspectors Without Borders initiative, to help countries in special situations mobilize more domestic resources for development.

H.E. Mr. Lavemaau highlighted the considerable structural constraints faced by SIDS. Small and dispersed populations made revenue collection and service delivery expensive. At the same time, SIDS remained particularly vulnerable to climate change. To increase domestic revenue, Tonga had promoted good governance and introduced taxes on goods with negative externalities, including tobacco, fatty foods and sugary drinks. He stressed that domestic actions needed to be supported by an enabling international environment. Specifically, there was a need for capacity building support to strengthen tax administration and policies, upgrade customs and revenue administration, as well promote more effective public financial management. While South-South cooperation was crucial, the donor community should deliver on ODA commitments and ensure greater access to concessional finance for SIDS.

> **"There is no question that the international financial architecture can be strengthened and made more responsive to the special sustainable development challenges of SIDS."**
>
> —H.E. Mr Tevita Lavemaau

Mr. Dorji stressed that Bhutan faced particular challenges as it was both an LDC and an LLDC. Challenges included low productivity, reliance on a few commodities, high rates of youth unemployment, as well as increasing risks from climate change and natural disasters. In this context, Bhutan had a strong focus on stability, the rule of law, increased institutional capacities, gross national happiness and cultural protection. The speaker highlighted the potential for greenfield FDI to bring about transformative changes. However, the total share of FDI to LDCs remained low and was concentrated in just a few countries. While Bhutan had put in place domestic policies to attract investment, including through fiscal incentives, more support was needed at the international level, in particular through the establishment of a global investment promotion regime. In the region, he noted that it would help to bring together investment promotion agencies for the sharing of experiences to work toward promoting investment within the region. The speaker stressed the need to broaden eligibility criteria for accessing concessional finance, as well as duty-free, quota-free access and increasing Aid for Trade. On graduation, Mr. Dorji noted that the process required a greater level of confidence and predictability. Particularly with access to funding after graduation, the successes of graduating could not be sustained if financing from development partners was phased out, and access to funding from MDBs was also subject to different lending criteria. Therefore, there was a need to look at the criteria for graduation and ensure a smooth transition. He called for a United Nations institutional approach to supporting LDCs in the graduation process.

> **"In the SDG era, the international community must continue to keep the focus and attention on LDCs."**
>
> —Mr. Nim Dorji

Ms. da Silva Izata discussed that Angola was in the process of transitioning from an LDC to a MIC. International public finance plays an important role in complementing the efforts of countries to mobilize public resources domestically. ODA could help increase resource mobilization, support tax collection, strengthen enabling environments and build essential public services. It was paramount to enhance and revitalize partnerships to strengthen international cooperation. The Global Environment Fund was an important platform to deal with environmental concerns. Grants and concessional resources should be provided to support environmental projects in developing countries. The commitments made regarding the Technology Facilitation Mechanism should also be met to improve coordination, coherence and cooperation on science, technology and innovation and to strengthen capacities. Support for the Technology Bank for LDCs was essential. International trade should benefit developing countries as an engine for inclusive economic growth and therefore, the share of LDC exports globally should increase. While all ongoing market access initiatives were welcome, she called for a revision to the EU's Everything but Arms scheme, to ensure that all LDCs could benefit from the initiative. Moving forward, Angola would aim to strengthen its economic diversification through a ten-step roadmap to address economic vulnerabilities. Angola was in the process of developing a zero-draft on lessons learned on the on-going process of graduation through a sectoral approach. In July 2017, a national consultation will bring together the private sector, civil society and academia to hear views on the draft and provide an opportunity for all to contribute to the graduation process.

"The graduation process should not jeopardize our development."

—Ms. Margarida Rose de Silva Izata

Mr. Calvo Calvo highlighted the perspective of MICs and focused his intervention on the graduation issue. He noted that the term "MIC" was problematic as it was a title given by the WBG for lending purposes, but did not account for the diversity or differences between MICs. He underscored the need for a multi-dimensional measure of development beyond per capita income and called for further clarity from the United Nations on how it can better support the varying needs of MICs. To this end, Mr. Calvo Calvo called for the development of United Nations system-wide guidelines to support MICs in the implementation of the Addis Agenda and the 2030 Agenda. Three considerations should be taken into account in the development of such guidelines: (i) the recognition of the vulnerabilities of MICs and the risks and shocks that they face; (ii) economic performance; and (iii) the level of achievement of internationally agreed goals. He noted that the criteria of graduation should be modified to the wide variety of MICs and to ensure continuity in the development process.

"The diverse and specific needs of middle income countries should be properly considered and addressed in a tailored fashion."

—Mr. William Jose Calvo Calvo

During the **interactive discussion**, participants highlighted the challenges facing LLDCs, including broadening the tax base, enhancing productive capacities, technical support to ICT, accountability, policy-making and technology transfer toward building an enabling environment for private sector growth. Capacity building to access financing was also called for. Participants called on governments to meet their ODA commitments. The special needs of MICs were also emphasized, with some Member States supporting the call for multi-dimensional measures of development. Representative of LDCs raised concern over the lack of emphasis on climate change and climate finance for LDCs and the pursuit of the Paris Agreement. Meaningful market access opportunities, adequate policy flexibility to pursue development goals, and enhanced international community support for trade capacity building were also discussed. The alignment of the EU's Everything but Arms initiative with development assistance programmes was mentioned as central to the EU's Aid for Trade strategy.

XII. Stakeholder dialogue

Programme	
Chair	H.E. Mr. Frederick Musiiwa Makamure Shava (Zimbabwe), President of ECOSOC
Moderator	Mr. Alexander Trepelkov, Director, Financing for Development Office, UN-DESA
Panellists	Mr. Stefano Prato, Managing Director, Society for International Development
	Ms. Emilia Reyes, Programme Director, Equidad de Genero
	Ms. Hui Chan, Vice President, Corporate Sustainability, Citigroup
	Mr. Wild Ndipo, Mayor of Blantyre, Malawi
	Mr. Daviz Simango, Mayor of Beira, Mozambique

Guiding questions:

- What actions have non-institutional stakeholders taken to promote the implementation of the Addis Agenda at the local, national and international levels?
- Where do these stakeholders see gaps in the implementation of the Addis Agenda and what are their recommendations for corrective actions?
- How can the Global Partnership for Sustainable Development better draw on the respective strengths of different stakeholders, including civil society, the business sector and local authorities?

Summary

Mr. Trepelkov began the dialogue by outlining the importance of the

multi-stakeholder approach of the FfD follow-up process. Civil society, the business sector and local authorities have all engaged throughout the FfD process since Monterrey and will remain critical in the implementation of the Addis Agenda and other FfD outcomes. The moderator also introduced the stakeholder workstreams by the FfDO launched last year. The workstreams were an opportunity for stakeholder-driven, substantive and sustainable engagement of the non-institutional stakeholders in the FfD follow-up process in the run-up to the FfD forum. The workstreams

"One of the key features of the FfD follow-process is its multi-stakeholder approach."

—Mr. Alexander Trepelkov

include "Exploring Public-Private Interfaces" with civil society,

"SDG Investing" with the business sector, and "Strengthening Municipal Finance in LDCs" with local authorities. The last workstream was carried out in collaboration with the UNCDF and had resulted in a joint publication.

Mr. Prato outlined the civil society workstream on "Exploring public-private interfaces," which was derived from civil society concerns regarding the overreliance on the private sector in the implementation of the public development agenda. The workstream focuses on the intersections where the public and private sectors interface, where the private sector is sought to support the provision of public goods, beyond the traditional form of PPPs. The project has resulted in an initial concept paper based on the outcome of two expert group meetings. Next steps include an in-depth research initiative, including a workshop and survey. The CSO FfD Group would then report on progress at the 2018 FfD forum.

"We need to ensure that we protect public policy space from conflicts of interest."

—Mr. Stefano Prato

Ms. Reyes noted that the Addis Agenda was the only document which had references to inequalities in an operational manner and highlighted the importance of addressing gender in a cross-cutting way. Her intervention focused on structural transformations that arise through the pursuit of gender equality. She noted that long-term structural issues should be addressed and proposed and that the IATF report should include a comprehensive mapping of policy interventions on how to mainstream women's rights in the FfD Agenda.

"Women's human rights should not be commodified."

—Ms. Emilia Reyes

Ms. Chan, an active participant in the "SDG Investing" workstream, highlighted how innovative financing structures can enable the achievement of sustainable objectives. She noted that in order to meet the financing needs of the SDGs, further attention to risk mitigation and commercial viability of projects would be necessary. Blended finance was a method to crowd in private investment, but the private sector should be engaged early and upfront in structuring deals.

"Commercial viability is key to scaling SDG finance."

—Ms. Hui Chan

Mr. Ndipo called for local governments to be included as partners in developing urban and regional strategies for infrastructure investment. He noted that the economic performance of states were dependent on the economic success of cities. Therefore, there was an underpinning need to foster a movement of financial decentralization for return on investment at the local level and to mobilize indigenous resources at the local level. He concluded by calling for sound legal frameworks, sufficient resources and technical capacities to fulfil local potential.

"There is an urgent need to empower local governments as a strategic partner in policy design."

—Mr. Wild Ndipo

Mr. Simango highlighted that national governments should take into account local realities and the impacts of their decisions on

territories. Localities needed further access to resources and technical capacities. While global savings were abundant, they often did not reach the territories where the resources were most needed. Guarantee systems, banking and access to resources were necessary at the local level. Cities must also be able to borrow and improve their credit, and development finance institutions and MDBs should have a role to play in supporting this access. To this end, cities should also receive adaptation and mitigation funds. Cities are the engine of development and they should be included as decision makers in investment strategies. Local and regional governments should be empowered to plan beyond the short term. During the **interactive dialogue**, further discussion on how to harness the potential of localities to address inequalities through risk mitigation and blended finance was encouraged. Civil society made a number of recommendations including calling for a dedicated session on financing gender equality, women's empowerment and women's human rights during the 2018 FfD forum. They also called for increased reference to youth issues in the outcome, and noted a number of areas where the outcome of the FfD forum could be strengthened, including the balanced reference to all three pillars of sustainable development. Other civil society representatives noted that a disproportionate amount of time had been spent on discussing PPPs and blended finance. It was noted that PPPs only make risk more opaque in support of shadow banking practices and therefore, prudence should be used in the application of PPPs.

"We, local governments, are the game changers to achieve the SDGs."

—Mr. Daviz Simango

XIII. Outcomes of the fora mandated by the Addis Ababa Action Agenda and updates on key voluntary initiatives launched at the Third International Conference on Financing for Development

Programme	
Chair	H.E. Mr. Frederick Musiiwa Makamure Shava (Zimbabwe), President of ECOSOC
Moderator	Mr. Alexander Trepelkov, Director, Financing for Development Office, UN-DESA
Panellists	*2nd Global Infrastructure Forum*
	Ms. Carlota Cenalmor, Acting Representative, European Investment Bank Mr. Luis Miguel Castilla, Manager of the Office of Strategic Planning and Development Effectiveness, Inter-American Development Bank (IADB)
	2nd Multi-stakeholder forum on science, technology and innovation
	Mr. Shantanu Mukherjee, Chief, Policy and Analysis Branch, Division for Sustainable Development, UN-DESA
	2016 Development Cooperation Forum
	H.E. Mr. Frederick Musiiwa Makamure Shava (Zimbabwe), President of ECOSOC

Guiding questions:

- What progress has been made in the work of the fora mandated by the Addis Agenda? What are the lessons learned and what are possible areas of improvement?

- How can the fora mandated by the Addis Agenda and other voluntary commitments and initiatives best promote the implementation of the Addis Agenda in the coming years?
- How can initiatives launched in support of the Addis Agenda best complement each other's objectives? How can synergies be promoted in their implementation?

Summary

Mr. Trepelkov began the dialogue by highlighting the important contributions that the other fora mandated in the Addis Agenda made to the achievement of the SDGs and their means of implementation. The moderator welcomed representatives from the Global Infrastructure Forum, the Development Cooperation Forum and the Multi-stakeholder Forum on Science, Technology and Innovation, and invited them to share the key messages and outcomes from these processes. He also encouraged participants to provide updates on the voluntary initiatives launched at the Third International Conference on Financing for Development.

Mr. Castilla highlighted six lessons from the 2017 Global Infrastructure Forum on "Delivering inclusive and sustainable infrastructure": (i) there is broad agreement that while there are plenty of resources, the gap between projects and investors must be bridged; (ii) good project preparation in the early stages of the project is critical to success; (iii) adaptability is an increasingly important aspect of successful infrastructure projects; (iv) governments' willingness to demonstrate long-term engagement is essential since stability and predictability are paramount in crowding-in capital; (v) LDCs face the greatest challenges, but also present the best opportunities; and (vi) diversity can lead to better policy outcomes. He also recalled three areas of work for MDBs moving forward as noted in the meeting's outcome: (i) strengthening the investment capacity, policy and governance frameworks; (ii) enhancing private financing through developing an enabling environment; and (iii) expanding the catalytic role of the MDBs.

"Stability and predictability are paramount in crowding in capital."

—Mr. Luis Miguel Castilla

Ms. Cenalmor underscored that the spirit of partnership and collaboration was central to the success of the Global Infrastructure Forum. She focused her intervention on steps taken since last year, including an increased number of joint initiatives. The important role of the private sector was also recognized and included in the MDBs' agendas. The participation of national development banks in the Forum was a significant step forward from last year. Discussions at the Global Infrastructure Forum demonstrated the commitment of MDBs to collaboration on sustainable infrastructure with all players. The outcome statement set the priorities for the immediate future and beyond to 2030 and included an overview of progress made since last year's Forum. It also included a list of initiatives from the MDBs. The 2018 Global Infrastructure Forum will be hosted by the Asian Development Bank in Bali, Indonesia at the margins of the IMF/WBG annual meetings in October 2018.

"Participation of national development banks is crucial."

—Ms. Carlota Cenalmor

The President of ECOSOC reported on the outcome of the 2016 Development Cooperation Forum (DCF). He outlined four sets of concrete recommendations which arose from the 2016 DCF: (i) development cooperation should continue its distinct role in supporting the poorest and most vulnerable countries and people; (ii) the DCF should advance learning on how to strengthen incentives for the private sector to stretch beyond social responsibility and rethink its approach to sustainable value creation; (iii) the potential of South-South cooperation should be fully tapped to reduce asymmetries of access to sustainable development opportunities and respond to local demands; and (iv) the need to improve multi-layered monitoring and review for effective development cooperation to achieve sustainable development should be addressed. He encouraged participants to stay engaged in the ongoing work of the DCF.

"Urgency, results and putting into our daily practice, a transformative focus on results for sustainable development. These are the key messages coming to us all from the Development Cooperation Forum."

—President of ECOSOC

Mr. Mukherjee provided an overview of the 2nd annual STI forum. He outlined five takeaways: (i) given the cross-cutting nature of STI on all the goals, the STI forum can be a good place to discuss the pursuit of an integrated agenda; (ii) multistakeholder approaches are essential to realize the goals of using STI to achieve the SDGs; (iii) the STI forum can allow the United Nations system to engage directly with a broad range of partners, but should also play a convening role to harness dynamism across different fora; (iv) STI advances should be bolstered to ensure that rapid developments do not build further divides between communities; and (v) innovators are developing significant initiatives to support SDG implementation in people's everyday lives.

"The cross-cutting nature of STI reflects itself powerfully in the holistic nature of the SDG agenda."

—Mr. Shantanu Mukherjee

During the **interactive dialogue**, updates on the Addis Tax Initiative were provided. The initiative aimed to double technical cooperation on taxation by 2020. To date, 19 providing countries and 19 partner countries had joined. The first progress report on the initiative would be launched in June 2017. A conference would be held on 14–16 June 2017 in Berlin and would be structured around doubling support for domestic resource mobilization and ensuring policy coherence for development. Updates on the Global Partnership for Effective Development Cooperation (GPEDC) were also provided. The second meeting on the GPEDC had taken place in Nairobi, Kenya at the end of 2016 resulting in the Nairobi Outcome. To date, 161 countries and 56 organizations had joined the partnership.

Australia also provided progress updates on a number of voluntary initiatives it had undertaken since the Addis Ababa Conference, with a focus on mobilizing the private sector. In addition to establishing an innovative exchange with the private sector to develop new partnerships, initiatives focused on social entrepreneurship, impact investing, improving business regulatory environments, bridging the gap between SMEs and funding opportunities and investing in women.

XIV. Closing of the ECOSOC forum on financing for development follow-up

The FfD Forum adopted its procedural report (E/FFDF/2017/3), which contained the intergovernmentally agreed conclusions and recommendations and aspects of the organizational arrangements of the Forum (see Annex IV).

In his closing remarks (Annex VI), the President of ECOSOC congratulated the co-facilitators, H.E. Mr. Marc Pecsteen de Buytswerve, Permanent Representative of Belgium to the United Nations, and H.E. Mr. Jerry Matthews Matjila, Permanent Representative of the Republic of South Africa to the United Nations, for their skilful and able leadership throughout the negotiation process, which led to a successful consensus outcome document. He further noted the fruitful debates during the interactive dialogue with major institutional stakeholders, which featured important discussions on fostering policy coherence in the implementation of the Addis Agenda, and addressing inequalities and inclusive growth. He underscored that the ministerial round tables, a 2017 Forum innovation, were a useful tool to share national experiences and encouraged countries to utilize the FfD process throughout the year to continue these constructive dialogues in support of the implementation of the Addis Agenda. He lauded the concrete policy proposals discussed during the expert segment on all action areas of the Addis Agenda, including on important cross-cutting issues. Finally, the President of ECOSOC thanked all participants, including Member States, international organizations, civil society, the business sector, local authorities and other stakeholders for their active engagement throughout the Forum. He called for the full and timely implementation of the Addis Agenda, to fully achieve the potential of the SDGs.

Annexes

Annex I. Programme of the 2017 ECOSOC forum on financing for development follow-up

Economic and Social Council Forum on Financing for Development follow-up (Trusteeship Council Chamber, 22-25 May 2017)

Programme

The ECOSOC Forum on Financing for Development follow-up (FfD Forum) was established in accordance with the 2015 Addis Ababa Action Agenda (Addis Agenda), in recognition of the need for a dedicated follow-up and review of the financing for development (FfD) outcomes as well as the means of implementation (MoIs) of the 2030 Agenda for Sustainable Development (2030 Agenda). The FfD Forum is held annually at the United Nations Headquarters in New York with universal intergovernmental participation. The FfD Forum assesses progress, identifies obstacles and challenges to the implementation of the FfD outcomes and the delivery of the MoIs of the Sustainable Development Goals. It also promotes the sharing of lessons learned from experiences at the national and regional levels, addresses new and emerging topics of relevance and provides policy recommendations for action by the international community. It results in intergovernmentally agreed conclusions and recommendations that are transmitted to the High-Level Political Forum on Sustainable Development.

Ministerial Segment

22 May 2017

Special High-level Meeting with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development

As mandated by the Addis Agenda, the FfD Forum includes a one-day Special High-level Meeting with the Bretton Woods institutions, WTO and UNCTAD. The Special High-level Meeting provides an opportunity for respective institutions to share information on their key policy processes and decisions so as to improve mutual understanding of respective priorities and keep the follow-up to the FfD outcomes coordinated and coherent.

10:00 – 10:45 a.m. ***Opening of the meeting***

- **H.E. Mr. Frederick Musiiwa Makamure Shava** (Zimbabwe), President of the Economic and Social Council (ECOSOC)
- Opening address by **Ms. Amina J. Mohammed**, Deputy Secretary-General of the United Nations (video message)
- **Ms. Christine Lagarde**, Managing Director, International Monetary Fund (IMF) (*video message)*

- **Mr. Mahmoud Mohieldin**, Senior Vice President for the 2030 Agenda, United Nations Relations and Partnerships, World Bank Group (WBG)
- **Mr. Yonov Frederick Agah**, Deputy Director-General, World Trade Organisation (WTO)

10:45 – 11:15 a.m. ***Statements by* intergovernmental representatives**

- **H.E. Mr. Christopher Onyanga Aparr** (Uganda), President, Trade and Development Board, United Nations Conference on Trade and Development (UNCTAD)
- **Ms. Yvonne Tsikata**, Development Committee Executive Secretary, and Vice President and Corporate Secretary, WBG
- **Ms. Patricia Alonso-Gamo**, Deputy Secretary of the International Monetary and Financial Committee (IMFC)

11:15 a.m. – 12:00 p.m. **Keynote presentations**

- **Mr. Wu Hongbo**, Under-Secretary-General for Economic and Social Affairs, and Chair of the Inter-agency Task Force (IATF) on Financing for Development (*launch of the IATF Report*)
- **Mr. Mukhisa Kituyi**, Secretary-General, UNCTAD (*video message)*
- **Mr. Tegegnework Gettu,** Acting Administrator, United Nations Development Programme (UNDP)
- **Ms. Shamshad Akhtar**, Executive Secretary, United Nations Economic and Social Commission for Asia and Pacific (*on behalf of five regional commissions*)

12:00 – 1:00 p.m. ***General Debate***

Statements by ministers

1:00 – 3:00 p.m. Luncheon hosted by the President of ECOSOC (by invitation)

3:00 – 6:00 p.m. ***Interactive dialogue with intergovernmental bodies of major institutional stakeholders***

The interactive dialogue, as part of the Special High-level Meeting, engages United Nations Ambassadors and Executive Directors of the Bretton Woods institutions and representatives of WTO and UNCTAD intergovernmental bodies in a focused discussion on the coherence, coordination and cooperation in the follow-up to the FfD outcomes as well as a systemically important theme selected jointly by the institutions involved. The 2017 dialogue will pay particular attention to the issue of inequality, among others.

3:00 – 3:20 p.m. ***Opening remarks:***

- **H.E. Mr. Frederick Musiiwa Makamure Shava** (Zimbabwe), President of ECOSOC
- **Mr. Hervé De Villeroche,** Co-Dean of the Board of Executive Directors, WBG

- **Mr. Hazem Beblawi**, Executive Director, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Maldives, Oman, Qatar, Syria, United Arab Emirates, and Yemen, IMF
- **H.E. Mr. Christopher Onyanga Aparr**, President, Trade and Development Board, UNCTAD

Moderator:

- **Ms. Sara Eisen,** Correspondent, CNBC

3:20 – 4:35 p.m. ***Segment 1: Fostering policy coherence in the implementation of the Addis Ababa Action Agenda***

Remarks by lead discussants (20 minutes):

- **Mr. Frank Heemskerk**, Executive Director, Cyprus, Israel, and Netherlands, WBG
- **Mr. Daouda Sembene,** Chair, Executive Board Committee for Liaison with the World Bank, the United Nations and other International Organizations, IMF
- **H.E. Mr. Nabeel Munir** (Pakistan), Vice President of ECOSOC

Interactive discussions (55 minutes)

Guiding questions:

1. *The major institutional stakeholders have further aligned their work with the 2030 Agenda and the Addis Agenda. Which areas have yielded the most tangible results, particularly as a result of greater coherence across the stakeholders?*
2. *Where should priority action areas be in the year to come, so as to deliver greater progress in areas where data challenges and institutional differences may have slowed progress?*
3. *What can be done by intergovernmental bodies of these institutions to sustain the momentum to implement the Addis Agenda?*

4:35 – 5:50 p.m. ***Segment 2: Inequalities and inclusive growth***

Remarks by lead discussants (20 minutes):

- **Ms. Patience Bongiwe Kunene**, Executive Director, Angola, Nigeria, and South Africa, WBG
- **Ms. Nancy Gail Horsman**, Executive Director, Antigua and Barbuda, The Bahamas, Barbados, Belize, Canada, Dominica, Grenada, Ireland, Jamaica, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines, IMF
- **Mr. Masaaki Kaizuka**, Executive Director, Japan, IMF
- **H.E. Mr. Juergen Schulz** (Germany), Vice President of ECOSOC

Interactive discussions (55 minutes)

Guiding questions:

1. *What are the domestic and international drivers of inequality and growth that is not inclusive?*
2. *The major institutional stakeholders have an important role to play in advising and supporting*

countries as they work to reduce inequality and promote inclusive growth. Can policies be designed in a way to be conducive to growth, poverty alleviation, and lessening inequality at the same time?

3. *What measures can be taken to boost both productivity and workers' economic opportunities? How can fiscal policies be more effective in mitigating growth-inequity trade-offs?*

5:50 – 6:00 p.m. ***Closing remarks:***

- **H.E. Mr. Frederick Musiiwa Makamure Shava** (Zimbabwe) President of ECOSOC

23 May 2017

Ministerial Round Tables on *"Steps taken towards implementation of commitments contained in the Addis Agenda and other FfD outcomes."*

The ministerial round tables will be guided by paragraph 131 of General Assembly resolution 69/313 on the "Addis Ababa Action Agenda of the Third International Conference on Financing for Development", which states that the FfD follow-up process should promote the sharing of lessons learned from experiences at the national and regional levels. Each round table would bring together a balanced mix of ministers from developed and developing countries, one high-level representative from an international financial institution or an intergovernmental organization, and, time-permitting, high-level representatives from civil society and the private sector.

Chair:

- **H.E. Mr. Frederick Musiiwa Makamure Shava** (Zimbabwe), President of ECOSOC

10:00 – 11:30 a.m. ***Ministerial Round Table 1***

Moderator:

- **Mr. Tao Zhang,** Deputy Managing Director, IMF

Panellists:

- **H.E. Ms. Isabel de Saint Malo de Alvarado,** Vice President of the Republic of Panama and Minister of Foreign Relations, Panama
- **H.E. Mr. Neven Mimica,** Commissioner for International Cooperation and Development, European Commission
- **H.E. Mr. Admasu Nebebe,** State Minister, Ministry of Finance and Economic Cooperation, Ethiopia
- **H.E. Ms. Karen Singson,** Chief of Staff and Undersecretary for Privatization and Office of Special Concerns, Department of Finance, Philippines
- **Mr. Dmitry Pankin,** Head, Eurasian Development Bank

Lead Discussant:

- **Mr. Saqib Rashid,** Principal, The Abraaj Group

11:30 a.m. – 1:00 p.m. ***Ministerial Round Table 2***

Moderator:

- **Mr. Mahmoud Mohieldin,** Senior Vice President for the 2030 Agenda, United Nations Relations and Partnerships, WBG

Panellists:

- **H.E. Mr. Nabindra Raj Joshi,** Minister of Industry, Nepal
- **H.E. Mr. Tevita Lavemaau**, Minister of Finance and National Planning, Tonga
- **H.E. Mr. Väino Reinart,** Undersecretary of Economic and Development Affairs, Ministry of Foreign Affairs, Estonia
- **H.E. Mr. Agustín García-López,** Head, Mexican Agency for International Development Cooperation (AMEXCID), Mexico

Lead Discussant:

- **Mr. Mpho Khunou,** Mayor of Rustenberg, National Chair of South African Local Governments Association (SALGA)

1:00 – 3:00 p.m. Lunch break

3:00 – 4:30 p.m. ***Ministerial Round Table 3***

Moderator:

- **Mr. Yonov Frederick Agah,** Deputy Director-General, WTO

Panellists:

- **H.E. Mr. Miguel Angel Estuardo Moir Sandoval,** Secretary of Planning, Guatemala
- **H.E. Dr. Teuea Toatu,** Minister for Finance and Economic Development, Kiribati
- **H.E. Mr. Modeste Randrianarivony,** Permanent Secretary of the Ministry of Foreign Affairs, Madagascar
- **H.E. Ms. Carola Iniguez Zambrano,** Undersecretary of International Organizations, Ministry of Foreign Affairs, Ecuador
- **Ms. Inger Buxton,** Deputy Head, Global Agenda Department, Swedish Ministry of Foreign Affairs, Sweden

Lead Discussant:

- **Mr. Fanwell Kenala Bokosi,** Executive Director, AFRODAD

4:30 – 8:00 p.m. [1] ***General debate***

- Presentation and adoption of the intergovernmentally agreed conclusions and recommendations
- Statements by ministers and high-level officials

[1] General debate will be extended beyond 6 p.m. if required by the list of speakers.

Guiding questions:

1. *What steps have been taken at national level as well as by international financial institutions towards the implementation of commitments contained in the Addis Agenda and other FfD outcomes?*
2. *What obstacles and challenges have been encountered in the implementation of the financing for development outcomes and the delivery of the means of implementation?*
3. *How can the Forum best promote the sharing of lessons learned from experiences at the national and regional levels?*

Expert Segment

24 May 2017

10:00 – 11:30 a.m. ***Panel discussion***

2017 report of the Inter-agency Task Force on Financing for Development (IATF)

The panel discussion will present and discuss findings from the 2017 IATF report, focusing in particular on the introductory chapter, the global context and the thematic chapter.

Chair:

- **H.E. Ms. Marie Chatardova** (Czech Republic), Vice President of ECOSOC

Opening remarks:

- **Mr. Alex Trepelkov**, Director, Financing for Development Office, UN-DESA

Moderator:

- **Ms. Shari Spiegel**, Chief, Policy Analysis and Development Branch, Financing for Development Office, UN-DESA

Panellists:

- **Mr. Yonov Frederick Agah**, Deputy Director-General, WTO
- **Mr. Siddarth Tiwari**, Director, Strategy Policy and Review Department, IMF
- **Mr. Richard Kozul-Wright**, Director, Division on Globalization and Development Strategies, UNCTAD
- **Mr. Pedro Conceição**, Director, Bureau for Policy and Programme Support, UNDP
- **Mr. David Kuijper,** Advisor, Financing for Development, WBG

Thematic Round Tables

Each round table would cover one or two Action Areas of the Addis Agenda and discuss: (i) progress and gaps in the implementation of financing for development outcomes; (ii) policy *recommendations for corrective actions; as well as (iii) new challenges and emerging issues. Round tables would bring together two expert-level officials from Member States, 1-2 experts from an international financial institution or an intergovernmental organization (including the OECD and other organizations that are not part of the UN system), and representatives from civil society and/or the private sector. Presentations will be followed by an interactive dialogue.*

11:30 a.m. – 1:00 p.m. ***Round Table A:***
"Domestic and international public resources" (Action areas A and C)

Chair:

- **H.E. Ms. Marie Chatardova** (Czech Republic), Vice President of ECOSOC

Moderator:

- **Ms. Pooja Rangaprasad**, Policy Coordinator, Financial Transparency Coalition

Panellists:

- **Mr. Darrell Bradley**, Mayor of Belize City
- **Ms. Elfrieda Steward Tamba**, Commissioner General, Liberia Revenue Authority
- **Mr. Philippe Orliange**, Director, Agence Française de Développement
- **Mr. Jorge Moreira da Silva**, Director, Development Co-operation Directorate, Organisation for Economic Co-operation and Development (OECD)

Guiding questions:

1. *What are effective public financing policies and tools at the local, national and international levels, and how can they best complement each other?*
2. *What is the role of development banks in providing international public finance for sustainable development investments at the global level, including their providers' efforts to blend public with private finance? What is the recipient countries' experience with such instruments?*
3. *How can we ensure that ODA commitments toward long-term sustainable development in the most vulnerable countries are met in the face of urgent geopolitical challenges? How can the impact of ODA be maximized in support of sustainable development?*

1:00 – 3:00 p.m. Lunch break

3:00 – 4:30 p.m. ***Round Table B:***
"Domestic and international private business and finance" (Action area B)

Chair:

- **H.E. Mr. Nabeel Munir** (Pakistan), Vice President of ECOSOC

Moderator:

- **Ms. Preeti Sinha**, Senior President, YES Institute

Panellists:

- **H.E. Mr. Courtenay Rattray**, Permanent Representative of Jamaica to the United Nations
- **Mr. Hervé Duteil,** Managing Director, Head of Corporate Social Responsibility & Sustainable Finance, Americas, BNP Paribas
- **Mr. Naohiro Nishiguchi**, Executive Managing Director, Japan Innovation Network
- **Ms. Nidia Reyes**, Chief, Competitive Intelligence, Banca de las Oportunidades, Colombia
- **Ms. Leora Klapper**, Lead Economist, Development Research Group, WBG

Guiding questions:

1. *What are effective policy measures in promoting access to and usage of essential financial services to the unbanked? What are the key obstacles to better financing of SMEs? What innovative financing approaches are being proposed?* [2]
2. *How can governments, international finance institutions and business best work together to create incentives for increased investments in infrastructure? What reforms can be set in place to encourage long-term lending by institutional investors and banks?*
3. *What can governments do to support the development of responsible investment practices aligned with the SDG financing needs? What policies can enable responsible investment and corporate sustainability to flourish?*

4:30 – 6:00 p.m. ***Round Table C:***

"Debt and systemic issues" (Action areas E and F)

Chair:

- **H.E. Mr. Nabeel Munir** (Pakistan), Vice President of ECOSOC

Moderator:

- **Mr. Siddharth Tiwari**, Director, Strategy and Policy Review Department, IMF

Panellists:

- **H.E. Mr. E. Angus Friday**, Ambassador of Grenada to the United States
- **Mr. Camillo von Müller**, Economist, Federal Ministry of Finance, Germany
- **Ms. Marilou Uy**, Executive Director, International Group of 24 (G24) Secretariat
- **Ms. Patricia Miranda**, Senior Officer on Finance for Development, Latindadd-Fundación Jubileo, Bolivia

Guiding questions:

1. *How can we ensure adequate balance of payments financing in times of crises?*

[2] Mandated by GA resolution 70/189 on "Financial inclusion for sustainable development".

2. *What are the priorities of Member States for more effective management and coordination of cross-border finance to mitigate the pro-cyclical behavior of international capital flows and reorient them towards long-term sustainable development investment?*
3. *What are the opportunities and challenges of state-contingent debt instruments, including GDP-linked bonds, to promote debt sustainability?*

25 May 2017

9:30 – 11:00 a.m. ***Round Table D:***

"Trade, science, technology, innovation and capacity-building" (Action areas D and G)

Chair:

- **H.E. Cristián Barros Melet** (Chile), Vice President of ECOSOC

Moderator:

- **Ms. Chantal Line Carpentier**, Chief, UNCTAD New York Office

Panellists:

- **Mr. Ratnakar Adhikari**, Executive Director, Enhanced Integrated Framework, Nepal
- **Mr. Mark Henderson**, Directorate General for Trade, European Commission
- **Ms. Sirimali Fernando**, Chairperson, National Science Foundation, Sri Lanka
- **Mr. Joon Kim**, Head of Global Trade, BNY Mellon

Guiding questions*:*

1. *How can the international community ensure that trade growth is inclusive, and that bilateral and regional trade agreements, do not further exacerbate the marginalization of LDCs or small and vulnerable economies in world trade?*
2. *What has been the progress and what are the remaining gaps in innovation and technological capabilities in developing countries?*
3. *What are the experiences in mobilizing long-term capital required to finance innovation? What policies and regulatory environments have helped incentivise investment into R&D?*

Expert Discussions

Recent General Assembly resolutions provided further guidance on the thematic focus of the FfD Forum, including financial inclusion, illicit financial follows, international financial system and development, external debt sustainability and countries in special situations. In response, two expert discussions will focus on those particular issues that are not already fully covered in the Round Tables. In this context, the first expert discussion is held in response to General Assembly resolution 71/213 on "Promotion of international cooperation to combat illicit financial flows in order to foster sustainable development", in which Member States decided to give appropriate consideration to this issue in the follow-up and review process to the Addis Abba Action Agenda. The second expert discussion is held in response to General Assembly resolution 71/238 on "Follow-up to the Fourth United Nations Conference on the Least Developed Countries" and will *pay particular attention to "adopting and implementing investment promotion regimes for the least developed countries". It also responds to the request of the Chair of AOSIS in a letter dated 28 December 2016 to the President of ECOSOC. The format of the expert discussions will follow the modalities of the Round Tables.*

11:00 a.m. – 12:00 p.m. ***Expert discussion 1:***

"Promoting international cooperation to combat illicit financial flows in order to foster sustainable development"

Chair:

- **H.E. Cristián Barros Melet** (Chile), Vice President of ECOSOC

Moderator:

- **Ms. Simone Monasebian**, Director, United Nations Office on Drugs and Crime (UNODC), New York Office

Panellists:

- **Mr. Eric C. Hylton,** Executive Director, International Operations, Internal Revenue Service — Criminal Investigations, United States
- **Mr. S.O. Olaniyan**, Deputy Director, Ministry of Foreign Affairs, Nigeria
- **Mr. Adam Elhiraika**, Director, Macroeconomic Policy Division, Economic Commission for Africa (ECA)
- **Mr. Alex Cobham**, Director, Tax Justice Network

Guiding questions:

1. *What are the right policy measures at the national and international levels for attacking illicit financial flows (IFFs) at different stages, including the source (where the money is earned), at the transfer (i.e. through trade, capital transactions, or transfer mis-pricing), or at the destination (where the money is used)?*
2. *While there is no intergovernmentally agreed upon definition of IFFs, many international organizations have initiated important initiatives to combat them. How can these efforts best work together to avoid duplication of efforts keeping in mind the respective mandates of their organizations?*

12:00 – 1:00 p.m. ***Expert discussion 2:***

"The specific challenges to finance sustainable development for countries in special situations"

Chair:

- **H.E. Cristián Barros Melet** (Chile), Vice President of ECOSOC

Moderator:

- **Mr. Magdy Martínez-Solimán**, Assistant Administrator and Director, Bureau for Policy and Programme Support, UNDP

Panellists:

- **H.E. Mr. Tevita Lavemaau**, Minister of Finance and National Planning, Tonga

- **Mr. Nim Dorji**, Finance Secretary, Ministry of Finance, Bhutan
- **Ms. Margarida Rose da Silva Izata**, Director of Multilateral Affairs, Ministry of External Relations, Angola
- **Mr. William Jose Calvo Calvo**, Deputy Chief Negotiator for Climate Change and Sustainable Development Official, Costa Rica

Guiding questions:

1. *What actions can be taken to strengthen investment promotion regimes in countries with special needs, especially the Least Developed Countries?*
2. *What needs to be done to effectively implement the call in the Addis Agenda to develop graduation policies that are sequenced, phased and gradual, and help ensure that countries have access to sufficient affordable finance after graduation?*
3. *What international support measures can be taken to help Small Island Developing States (SIDs) and Landlocked Developing Countries (LLDCs) address their respective structural constraints in mobilizing more domestic resources for sustainable development?*

1:00 – 3:00 p.m. Lunch break

3:00 – 4:30 p.m. ***Stakeholder Dialogue***

In addition to stakeholder participation throughout the Forum, this interactive dialogue will provide space, within the Forum's formal programme, for non-institutional stakeholders, such as civil society, the business sector and local authorities to interact directly with Member States to discuss progress made on commitments contained in the Addis Agenda and to highlight the ways in which non-institutional stakeholders are supporting the implementation of the Addis Agenda.

Chair:

- **H.E. Mr. Frederick Musiiwa Makamure Shava** (Zimbabwe), President of ECOSOC

Moderator:

- **Mr. Alexander Trepelkov**, Director, Financing for Development Office, UN-DESA

Panellists:

- **Mr. Stefano Prato**, Managing Director, Society for International Development
- **Ms. Emilia Reyes**, Programme Director, Equidad de Genero
- **Ms. Hui Chan**, Vice President, Corporate Sustainability, Citigroup
- **Mr. Wild Ndipo**, Mayor of Blantyre, Malawi
- **Mr. Daviz Simango**, Mayor of Beira, Mozambique

Guiding questions:

1. *What actions have non-institutional stakeholders taken to promote the implementation of the Addis Agenda at the local, national and international levels?*
2. *Where do these stakeholders see gaps in the implementation of the Addis Agenda and what are their recommendations for corrective actions?*

3. *How can the Global Partnership for Sustainable Development better draw on the respective strengths of different stakeholders, including civil society, the business sector and local authorities?*

4:30 – 5:45 p.m. ***Outcomes of the fora mandated by the Addis Agenda and updates on key voluntary initiatives launched at the Third International Conference on Financing for Development***

This session will provide an opportunity for Member States to hear progress reports from intergovernmentally mandated fora of the Financing for Development process.

The discussion will also provide for an interactive dialogue during which Member States and other relevant stakeholders are encouraged to report on the status of implementation of other voluntary initiatives on financing for development, in particular those that were announced on the margins of the Third International Conference on Financing for Development Conference.

Chair:

- **H.E. Mr. Frederick Musiiwa Makamure Shava** (Zimbabwe), President of ECOSOC

Moderator:

- **Mr. Alexander Trepelkov**, Director, Financing for Development Office, UN-DESA

Panellists:

2nd Global Infrastructure Forum

- **Ms. Carlota Cenalmor**, Acting Representative, European Investment Bank
- **Mr. Luis Miguel Castilla,** Manager of the Office of Strategic Planning and Development Effectiveness, Inter-American Development Bank (IADB)

2nd Multi-stakeholder forum on science, technology and innovation (STI Forum)

- **Mr. Shantanu Mukherjee,** Chief, Policy and Analysis Branch, Division for Sustainable Development, UN-DESA

2016 Development Cooperation Forum

- **H.E. Mr. Frederick Musiiwa Makamure Shava** (Zimbabwe), President of ECOSOC

Guiding questions:

1. *What progress has been made in the work of the fora mandated by the Addis Agenda? What are the lessons learned and what are possible areas of improvement?*
2. *How can the fora mandated by the Addis Agenda and other voluntary commitments and initiatives best promote the implementation of the Addis Agenda in the coming years?*
3. *How can initiatives launched in support of the Addis Agenda best complement each other's objectives? How can synergies be promoted in their implementation?*

5:45 – 6:00 p.m. ***Closing of the meeting***

- Adoption of the procedural report of the FfD Forum
- Closing remarks by **H.E. Mr. Frederick Musiiwa Makamure Shava** (Zimbabwe), President of ECOSOC

Annex II. Opening remarks by the President of ECOSOC

Opening remarks
H.E. Mr. Frederick Musiiwa Makamure Shava
President of ECOSOC
ECOSOC Forum on Financing for Development follow-up
(New York, 22 May 2017)

Deputy Secretary-General,

Honorable Ministers,

Distinguished Delegates,

Ladies and Gentlemen,

It is my honour to welcome you to the second ECOSOC Forum on Financing for Development follow-up.

I welcome the many Ministers, Vice-ministers and high-level officials, heads of institutions, and the representatives of civil society, the business sector and other stakeholders here today. I also thank the Deputy Secretary-General for sending a video message to the Forum.

Almost two years ago, in July 2015, Heads of State and Government adopted the Addis Ababa Action Agenda and, with it, a comprehensive financing framework to support the achievement of the Sustainable Development Goals by 2030. As we meet today, the world is facing a host of economic, social, environmental and humanitarian challenges. Many of those challenges have global repercussions and cannot be addressed by any one actor alone.

Realizing the SDGs in this difficult environment makes the full and timely implementation of the Addis Ababa Action Agenda more important than ever. The eyes of the world are upon us and peoples and stakeholders everywhere have high expectations from this gathering. In this context, the Forum comes at a crucial juncture in time and has no option but to deliver and live up to expectations.

As the primary platform for policy dialogue on financing for development follow-up, the Forum brings together all relevant stakeholders to assess progress, identify obstacles and challenges to the implementation of the FfD outcomes and the delivery of the means of implementation for the SDGs.

It also provides a platform for concrete action. Its intergovernmentally agreed conclusions and recommendations include a wide range of policy measures and actions that can change the trajectory of the global economy and support countries toward achieving the SDGs. The outcome document makes it clear that a steadfast commitment to multilateral cooperation for sustainable development is as crucial as ever.

As we embark on our ambitious programme of work over the next four days, we must galvanize further momentum for implementing our transformative vision for sustainable development.

Today, we will begin our discussions in the context of the Special High-level Meeting with the Bretton Woods institutions, WTO and UNCTAD. The Special High-level Meeting holds historic significance. Since the adoption of the Monterrey Consensus in 2002, it has served as a focal point for major institutional stakeholders to interact with Member States on financing for development. As such, it provides us with an invaluable opportunity to promote coherence, coordination and cooperation in our common efforts to implement the Addis Ababa Action Agenda and other financing for development outcomes.

The strong representation of major institutional stakeholders today is a testimony of the robust relationship that we have built over the years through this platform. This morning, representatives of these stakeholders will share with us their achievements and plans of action in implementing the Financing for Development outcomes and the means of implementation of the 2030 Agenda.

This afternoon, we will engage with our counterparts from Washington D.C. and Geneva through an interactive dialogue. Let me take this opportunity to add my special welcome to the President of the Trade and Development Board of UNCTAD, as well as Executive Directors of the World Bank Group and the IMF.

Tomorrow we will hold ministerial round tables on "Steps taken towards implementation of commitments contained in the Addis Agenda and other FfD outcomes." These round tables have attracted great interest from Member States and other relevant stakeholders. They will be instrumental in sharing lessons learned from experiences at the country levels in mobilizing resources for sustainable development, from both public and private sources at the national and international levels.

Looking forward, I believe such discussions hold great potential in promoting an ongoing dialogue among countries on how to respond to the call in the Addis Ababa Action Agenda to implement "cohesive nationally owned sustainable development strategies, supported by integrated national financing frameworks".

The last two days of the Forum provide us with an opportunity to delve deeper into the seven action areas of the Addis Agenda, by assessing progress, identifying obstacles and discussing corrective actions, while also addressing new and emerging topics.

Towards that objective, we have attempted to bring a balanced mix of expertise and perspectives to these round tables. Policy makers and practitioners will share their successes and challenges in mobilizing finance and other means of implementation from all sources and at all levels. They will also address the need for a more enabling environment.

The rich findings of the first substantive report of the Inter-agency Task Force on Financing for Development will provide important guidance to the discussions.

I also look forward to our stakeholder dialogue on Thursday, as well as our final session, which will hear progress reports from mandated and voluntary fora related to the Financing for Development process.

Excellencies,

Ladies and Gentlemen,

In concluding, allow me to congratulate the two co-facilitators I appointed, my dear colleagues, Ambassador Marc Pecsteen of Belgium and Ambassador Jerry Matthews Matjila of South Africa, on their impressive efforts to reach consensus on the intergovernmentally agreed conclusions and recommendations of the Forum which will be adopted tomorrow.

I wish to commend their dedication and skilful stewardship, which has brought the process to a successful conclusion. As mandated in the Addis Agenda, the outcome of this Forum will be fed into the High-level Political Forum on Sustainable Development.

Let me also thank the Secretary-General and in particular the Department of Economic and Social Affairs for their outstanding support throughout this process.

As you can see, we have a rich programme in front of us. I urge you to remain fully engaged until the very last day. It is our moral duty to use this opportunity wisely in order to advance the world toward achieving the SDGs and to ensure that promises made are promises kept.

I wish you fruitful deliberations!

Annex III. Opening address by the Deputy Secretary-General

(Transcribed from video)

Your Excellency Mr. Frederick Musiiwa Makamure Shava, President of the Economic and Social Council

Excellencies, Ladies and Gentlemen,

I am really pleased to send my greetings to this important forum. The Addis Ababa Action Agenda, the 2030 Sustainable Development Agenda, and the Paris Agreement on Climate Change have given us a roadmap to a better future for all. We need to follow the path laid out to avert the risks to sustainable development presented by slow growth, proliferating conflicts, climate change, food insecurity, water scarcity and widening inequalities.

Key elements of the roadmap will come under scrutiny at this forum, including the need for additional long-term, high-quality investment to stimulate sustainable, low-carbon growth and urgent measures to improve the well-being of the poor and vulnerable.

It is imperative that we leave no one behind. This forum is an opportunity to reaffirm collective commitment and responsibility to multilateral and national action for sustainable development. This is the best prevention mechanism to avert any more crises. It is important that we follow through on the commitments with concrete action on the ground.

The Addis Ababa Action Agenda calls for integrated national financing frameworks to complement national sustainable development strategies. Some countries have already started formulating such frameworks. Today, I encourage you to share your experiences with others throughout the week, and I urge all countries to seek out and forge meaningful partnerships.

Implementing the 2030 Agenda requires a true global partnership for sustainable development. It must be grounded in the values of equity, solidarity and human rights. Developed countries need to deliver on both ODA and climate finance commitments and the countries of the global south need to expand an already fruitful path of south-south and triangular cooperation.

For its own part, the United Nations system is committed to improving coherence and effectiveness at country level to support every Member State.

I wish you a productive forum.

Thank you.

Annex IV. Intergovernmentally agreed conclusions and recommendations of the ECOSOC forum on financing for development follow-up

Follow-up and review of the financing for development outcomes and the means of implementation of the 2030 Agenda for Sustainable Development

1. We, ministers and high representatives, met in New York at United Nations Headquarters from 22 to 25 May 2017 for the second Economic and Social Council forum on financing for development follow-up. We reaffirm our strong commitment to the full and timely implementation of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, which builds on the 2002 Monterrey Consensus and the 2008 Doha Declaration on Financing for Development. To this end, we assessed progress and identified obstacles and challenges to the implementation of the Addis Ababa Action Agenda. We reiterate our goal to end poverty and hunger, and to achieve sustainable development in its three dimensions through promoting inclusive economic growth, protecting the environment, and promoting social inclusion. We affirm the importance of preserving the planet for our children and future generations, including by addressing climate change. We recall that the Addis Ababa Action Agenda provides a global framework for financing sustainable development and is an integral part of the 2030 Agenda for Sustainable Development, supports and complements it and helps to contextualize its means of implementation targets with concrete policies and actions. In this regard, we reaffirm the importance of policy coherence for sustainable development at all levels.
2. We express concern about the significant impacts of the challenging global environment in 2016 on national efforts to implement the Addis Ababa Action Agenda. Challenges include not only economic factors, such as difficult macroeconomic conditions, low commodity prices, subdued trade growth and volatile capital flows. They also include natural disasters, climate change, environmental degradation, humanitarian crises and conflicts. The current global trajectory will not deliver the goal of eradicating poverty in all its forms and dimensions by 2030. In order to reverse this trend, we will take concrete and immediate action to create the necessary enabling environment at all levels for the achievement of the 2030 Agenda for Sustainable Development and accelerate national and international efforts to implement the Addis Ababa Action Agenda. We devote ourselves collectively to the pursuit of global development and of "win-win" cooperation, which can bring huge gains to all countries and all parts of the world. We encourage accelerating national efforts and strengthening international cooperation that supports policies and programmes to increase public and private, domestic and international investment in sustainable development

and generates full and productive employment and decent work for all. We take note with appreciation of the first substantive report of the Inter-Agency Task Force on Financing for Development and note that progress can be reported in all seven action areas of the Addis Ababa Action Agenda while acknowledging that many implementation gaps remain.

3. We recommit to ensuring that no country or person is left behind and to focusing our efforts where the challenges are greatest, including by ensuring the inclusion and participation of those who are furthest behind. We reaffirm the importance of addressing the diverse needs and challenges faced by countries in special situations, in particular African countries, least developed countries, landlocked developing countries and small-island developing States, countries in conflict and post-conflict situations, as well as the specific challenges faced by middle-income countries. In this regard, we commit to supporting the implementation of the relevant programmes of action as an integral part of the implementation of the 2030 Agenda for Sustainable Development.

4. We reiterate that the 2030 Agenda for Sustainable Development and the Sustainable Development Goals and targets, including the means of implementation, are universal, indivisible and interlinked. We look forward to the United Nations Conference to Support the Implementation of Sustainable Development Goal 14: conserve and sustainably use the oceans, seas and marine resources for sustainable development to be held from 5 to 9 June 2017 in New York, in accordance with General Assembly resolutions 70/226 and 70/303.

Cross-cutting issues

5. We reaffirm that achieving gender equality, empowering all women and girls, and the full realization of their human rights are essential to achieving sustained, inclusive and equitable economic growth and sustainable development. We underline that globally, gross domestic product (GDP) could increase significantly if every country achieved gender equality and increased participation of women in the formal labour force, as well as in leadership and decision-making positions. We take note of the first reports of the High-level Panel on Women's Economic Empowerment, which outline the transformative impact of unlocking the potential of women and girls to participate in the economy and achieve financial independence on meeting the 2030 Agenda for Sustainable Development. We recognize that the economic and social losses due to a lack of progress in achieving gender equality and women's and girls' empowerment are significant. It is therefore critical that our policies and actions are not just gender-responsive but actively seek to advance the goal of gender equality and women's and girls' empowerment. We welcome efforts to design and implement gender-responsive budgets at the national and local level and recognize the contribution of such budgets to transparency and equal participation in revenue and expenditure decisions. We will continue to pursue policies, including enforceable legislation and transformative actions that seek to achieve gender equality and women's and girls' empowerment. We encourage institutions, both domestic and international, including development banks, which influence infrastructure investment choices, to better consider the impact of their policies and investments on gender equality and the empowerment of women and girls.

6. We reaffirm that investment into quality, reliable, sustainable and resilient infrastructure including for renewable energy, connectivity, transportation, water and sanitation, as well as information and communications technologies is a core component for achieving the Sustainable Development Goals. As overall investment growth has been slow over recent years, we recognize that additional public and private investment and financing will be required to meet the large investment needs associated with the Sustainable Development

Goals, particularly in infrastructure in developing countries, and especially in African countries, least developed countries, landlocked developing countries and small island developing States, and take note in this regard of the role of the International Development Finance Club. We recognize the important roles of national, regional and multilateral development banks in channelling long-term development finance to infrastructure in developing countries, especially in African countries, least developed countries, landlocked developing countries and small island developing States. We welcome the holding of the second Global Infrastructure Forum on 22 April 2017. We take note of its outcome and invite the forum to give due priority to transit and transport development. We encourage multilateral development banks and development finance institutions to use their capital in a catalytic way to mobilize greater volumes of private sector finance alongside them and recognize the potential of modalities such as appropriately designed risk-sharing instruments, including co-investments, blended finance, public-private partnerships, and guarantees, as well as innovative mechanisms. We reaffirm that such modalities should share risks and rewards fairly, include clear accountability mechanisms and meet social and environmental standards. We encourage all stakeholders to foster and develop bankable and implementable infrastructure projects in developing countries including through capacity-building. We stress the critical importance of industrial development for developing countries, as a critical source of economic growth, economic diversification, and value addition, as a means to achieve structural and economic transformation in developing countries. We will support increased efforts, consistent with relevant international rules and obligations, to invest in promoting inclusive and sustainable industrial development to effectively address major challenges, such as sustainable growth and jobs creation, resources and energy efficiency, pollution and climate change, knowledge-sharing, innovation and social inclusion. In this regard, we also welcome the relevant cooperation within the United Nations system, including the United Nations Industrial Development Organization and other ongoing initiatives.

7. We recognize that increased long-term oriented investments need to be complemented by measures to assist the poor and vulnerable people. We emphasize the importance of ensuring that social protection systems and measures for all, including floors, are consistent with national development strategies, and are well designed, efficiently operated, responsive to shocks, and sustainable in the long term. We will expand peer learning and experience-sharing among countries and regions in finding the right financing mixes that match countries' respective needs, capacities and national circumstances and encourage support for capacity-building to help countries, according to their needs, to design and implement nationally appropriate social protection systems and measures consistent with national development strategies. We recognize that effective health, education, energy, water and sanitation systems can contribute directly to poverty eradication, sustained and inclusive economic growth and stability and that efficient and effective investment is needed in these areas, consistent with national sustainable development strategies, including to improve the quality of and access to education and thereby enable millions of people to acquire skills for decent work. We invite the Inter-Agency Task Force, within its mandate and existing resources and as part of its 2018 report, in consultation with the Social Protection Inter-Agency Cooperation Board, to prepare an inventory of domestic and international financial instruments and funding modalities, and existing quick-disbursing international facilities and the requirements for accessing them, to be discussed at the 2018 session of the Economic and Social Council forum on financing for development follow-up.

8. We recall the entry into force of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change, and appreciate the steps taken by parties to the

agreement towards its implementation. We also appreciate actions taken to address climate change by parties to the Convention. We call for mobilizing further action and support for climate change mitigation and adaptation, taking into account the specific needs and special circumstances of developing countries, especially those particularly vulnerable to the adverse effects of climate change.

Domestic public resources

9. For all countries, public policies and the mobilization and effective use of domestic resources, underscored by the principle of national ownership, are central to our common pursuit of sustainable development, including achieving the Sustainable Development Goals. We recognize that domestic resources are first and foremost generated by economic growth, supported by an enabling environment at all levels. We also recognize the challenges associated with a narrow tax base and low tax-to-GDP ratio experienced by some developing countries due to a small and underdeveloped private sector. We note that tax administration and public financial management capacities have improved in many countries, and note that there is strengthened awareness of the link between taxation, expenditure, public resource management, accountability, and anti-corruption efforts. We will pursue whole-of-government approaches that emphasize the development of medium-term revenue strategies and stronger enforcement. We encourage strengthened efforts to promote the transition from informal to formal employment and increasing taxpayer registration in line with country circumstances, as a means to generate domestic resources, promote decent work for all, particularly youth and women, and create a virtuous cycle of sustainable and inclusive productive growth. We will also make greater use of tools to assess tax policy and administration capacity in our efforts to develop appropriate strategies to strengthen our tax systems. We encourage national governments to develop integrated national financing frameworks that take into consideration all financing sources to support cohesive nationally owned sustainable development strategies. We reaffirm that every State has and shall freely exercise full permanent sovereignty over all its wealth, natural resources and economic activity. We recognize the importance of better disaggregation of budget and expenditure data at the national and subnational levels, including by sex, to improve tracking of spending related to the Sustainable Development Goals and efforts to improve gender equality, accountability and transparency, with increased capacity-building for countries that need assistance, particularly African countries, least developed countries, landlocked developing countries and small island developing States. We welcome the important contribution that peer learning and regional cooperation through regional tax authorities continues to make in building capacity in tax matters. We welcome the establishment of the joint International Monetary Fund/Organization for Economic Cooperation and Development/United Nations/World Bank Group inter-agency Platform for Collaboration on Tax and look forward to the first global conference of the Platform on “Taxation and the Sustainable Development Goals”, to be held at United Nations Headquarters from 14 to 16 February 2018, within existing resources. We encourage countries to increase external support to build capacity in the area of tax matters, including through official development assistance (ODA), as called for in the Addis Ababa Action Agenda. In this regard, we also take note of the Addis Tax Initiative, the joint Organization for Economic Cooperation and Development/United Nations Development Programme initiative, “Tax Inspectors Without Borders”, and the Organization for Economic Cooperation and Development Forum on Tax Administration capacity-building network.

10. We emphasize the need for international cooperation in tax matters. We welcome the work of the United Nations Committee of Experts on International Cooperation in Tax Matters. We invite Member States to continue to support the Committee and its subsidiary bodies through the voluntary trust fund, to enable the Committee to fulfil its mandate, including supporting the increased participation of developing country experts at subcommittee meetings. We encourage the Secretary-General to conduct timely and transparent consultations with Member States on the appointment of the new membership of the Committee in order to reflect an adequate equitable geographical distribution, representing different tax systems. In this regard, we invite the Secretary-General to seek more nominations by governments of developing countries for the Committee. We note the conclusion of the term of the current membership of the Committee in June 2017, and we note with appreciation its work in the United Nations Model Double Taxation Convention between Developed and Developing Countries, the United Nations Practical Manual on Transfer Pricing for Developing Countries and the United Nations Code of Conduct on Cooperation in Combating International Tax Evasion adopted by the Economic and Social Council. We welcome the progress made in the inclusive framework on implementation of the Base Erosion and Profit Shifting and in the Global Forum on Transparency and Exchange of Information for Tax Purposes in addressing tax avoidance and evasion and encourage countries to join these initiatives. We also call for greater international cooperation to combat illicit financial flows and pledge to deter, detect, prevent and counter corruption, and increase transparency and promote good governance for our citizens, which contribute to fostering sustainable development. We take note of the report of the High-level Panel on Illicit Financial Flows from Africa. We encourage countries to work on the strengthening of existing institutions and enforcement of law in both source and destination countries. We recognize that data and estimation can be helpful in designing policies and interventions to tackle this issue. We encourage States to strengthen international cooperation on the recovery and return of stolen assets in line with their obligations under domestic and international law including the United Nations Convention against Corruption, where applicable, and recognize that asset return is a priority. We will support continued exchanges on the development of good practices on asset return.

Domestic and international private business and finance

11. We recognize that socially responsible and accountable private business activity, investment, entrepreneurship and innovation are major drivers of productivity, inclusive economic growth and job creation. We welcome the progress made in many countries in strengthening the enabling environment for private sector business and investment. We recognize that more can be done to create competitive business and investment climates in support of sustainable development that are well placed to attract private sector investment and participation. We encourage multilateral development banks and development finance institutions to link their enabling environment work with private sector investment to ensure that reforms address investor needs. We acknowledge increasing efforts of policymakers and stakeholders to develop financial markets that are inclusive, long-term oriented, and supportive of sustainable development. We will encourage efforts by the private sector to better align their internal incentives with long-term investment and with the 2030 Agenda for Sustainable Development, including through United Nations system initiatives. In this regard, we note that the Inter-Agency Task Force has begun work on mapping out the incentive structures of different actors in the financial system and look forward to its findings, including on how fiduciary responsibilities and non-financial impacts are

viewed and taken into account, within its mandate and existing resources and as part of its 2018 report. We also recommend encouraging corporate social responsibility policies. We take note of voluntary initiatives to develop corporate sustainability benchmarks and invite the Inter-Agency Task Force to analyse and report on these efforts, within its mandate and existing resources and as part of its 2018 report. We recognize that implementing the Sustainable Development Goals can open new business and market opportunities. We invite the Inter-Agency Task Force to examine the business cases that promote Sustainable Development Goal implementation and business conditions for supporting the development of pipelines of investable projects, within its mandate and existing resources and as part of its 2018 report. We note with concern that foreign direct investment flows to developing countries have registered lower levels in recent years. We encourage an increase in the volume and quality, in particular its alignment with the Sustainable Development Goals, diversification and long-term nature of foreign direct investment to all developing countries, including African countries, least developed countries, small island developing States, landlocked developing countries and middle-income countries, including through strengthening investment promotion regimes, strategies and agencies, as well as addressing the problem of the scale of the market and the size of projects as obstacles to foreign direct investment. In this regard, we encourage efforts to map priority investment areas at the national level as a way to guide private investors, both foreign and domestic, for Sustainable Development Goals in accordance with national priorities and to support the development of pipelines of investable projects.

12. We also welcome the progress on financial inclusion across all income groups and all regions in recent years. We are concerned that two billion people, primarily in rural areas in developing countries, still do not have access to formal financial services and remain concerned about the gender gap in financial inclusion. We will work towards full and equal access to formal financial services for all. We call on more countries to adopt national financial inclusion and gender-responsive strategies and to end the structural barriers to women's equal access to economic resources. In this regard, we call for scaled-up action to improve financial literacy and consumer protection, particularly for women and youth. Working with private actors, development banks, cooperatives and savings banks, we recommit to promoting appropriate, affordable and stable access to credit and other financial services to micro, small and medium-sized enterprises, in particular businesses and enterprises in the social and solidarity economy operating in both formal and informal sectors, as well as adequate skills development training for all, particularly for youth, women and entrepreneurs. We recognize that policies aimed at strengthening financial inclusion and nourishing entrepreneurship could also help to develop micro, small and medium-sized enterprises. We recognize the positive contributions of migrants to sustainable development in countries of origin, transit and destination. We will work to ensure that adequate and affordable financial services are available to migrants and their families in both host and home countries. We support national authorities to address the most significant obstacles to the continued flow of remittances, including abuse by illicit actors. We will work towards reducing the average transaction cost of migrant remittances by 2030 to less than 3 per cent of the amount transferred.

International development cooperation

13. International public finance plays an important role in complementing the efforts of countries to mobilize public resources domestically, especially in the poorest and most vulnerable countries with limited domestic resources. Our ambitious agenda puts significant

demands on public budgets and capacities, which requires scaled-up and more effective international support, including both concessional and non-concessional financing. We welcome the increase of ODA in real terms in 2016 but note with concern that bilateral net ODA to least developed countries fell slightly in real terms in 2016, after increases in 2015, and that many countries still fall short of their respective ODA commitments. We call on ODA providers to fulfil their respective commitments including the commitment by many developed countries to achieve the national target of 0.7 per cent of gross national income (GNI). We encourage ODA providers to consider setting a target to provide at least 0.2 per cent ODA/GNI to least developed countries. We also recognize that ODA remains a main source of external finance for many landlocked developing countries. We also acknowledge that ODA and other concessional finance are still important for a number of middle-income countries and have a role to play for targeted results taking into account the specific needs of these countries. We will strengthen international cooperation to support efforts to build capacity in developing countries, including through ODA, in line with existing commitments. We will hold open, inclusive and transparent discussions on the modernization of the ODA measurement and on the proposed measure of "total official support for sustainable development" and we affirm that any such measure will not dilute commitments already made.

14. We note with concern that access to concessional finance is reduced as countries' incomes grow, and that countries may not be able to access sufficient affordable financing from other sources to meet their needs. We encourage shareholders in multilateral development banks to develop graduation policies that are sequenced, phased and gradual. We also encourage multilateral development banks to explore ways to ensure that their assistance best addresses the opportunities and challenges presented by the diverse circumstances of middle-income countries. In this regard, we reiterate the call on the United Nations system, in consultation with the international financial institutions, to develop transparent measurements of progress on sustainable development that go beyond per capita income, building on existing initiatives, as appropriate. These should recognize poverty in all of its forms and dimensions and the economic, social and environmental dimensions of domestic output and structural gaps at all levels. We welcome the progress made in enhancing the quality and effectiveness of international development cooperation and aligning it with sustainable development. We welcome continued efforts to improve the quality, impact and effectiveness of development cooperation and other international efforts in public finance, including adherence to agreed development cooperation effectiveness principles. We note the second high-level meeting of the Global Partnership for Effective Development Cooperation in Nairobi. We reaffirm that the use of international public finance, including ODA, can catalyse additional finance from other sources, public and private, and through appropriately designed risk-sharing instruments, including co-investments, public-private partnerships, and guarantees, notably for infrastructure and other investments that support private sector development. In this regard, we invite the Inter-Agency Task Force to examine the best practices that show a catalysing effect of ODA, within its mandate and existing resources and as part of its 2018 report. We note with appreciation the successful eighteenth replenishment of the International Development Association. We welcome the contributions of South-South cooperation to poverty eradication and sustainable development. We reaffirm that South-South cooperation is an important element of international cooperation for development as a complement to, not a substitute for, North-South cooperation. We also commit to strengthening triangular cooperation as a means of bringing relevant experience and expertise to bear in development cooperation.

International trade as an engine for development

15. We reaffirm that international trade is an engine for inclusive economic growth and poverty reduction and can contribute to the promotion of sustainable development. We note that trade growth was subdued over the past year. To make trade more free and fair, we recognize the importance of strengthening the international trading system and increasing the contribution of trade to our economies. World Trade Organization members have made significant progress towards the goal of providing duty-free and quota-free market access on a lasting basis for all products for all least developed countries and further improvement in this direction would be welcomed. We welcome World Trade Organization members' efforts to implement the decision on preferential rules of origin as agreed at the tenth Ministerial Conference in Nairobi. In this regard, we welcome all ongoing market access initiatives for least developed countries. We note that many micro, small and medium-sized enterprises are not benefiting sufficiently from the international trading system, and have difficulties integrating into global value chains. We will promote policies that encourage access by micro, small and medium-sized enterprises to adequate and affordable trade finance at all levels. We also note the US $1.6 trillion shortage in trade finance provision reported by the Asian Development Bank and the International Chamber of Commerce and invite the Inter-Agency Task Force to review the trade financing gap, within its mandate and existing resources and as part of its 2018 report.
16. We welcome the entry into force of the World Trade Organization Trade Facilitation Agreement and call for its full and timely implementation. We welcome increasing aid-for-trade aimed at value addition and economic diversification and note the importance of regional aid-for-trade in supporting faster transit of goods at border crossings and integration into value chains. We look forward to the eleventh Ministerial Conference of the World Trade Organization, to be held in Buenos Aires in December 2017 and its outcome.

Debt and debt sustainability

17. Borrowing is an important tool for financing investment critical to achieving sustainable development. We reiterate that debtors and creditors must work together to prevent and resolve unsustainable debt situations. We note that global gross public and private debt of the non-financial sector reached a record high in 2015. We recognize that changes in the composition of debt—including elevated levels of corporate debt in a number of developing countries—pose additional risks to an already fragile global economy. In addition to a challenging external environment, commodity price shocks and increases in bond issuances in frontier markets have contributed to renewed increases in aggregate debt ratios and risks to debt sustainability in a number of countries, including some African countries, least developed countries, landlocked developing countries, small island developing States and middle-income countries. We will work towards a global consensus on guidelines for debtor and creditor responsibilities in borrowing by and lending to sovereigns, building on existing initiatives. In this regard, we note the United Nations Conference on Trade and Development principles on responsible borrowing and lending as well as other relevant work in the International Monetary Fund, the Paris Club and the Group of 20, including the G-20 Operational Guidelines for Sustainable Financing. We recognize the need to assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief, debt restructuring and sound debt management, as appropriate. We encourage consideration of measures for countries affected by severe natural disasters and social or economic shocks, as feasible. We also recognize that

rising levels of debt call for effective public debt sustainability assessments, which require improved comprehensiveness, reliability, and timeliness of external and domestic debt data, as well as data on government assets and contingent liabilities. In that respect, we welcome the ongoing review of the International Monetary Fund/World Bank debt sustainability framework for low-income countries.

18. We are encouraged to see the progress in some areas related to debt management, in particular on sovereign debt management, debt crisis prevention and market-based solutions for sovereign debt restructuring, including the incorporation of enhanced collective action and pari passu clauses in sovereign bond contracts. We will seek to address the concerns that surround the operation of creditors buying distressed debt on secondary markets. We will consider the role that state-contingent debt financing instruments can play. We recognize that aggressive litigation by non-cooperative minority creditors poses challenges in the financing and debt restructuring processes, especially for the poorest countries that lack the technical capacity to face such a legal challenge. We commit to exploring enhanced international monitoring of litigation by non-cooperative minority creditors and take action, as appropriate.

Addressing systemic issues

19. We reaffirm that the 2008 world financial and economic crisis underscored the need for sound regulation of financial markets to strengthen financial and economic stability, as well as the imperative of a global financial safety net. We acknowledge the seriousness of the systemic challenges facing the international community in its efforts to achieve the 2030 Agenda for Sustainable Development and reiterate the importance of policy coherence in its implementation and call upon countries to assess the impact of their policies on sustainable development. We encourage governments to work with the International Monetary Fund to identify and address gaps in the global financial safety net. We note that these may include ensuring adequate levels of financing, increasing its flexibility, timeliness and efficiency and strengthening its counter-cyclical nature while preserving fiscal space. We acknowledge that the world continues to face large and volatile capital flows. We call upon countries to strengthen their investment climate to attract long-term flows and work to address excessive volatility. When dealing with risks from large and volatile capital flows, necessary macroeconomic policy adjustment could be supported by macroprudential and, as appropriate, capital flow management measures. We encourage the flow of finance into productive sectors by creating the right incentives. We stress the importance of addressing the volatility of commodity prices. We emphasize that greater international macroeconomic coordination can further help to reduce policy uncertainty, and the impact of spillovers and financial flow volatility. We note the ongoing work of the United Nations Environment Programme Inquiry into the design of a sustainable financial system and related work by G-20 and others and look forward to updates on developments in this area, including through the Inter-Agency Task Force, within its mandate and existing resources and as part of its 2018 report.

20. We note progress on the implementation of regulatory reforms of the international financial system. We underscore the importance of monitoring the impact of financial regulation on incentives for financial inclusion and investment in sustainable development, including the monitoring of any possible unintended consequences. We call on all regional and global organizations and institutions to consider the Sustainable Development Goals as they develop their strategies, policies and practices, as appropriate. We recommit to

broadening and strengthening the voice and participation of developing countries in international economic decision-making and norm-setting and global economic governance. We invite the Basel Committee on Banking Supervision and other main international regulatory standard-setting bodies, including the Financial Stability Board, to continue their efforts in this regard. We also invite those bodies to consider contributing to and participating in the work of the Inter-Agency Task Force. We take note of the existing regular shareholding reviews at the World Bank and reviews of governance at the International Monetary Fund. We also urge the International Monetary Fund to continue its efforts to provide more comprehensive and flexible financial responses to the needs of developing countries. We encourage other relevant international financial institutions to continue periodic processes to examine their governance structures with the goal of strengthening the voice and participation of developing countries.

Science, technology, innovation and capacity-building

21. The creation, development and diffusion of new innovations and technologies and associated know-how, including the transfer of technology on mutually agreed terms, are powerful drivers of economic growth and sustainable development. We note the important progress that has been made in facilitating access to many technologies, particularly in information and communications technologies, such as the Internet. We express concern, however, that there are still significant digital divides between and within countries, and between women and men, which need to be addressed through, among other actions, strengthened enabling policy environments and international cooperation, to improve affordability, access, education, capacity-building, multilingualism, cultural preservation, investment and appropriate financing. We recognize the importance of reducing and eliminating all of these divides. We will continue to discuss these issues at the Technology Facilitation Mechanism and other appropriate venues both inside and outside the United Nations. We recognize both the transformative and disruptive potential of new technologies on our labour markets and on the jobs of the future, particularly advances in automation, and in this regard invite the Inter-Agency Task Force to further examine these issues, within its mandate and existing resources and as part of its 2018 report.
22. We will continue to implement national strategies for science, technology and innovation that comprise policy, regulatory, and institutional frameworks that strengthen the enabling environment and enhance interactive learning, along with the strategic allocation of resources and adequate infrastructure. We welcome the international support and establishment of multi-stakeholder partnerships for implementing effective and targeted capacity-building. We will encourage that spending on research and development remains stable and long-term oriented. At the same time, we will use a variety of tools to incentivize greater private investment and innovation and welcome the collaboration between Member States and all other stakeholders, such as civil society, private sector, academia, scientific community, foundations and philanthropic entities. We encourage capacity-building for developing countries to strengthen their national science, technology and innovation ecosystems. We note with appreciation the progress made towards the establishment of the Technology Facilitation Mechanism and in this regard welcome the holding of the Multi-stakeholder Forum on Science, Technology and Innovation for the Sustainable Development Goals on 15 and 16 May 2017 and also call for the timely establishment of its online platform. We acknowledge the potential of the Technology Bank for the Least Developed Countries to foster productive capacity, structural transformation, poverty eradication and sustainable development in least developed countries and, in this regard,

we take note of General Assembly resolution 70/216 of 22 December 2015, in which the Assembly outlines the steps necessary to launch and operationalize the Technology Bank, funded by voluntary contributions, and to ensure continued support for the Technology Bank from all relevant stakeholders. In this context, we encourage developed and developing country partners, as well as international organizations, foundations and the private sector to provide financial and technical assistance to the Technology Bank to ensure its effective operation.

Data, monitoring and follow-up

23. We reaffirm the importance of high-quality disaggregated data in order to determine their contribution to the national economy for evidence-based policymaking and for monitoring progress in the implementation of the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development. We will consider enhancing capacity-building support to developing countries, including for African countries, least developed countries, landlocked developing countries, small island developing States and middle-income countries for this purpose and provide international cooperation including through technical and financial support to further strengthen the capacity of national statistical authorities and bureaus. National statistical systems have a central role in generating, disseminating and administering data. They should be supplemented with data and analysis from civil society, academia and the private sector. We encourage Governments to strengthen the collection of time-use data, time-use research on the unpaid care burdens of women and girls and the construction of satellite accounts to determine the value of unpaid care work and its contribution to the national economy, as appropriate, in cooperation with the United Nations system and other international organizations, upon the request of Governments. In this context, we take note, with appreciation, of the online annex to the report of the Inter-Agency Task Force. We encourage the members of the Inter-Agency Task Force to continue to support its work.
24. We invite international, bilateral and other potential donors to consider contributing generously to the Trust Fund to Support Activities for the Follow-up to the International Conference on Financing for Development, in particular to support the travel to and participation of representatives from developing countries, in particular least developed countries, landlocked developing countries and small island developing States, in the annual Economic and Social Council forum on financing for development follow-up.
25. We decide that the third Economic and Social Council forum on financing for development follow-up will convene from 23 to 26 April 2018, and will include the special high-level meeting with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development. We also decide that the forum's modalities will be the modalities that applied to the 2017 forum.
26. We request the Inter-Agency Task Force on Financing for Development to issue an advance unedited version of its 2018 report, no later than the end of February 2018, to be updated with the latest data upon its release, in order to facilitate the timely preparation of the draft conclusions and recommendations.

Annex V. Statements delivered after the adoption of the intergovernmentally agreed conclusions and recommendations

United States Explanation of Position

Financing for Development Outcome Document

Delivered by Stefanie Amadeo, Acting U.S. Representative to the Economic and Social Council

As Prepared, May 23, 2017

Good afternoon. I would like to start by thanking the co-facilitators, Ambassador Pecsteen de Buytswerve and Ambassador Matjila, for their strong leadership throughout this process. They ably guided this negotiation over the last few weeks, helping to build consensus on a range of issues. We would also like to thank all of our colleagues, who put in countless hours, for their efforts to bring us to where we are today. Our thanks also to other member states for the depth, substance, and soundness of our discussion throughout the negotiating process.

We take this opportunity to make important points of clarification on the outcome document for the Forum on Financing for Development follow-up, and underscore that this non-binding document does not create rights or obligations under international law.

First, the United States regrets the lack of balance in this document. For example, we would have liked to have seen more emphasis on the key tenet of Financing for Development that "every country has primary responsibility for its own economic and social development, and that the role of national policies and development strategies cannot be overemphasized." Exclusion of this core principle disrupts the balance of priorities so carefully negotiated in the Addis Ababa Action Agenda. Reaffirming this principle recalls for all parties their respective commitments in Financing for Development and the means of implementation in the 2030 Agenda.

Second, the United States is in the process of reviewing many of its policies, including its stance on climate change, climate finance, and the Paris Agreement. While such review is underway, the United States reserves its position on these issues.

Third, the United States puts on record its deep concern with language in this document pertaining to trade, investment, and intellectual property. The negotiations that led to this outcome document, and some of the language that it now contains, demonstrate once again how disconnected the UN is on these issues. Any effort in the UN to speak to ongoing or future work in the WTO, to reinterpret existing WTO rules and agreements, or to undermine the WTO's independent mandate and processes is unacceptable to the United States. Such efforts have no standing and will only diminish our confidence in the UN.

In this vein, the United States disassociates from the sentence in Paragraph 20 that calls on all regional and global organizations and institutions to consider the SDGs as they develop their strategies, policies, and practices. This language has no standing in future negotiations. UN Members stated in Paragraph 58 of the 2030 Agenda that "we respect the independent mandates" of other fora, and that the 2030 Agenda is without prejudice to the other processes and the decisions taken therein. The United States rejects any interpretation of Paragraph 20 that would undermine UN Members' clear agreement on this principle.

During this negotiation, there has been extended discussion of "free and fair trade". Free and fair trade is a key engine for growth and job creation. We must acknowledge that subsidies and other support by governments and related entities can distort trade and contribute to excess capacity, adversely affecting workers, economies, and sustainable development in all countries. External market actions that do not comply with the rules-based international trading system and with open market principles must be addressed through corrective policies that help alleviate those trade distortions that are affecting firms and sectors across the globe. The United States also rejects any attempt to interpret the language in Paragraph 9 to promote state ownership in the economy, or to suggest that governments may deprive private interests of wealth or resources without compensation in accordance with international law or otherwise fail to observe a State's legal obligations.

In addition, we strongly disagree with language in Paragraph 11 that suggests some foreign direct investment—if it is aligned with the SDGs or is considered of a "long-term" nature—is of superior quality to other foreign direct investment. All forms of foreign direct investment can contribute to growth and development. This language raises serious questions about the UN's credibility on this issue. Regarding the discussion of micro, small, and medium-sized enterprises (MSMEs), we remain convinced that the international trading system offers opportunities for MSMEs to potentially reach millions of new customers beyond their domestic markets, particularly through e-commerce platforms.

Regarding technology, the United States does not support the reference to technology transfer in Paragraph 21. The United States also disassociates from the final sentence of Paragraph 22, and notes that this language has no standing in future negotiations.

Fourth, the United States believes that the multilateral development banks should target their scarce concessional financing to the poorest and least creditworthy countries, and countries' access to concessional financing should decrease as their incomes increase. Rather than try to preserve access to concessional finance, the MDBs' implementation of their graduation policies should aim to smooth the transition away from concessional assistance and consider how to help graduating countries avoid a large drop in overall development finance. While we support efforts by the UN and international financial institutions to develop additional non-income measures of sustainable development, this should not imply those measures' application to IFIs' eligibility criteria, which remain set by the appropriate governance bodies of each institution.

Fifth, we appreciate this Forum's commitment to combatting corruption but reiterate the importance of addressing corruption-related matters, particularly complex technical issues such as asset recovery, through technical subsidiary bodies of the Conference of States Parties to the UN Convention against Corruption in Vienna, where the experts meet regularly.

Finally, the United States wishes to express its concern with the assignments given to the IATF, in light of our strong disagreement with elements of its 2017 report. To address these concerns, we urge the IATF to consult early and often with member states as they prepare the 2018 report.

With these clarifications, we will join consensus on the adoption of the outcome document for the ECOSOC Forum on Financing for Development follow up. Thank you.

Statement delivered by the European Union after the adoption of the intergovernmentally agreed conclusions and recommendations

(Transcribed from webcast)

Thank you very much Mr. Chairman,

I have the honour of speaking on behalf of the European Union and its 28 Member States. I would like to start by expressing our gratitude to the two co-facilitators, Permanent Representatives of Belgium and South Africa, Ambassadors Pecsteen and Matjila, for ably guiding our discussions on these intergovernmentally agreed conclusions and recommendations. We are encouraged by the constructive atmosphere that prevailed during these talks amid diverging opinions on many issues. In light of these discussions, the co-facilitators presented their final text as an effort to find a balance. The outcome that we adopt today reflects the transformative nature of the Addis Ababa Action Agenda, with a thorough reflection on the need to find new ways to mobilize resources to support the Agenda 2030. While the text could have been more ambitious in many parts, we do consider it a good outcome overall.

Mr. Chairman, while the EU joins consensus on the co-facilitator's final proposal in the spirit of compromise, we will not hide our discomfort with paragraph 8, related to the Paris Agreement, which we accept in this forum without prejudice to any other fora. We remain firmly committed to the goals of the Paris Agreement and call on all parties to swiftly and decisively implement the agreement and take global warming very seriously. We believe that the only way to address this unprecedented challenge is by speeding up the implementation of the Paris Agreement and related national contributions. In order to do so, we remain committed to mobilizing public and private resources to support developing countries in achieving their mitigation and adaptation goals. In many ways, this message did not come across so clearly in the outcome document. I call for others to join us and make sure that future resolutions or conclusions better reflect this top priority.

Mr. Chairman, in conclusion, the European Union remains deeply committed to multilateralism in general and to the full implementation of the Agenda 2030, the Addis Ababa Action Agenda and the Paris Agreement. The European Union looks forward to continuing to work as a responsive and responsible partner as we push forward our ambitious multilateral agenda.

Thank you.

Annex VI. Closing remarks by the President of ECOSOC

Closing remarks
H.E. Mr. Frederick Musiiwa Makamure Shava
President of ECOSOC
ECOSOC Forum on Financing for Development follow-up
(New York, 25 May 2017)

Excellencies, Ladies and Gentlemen,

We have concluded our discussions at the second ECOSOC Forum on Financing for Development follow-up.

Allow me first to thank you all for the constructive spirit of engagement and your valuable contributions to the debate.

Twenty ministers and vice-ministers, as well as a large number of high-level officials from ministries of finance, foreign affairs, industry, and development cooperation participated in the Forum. We also had a very large number of Executive Directors and Alternate Executive Directors of the Boards of the World Bank and the IMF, as well as senior staff of these organizations and other institutional stakeholders, including WTO and UNCTAD, present at the meeting.

Moreover, representatives of civil society, the business sector and local authorities made an important contribution to our deliberations. I am very thankful for their engagement, which illustrates the leading role of the United Nations, and in particular of the ECOSOC Forum on Financing for Development follow-up in coordinating the implementation of the Addis Ababa Action Agenda and other financing for development outcomes at the national and international levels. Last but not least, I want to thank the Financing for Development Office of DESA for their dedicated support to the ECOSOC Bureau in organizing this meeting.

In my opening remarks, I deliberately set a high bar for our discussions. Having witnessed the rich and intense deliberations over the last few days, I believe that we have delivered. The Forum has made an important contribution towards accelerating actions at all levels to implement the Addis Ababa Action Agenda and move us back on track toward delivering the SDGs.

The Special High-level Meeting with the Bretton Woods institutions, WTO and UNCTAD, held on the first day, provided global context to our discussions and featured important debates on how to foster policy coherence in sustainable development and to find ways to strengthen the nexus between infrastructure investment and efforts to reduce inequality.

The interactive dialogue in the afternoon brought to the fore several critical areas where our major institutional stakeholders strongly converge in thinking, approach and policies. For example, there was a strong emphasis, by all institutions, on the importance of gender-sensitive policies.

On the second day, we learned from many ministers and vice-ministers about their national experiences in mainstreaming the Addis Ababa Action Agenda into their national development strategies.

The presentations suggested that many developing countries had very limited policy and fiscal space to respond to the challenging global environment. However, countries, even the least developed ones, are not turning towards in-ward looking policies, but are seeking solutions from openness and multilateralism. Ministers stressed the need to further develop a long-term national vision and framework on financing sustainable development at the national level that builds on the Addis Agenda and brings together all relevant stakeholders.

I found this sharing of national experiences extraordinarily inspiring and helpful. It is a dialogue that should extend well beyond the Forum. I therefore strongly encourage countries to utilize the Financing for Development process throughout the year for a sustained dialogue on concrete national experiences in implementing the Addis Agenda.

During our expert segment, we discussed in great detail progress and implementation gaps in all action areas of the Addis Agenda. We paid specific attention to cross-cutting issues like gender, infrastructure, social protection, as well as illicit financial flows and challenges faced by countries in special situations.

Some very concrete policy proposals were put forward by our distinguished set of panelists during those discussions, representing the views and expertise of a wide range of stakeholders.

First, panelists discussed public financing policies and tools at the local, national and international levels to increase the availability and effectiveness of public finance for sustainable development investments.

Second, they proposed measures to mobilise and align private finance with sustainable development, including mobilising long-term investment, catalysing business activity in SDG priority areas, and promoting inclusive finance, including for micro, small and medium enterprises.

Third, speakers highlighted policies to address dangers that elevated debt and cross-border risks pose to sustainable development, and, as well issues of global economic governance and ways to enhance policy coherence.

Fourth, experts explored measures to help ensure that international trade, science, technology and innovation contribute to the achievement of the SDGs.

Fifth, our panelists discussed steps towards improving information about illicit financial flows and using that information to effectively target compliance and enforcement action, as well as seizing and returning stolen assets.

And sixth, our speakers proposed concrete measures that could help address the challenges faced by countries in special situations – focusing in particular on investment promotion, ensuring access to finance when countries graduate, and addressing structural constraints to domestic resource mobilization.

Today, we also listened to the views of civil society, private sector and local authorities. As always, their statements were rich, constructive and thought-provoking. I was particularly impressed to learn about their work leading up to the Forum, including through substantive work streams undertaken in collaboration with the Financing for Development Office. Insights on issues like public private interfaces, SDG investing and strengthening urban finance in the least developed countries, will help Governments implement concrete commitments of the Addis Agenda by drawing on the strength of different stakeholders.

Afterwards, we heard reports on tangible progress made by mandated and voluntary fora of the Financing for Development process, including the second Global Infrastructure Forum, the second Multi-stakeholder forum on science, technology and innovation and the 2016 Development Cooperation Forum.

Excellencies,

Ladies and Gentlemen,

Allow me, once again, to congratulate the two co-facilitators Ambassador Marc Pecsteen of Belgium and Ambassador Jerry Matjila of South Africa, on their success in guiding Member States towards a consensus on the substantive intergovernmentally agreed conclusions and recommendations of the Forum.

The outcome document commits us to a range of new policies and actions to accelerate national and international efforts in all areas of the Addis Agenda. Let us implement these commitments in due time and in full, to ensure that we remain on a sound trajectory to achieve of the 2030 Agenda for Sustainable Development and the SDGs.

I extend my gratitude to you all for making this meeting a success.

Thank you.

Annex VII. Summaries of side events

Monday, 22 May 2017

Monitoring financial instability in a globalized world—new financial stress indicators for emerging and frontier markets

22 May 2017, 1:15-2:30 p.m.
Conference Room 7

Organizer: United Nations Conference on Trade and Development (UNCTAD)

Speakers:

- H.E. Mr. Christopher Onyanga Aparr (Uganda), President of the Trade and Development Board, UNCTAD
- Ms. Stephanie Blankenburg, Chief, Debt & Development Finance Branch, Division on Globalization and Development Strategies, UNCTAD
- Mr. David Bicchetti, Economic Affairs Officer, Division on Globalization and Development Strategies, UNCTAD
- Mr. Jonathan Viera, First Secretary, Permanent Mission of Ecuador to the United Nations
- Ms. Linda Allen, Professor, W. F. Aldinger Chair in Banking and Finance, City University of New York
- Mr. Matthew Klein, Alphaville Analyst, Financial Times
- Mr. Bodo Ellmers, Policy and Advocacy Manager, Eurodad

Summary:

Since the 2007-2008 global financial crisis, an essential part of the policy debate on how to avert a repeat of such financial turmoil had focused on the role of improved monitoring and regulatory tools and mechanism. H.E. Mr. Aparr and Mr. Viera highlighted the growing concerns over financial vulnerabilities in developing countries, and the resulting need for effective and up-to-date monitoring tools that can address limitations of data availability and quality, as well as country-specific issues.

It was argued that despite the introduction of new national and international supervisory bodies and national financial reforms, financial innovation and engineering had continued to evolve fast, expanding into new products and markets. This had rendered the conventional duties and responsibilities of financial regulators and central bankers in developed countries ever more complex at a time when the global financial crisis had highlighted the importance of interlinkages between shadow banking and more traditional forms of banking, and their interdependence with the rest of the economy. For instance, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 aimed at ensuring macroeconomic and financial stability by curtailing various banking activities in order to reduce such interconnections and prevent fast spreading financial contagion to all sectors of the economy.

Mr. Bicchetti gave a brief introduction on the rationale for developing the financial condition indicators (FCI) at UNCTAD and their core features, as well as a detailed technical presentation on the FCI. Divergence in financial stability, monetary policy, slow-downs in the globalization process in advanced countries and its spill-over effects had highlighted the continuous struggle for macroeconomic and financial stability in emerging and developing markets. Thus, the capacity to monitor financial stability in those countries required a complex understanding of the various forces at play, their interconnections and their impact on gross domestic product performance. UNCTAD's measure and methodology of FCIs was an attempt to provide an innovative policy tool that equips policy-makers in developing countries, as well as market participants with real-time reliable and leading indicators. The new synthetic indicators had the advantage that they were computable at high-frequency (monthly) as well as in real time. Built with the specific difficulties and concerns of developing countries in mind, they could address difficult data (quality and omission) issues and build on a methodology that allows the systematic and dynamic consideration of highly country-specific features.

In the subsequent discussion, the FCIs were received as an innovative and sophisticated monitoring tool for developing countries. Discussants focused on specific technical issues as well as the potential of such indicators to capture various aspects of often short-term financial and macroeconomic challenges for developing countries. Participants suggested that the spill-over effects of financial instability on emerging and frontier markets have not received the necessary attention, in particular given the increased speed at which many developing countries' integration into international financial markets had proceeded in recent years.

Financial engineering and financialized globalization had facilitated access to emerging markets, for example through the introduction of liquid financial products easily available to investors in developed markets such as exchange traded funds and other money pooling schemes. These products made it easier for international investors to transfer large amounts of liquidity in and out of those markets. At the same time, they also had increased interdependence and idiosyncratic market volatility. Speakers cited recent research which had shown that over the past few years, financial markets had become more prone to financial instability and volatility despite the emergence of new regulations. Furthermore, in some developing countries, the rise of domestic shadow banking further complicated the analysis of the national financial system.

At the side event, UNCTAD announced that the monthly publication of the financial conditions indicators would start in June 2017 and that coverage would gradually expand. The indicators and further background information will be available at: http://debt-and-finance.unctad.org/.

Financing social protection floors and economic cycles

22 May 2017, 1:15-2:30 p.m.
Conference Room 11

Organizers: Federal Ministry for Economic Cooperation and Development (Germany), Permanent Mission of Argentina to the United Nations, Brot für die Welt and

SocDevJustice on behalf of Global Coalition for Social Protection Floors, International Labour Organization (ILO)

Speakers:

- H.E. Mr. Martín García Moritán, Permanent Representative of Argentina to the United Nations
- Mr. Stephan Reichert, Deputy Head of Division, Donor Relations and Financing for Development, Federal Ministry of Economic Cooperation and Development (BMZ), Germany
- Mr. Vinicius Pinheiro, Special Representative to the United Nations, ILO
- Mr. Roberto Bissio, Coordinator, Social Watch/Global Coalition for Social Protection Floors
- Ms. Serpil Bouza, Strategy, Policy and Review Department, International Monetary Fund (IMF)
- Ms. Shari Spiegel, Chief, Policy Analysis and Development Branch, Financing for Development Office, United Nations Department of Economic and Social Affairs
- Ms. Gemma Adaba, SocDevJustice/ Global Coalition for Social Protection Floors

Summary:

The Addis Ababa Action Agenda (Addis Agenda) contains a commitment to social protection, including floors (para. 12). Nations are strengthening their national floors of social protection, and are realizing the need to maintain adequate public funding for them throughout the economic cycle. While discussions have highlighted national work and international cooperation on tax policy and capacity building in developing countries, additional advances in design and financing of social protection floors (SPFs) are needed, not only to improve national SPFs, but also to assure their full operation in the face of adverse shocks. Indeed, as the Inter-Agency Task Force on Financing for Development follow-up (IATF) reported this year, multilateral financial institutions and bilateral donors have introduced or are considering various relevant initiatives in this regard.

The ECOSOC Forum on Financing for Development follow-up (FfD Forum) in its agreed conclusions and recommendations called for expanded peer learning and experience-sharing among countries and regions and further support for capacity building. It also invited the IATF "to prepare an inventory of domestic and international financial instruments and funding modalities" in its next report and to discuss them at its 2018 session (E/FFDF/2017/3 I.1.7). This side event offered an opportunity to consider domestic financing mechanisms that might inform the 2018 discussion.

Ambassador Moritán described Argentina's human rights approach to social protection. Argentina offers a wide range of financial allowances, including payments to parents in need for each child up to the age of 18 for up to 5 children, monthly support payments for the disabled, pregnancy support, and universal monthly allowance for people over 65. Argentina intends to stop the inter-generational transfer of poverty to leave no one behind.

Mr. Reichert noted that Germany recognized the normative framework of ILO Recommendation 202 (2012) on SPFs. He believes that most countries have the necessary resources to build their SPFs, if they can muster the political will for sufficiently progressive taxation, adequately broadening the tax base, and addressing tax evasion and avoidance. He also called for active labour market measures and dialogue that brought together government, employers and trade unions. SPF disbursements must be assured in advance of crises, including provision for quickly increasing them as needed. In this regard, Germany is supporting the "African Risk Capacity" initiative of the Group of 7 for insuring against extreme weather events and other natural disasters and BMZ has also announced a "Marshall Plan for Africa", entailing a mix of domestic and international support mechanisms, as well as private and public funding.

Mr. Pinheiro deconstructed the social protection paragraph in the FfD Forum outcome document (para 7). At the country level, it underscores the need to balance long-term investments with adequate SPFs as part of national sustainable development strategies. International cooperation should deepen support for national efforts through: (a) peer learning, nationally, regionally and globally; (b) capacity building for SPF systems; and (c) research on effective domestic and international funding modalities.

Mr. Bissio emphasized the need to apply the human rights principle of no retrogression in social protection systems, which would ensure positive counter-cyclical economic impacts, the opposite of the experience in Greece. Poor governance practices also threatened to drain public resources needed for SPFs, citing cases in Latin America.

Ms. Bouza highlighted a new IMF staff paper evaluating the impact of a 2010 policy initiative aimed at mitigating the impact of economic adjustment programmes on vulnerable groups in low income countries. Ten per cent of the countries reviewed did not adopt social spending targets, as they lacked the capacity to monitor their impacts. Of the remaining countries, only two thirds met their targets for maintaining a nationally defined floor for social protection. Among the ways cited to perform better was to act so that fiscal buffers are not exhausted, as by spending more efficiently, reducing unproductive spending, and raising tax revenues. Ms. Bouza believed that targeted social assistance to the most vulnerable, coupled with contributory systems for the non-poor, was compatible with universal SPFs.

Ms. Spiegel recalled that a key part of the Addis Agenda was adoption of national sustainable development financing strategies, which included providing for SPFs. The main message of the IATF report was that global economic growth would not by itself deliver the Sustainable Development Goals (SDGs). There was need not only for more long-term investment, but also better social protection arrangements. Funding SPFs requires that special attention be paid to counter-cyclical loans to governments, and the possibility to introduce "state-contingent" public debt instruments that automatically ease payment obligations in difficult times, as well as more international aid for capacity building. She drew attention to the online annex of the 2017 IATF report which contains relevant data.

More work is needed on tax policy, governance, inconsistencies between tax concessions to investors and broadening the tax base, and preparing better for crisis times. A webcast of the side event is available at http://webtv.un.org/watch/financing-social-protection-floor s-through-economic-cycles/5444071127001.

Transformative financing for gender equality: driving the agenda forward

22 May 2017, 1:15-2:30 p.m.
Conference Room 12

Organizers: Permanent Mission of Ecuador, UN Women with support from the Government of Canada, Permanent Mission of Costa Rica, European Union, Permanent Mission of South Africa

Speakers:

- H.E. Ms. Helena Yanez, Deputy Permanent Representative, Permanent Mission of Ecuador to the United Nations
- Ms. Lakshmi Puri, Assistant Secretary-General and Deputy Executive Director, UN Women

- H.E. Mr. Neven Mimica, Commissioner for International Cooperation and Development, European Commission
- H.E. Mr. Juan Carlos Mendoza, Permanent Representative of Costa Rica to the United Nations
- Ms. Celina Caesar-Chavannes, Parliamentary Secretary to the Minister of International Development, Canada
- H.E. Mr. Mahlatse Mminele, Deputy Permanent Representative, Permanent Mission of South Africa to the United Nations

Summary:

The objectives of the side event were to build political support for increased financing for gender equality and women's empowerment and to underscore the importance of mobilizing all available resources to deliver on gender equality commitments vis-à-vis the 2030 Agenda for Sustainable Development (2030 Agenda). Ms. Puri highlighted that financing for gender equality and women's empowerment is a shared concern for all. She noted that the chronic and persistent underinvestment in gender equality, evidenced in the lack of resources for national action plans on gender equality and women's machineries, hampers progress on the achievement of women's rights and sustainable development overall. She emphasized that the Addis Ababa Action Plan on Transformative Financing for Gender Equality and Women's Empowerment includes clear commitments to prioritize financing for gender equality. She noted that the outcome document of the FfD Forum underlines the importance of gender equality and the full realization of human rights to achieve economic growth and sustainable development through inter alia, gender-responsive budgeting; financial inclusion; closing the digital divide; and quantifying the value of unpaid care and domestic work.

H.E. Ms. Yanez highlighted that Ecuador's National Development Plan addresses gender equality as a transversal issue. The adoption of the Organic Law for Equality and the establishment of the National Council for Gender Equality and Women's Empowerment in 2014 created a strong institutional framework for implementation. H.E. Ms. Yanez noted that Ecuador has experienced a rapid reduction of gender inequality and poverty. She highlighted the use of a budget classifier, introduced in 2010, as the instrument for tracking resource allocations for gender equality and women's empowerment.

H.E. Mr. Mimica highlighted that the European Union (EU) Gender Action Plan 2016-2020 provided a comprehensive approach to address persistent gender equality gaps. Only one year into its implementation, the Gender Action Plan has demonstrated positive results including changes in institutional culture and mindsets, strengthened integration of gender analysis of programmes to assess impact on women and girls and the mainstreaming of gender issues in policy making across the board. He reported the current EU financial commitment for gender mainstreaming is approximately 9 billion Euro and noted that good progress has been made in reaching this target. He announced the forthcoming launch of a global EU-United Nations initiative focused on eliminating all forms of violence against women and girls and invited all stakeholders to join.

H.E. Mr. Mendoza presented the key outcomes from the United Nations Secretary-General's High Level Panel on Women's Economic Empowerment (HLP). The HLP has identified seven primary drivers to ensure the full and effective participation of women in the economy. These include: i) tackling adverse norms and promoting positive role models; ii) ensuring legal protections and reforming discriminatory laws and regulations; iii) recognizing, reducing and redistributing unpaid work and care; iv) building digital, financial and property assets; v) changing business culture and practice; vi) improving public sector practices in employment and procurement; and vii) strengthening visibility, collective voice and representation. H.E. Mr. Mendoza announced the establishment of the Group of Champions on Women's Economic Empowerment, co-chaired by Costa Rica and the United Kingdom, which will provide a platform for demonstrating good practices on human rights, economic empowerment and the achievement of the SDGs.

Ms. Caesar-Chavannes emphasized that Canada's 2017 budget included a comprehensive gender analysis assessing the impact of budgetary decisions across the whole of government. Canada will invest 100 million USD in line with a national strategy to address gender based violence. Additionally, Canada has implemented an Employment Insurance (EI) policy to support flexible work arrangements for women to ensure a balance between care and paid work. She highlighted that the Cabinet of Canada has equal numbers of women and men and underscored the importance of women's engagement in all levels of decision-making. She noted an initiative from Canada's 2017 budget that calls on development finance institutions to invest 300 million USD to leverage private investment for feminist policies. She highlighted Canada's three-year, $650 million commitment for sexual and reproductive health and rights as well as the recent $20 million commitment to 'She Decides.'

H.E. Mr. Mminele highlighted the need to strengthen systems to produce comprehensive and transparent data on gender equality and women's empowerment and emphasized the importance of gender responsive national policies. He stressed the need to establish gender focal points, in public and private sectors, to ensure effective gender mainstreaming. He noted that the United Nations would need more resources to ensure gender responsive implementation of the 2030 Agenda. H.E. Mminele reported that South Africa has achieved 42 per cent female representation in their cabinet and is on target to achieve 50 per cent representation by 2030. The country has introduced a gender responsive budget (GRB) initiative that institutionalized GRB practices in the country and fosters these efforts at national and local levels. He underscored the policy on affirmative action for women-owned enterprises for public procurement and highlighted the government policies on pay equality.

In the ensuing discussion, participants reiterated that gender equality and women's empowerment was a prerequisite for the implementation of the 2030 Agenda and highlighted the need to tackle the structural and root causes that perpetuated gender inequality. It was emphasized that financing for policies and programmes on gender equality and women's empowerment should be key components of any sustainable financing strategy including in public financial management reforms. Participants also noted the importance of efforts to strengthen gender responsiveness in the sectors of education, microfinance, health, digital development, and banking.

How a United Nations intergovernmental tax body could tackle illicit financial flows and advance progressive and gender responsive tax systems

22 May 2017, 1:15-2:30 p.m.
Conference Room B

Organizers: Civil Society FfD Group (including the Women's Working Group on FfD)

Speakers:

- Ms. Pooja Rangaprasad, Policy Coordinator, Financial Transparency Coalition
- Mr. Andrew Chikowore, Advisor, Public Accountability and Tax Justice at ActionAid
- Ms. Kathleen Lahey, Professor, Faculty of Law, Queen's University, Kingston Ontario, Queen's University, Canada
- Mr. Jason Braganza, Deputy Executive Director, Tax Justice Network
- Ms. Carola Iniguez Zambrano, Undersecretary of International Organizations, Ministry of Foreign Affairs, Ecuador

Summary:

The side event considered what international tax cooperation should look like from the perspective of developing countries. Speakers reiterated the need for the establishment of an intergovernmental body for international cooperation in tax matters at the United Nations, in which all countries would be democratically represented and that would be guided by human rights, sustainable development and gender equality. Also, speakers highlighted the urgent need for an ambitious definition for illicit financial flows that includes abusive tax practices and for regional and global cooperation, including by developed countries, to address this global challenge.

Furthermore, speakers expressed that tax incentives are an important issue from the perspective of both developed and developing countries, but it would be crucial to note the context where developing countries have a greater reliance on corporate income taxes in relation to developed nations. Participants suggested that countries should develop strong frameworks on tax incentives, including cost-benefit analyses and monitoring of their use and effectiveness. The need for regional and international cooperation on incentives was also stressed, particularly to address the race to the bottom in corporate tax rules and rates. Developing countries would depend far more on withholding taxes that were undermined by tax treaties that privilege residence countries over source countries.

Greater tax cooperation could also advance gender responsive tax rules that take into account the large unpaid care work burden of women outside of the formal labour market. For domestic taxation, it would be crucial to rely on progressive direct taxes to mobilise revenue. Women bear the regressive brunt of indirect consumption taxes as they tend to use larger portions of their income on basic goods because of gender norms that assign them responsibility for the care of dependents. Data on this topic is scarce, but where data is combined from different sources, the effect of indirect taxation is regressive. Regarding international tax, gender inequalities would be further exacerbated when inequities in international tax rules disproportionately affect developing countries. Structural transformation would be required to address additional issues, such as tax dodging by multinational corporations.

The Global Agriculture and Food Security Program (GAFSP): financing achievement of the Sustainable Development Goals on the ground and along the value chain

22 May 2017, 1:15-2:30 p.m.
Conference Room C

Organizers: The Global Agriculture and Food Security Program, Federal Republic of Germany

Speakers:

- Ms. Katharina Peter, Head of Division for Financing for Development, Federal Ministry for Economic Cooperation and Development (BMZ), Germany
- Ms. Robynne Anderson, President, Emerging Ag
- Mr. Djibo Bagna, President, Réseau des Organisations Paysannes et des Producteurs de l'Afrique de l'Ouest (ROPPA), Steering Committee Member, GAFSP
- Mr. Charles Ogang, President, Ugandan National Farmers Federation
- Ms. Nichola Dyer, Program Manager, GAFSP
- Mr. Niraj Shah, Acting Head, GAFSP Private Sector Window

Summary:

The panellists presented information on how GAFSP supports underfunded projects in the public and private sectors, including producer organizations, along the entire value chain. It also raised awareness of GAFSP and conveyed GAFSP's role in achieving the SDGs in low-income countries, as well as GAFSP's alignment with the Addis Agenda.

Speakers highlighted that there is a need for long-term, scaled-up, financial investments in agriculture and food security to achieve the SDGs. In this context, it would be important to listen directly to farmers' voices, and include them in development planning and implementation. Speakers also stressed the role of inclusive, effective multi-stakeholder partnerships that would be essential to achieving the SDGs and successfully implementing the Addis Agenda. The private sector would be an essential actor and should therefore be included in multi-stakeholder partnerships. Ms. Peter commended GAFSP for its contributions to ending hunger and poverty, and achieving the SDGs on the ground. She also reiterated and reaffirmed Germany's commitment to supporting and strengthening GAFSP, and urged other donors to do same.

Tuesday, 23 May 2017

SDG financing, tax cooperation and transparency: a balancing act for developing countries

23 May 2017, 8:00-9:30 a.m.
Conference Room 7

Organizer: Permanent Mission of Panama to the United Nations

Speakers:

- H.E. Ms. Isabel de Saint Malo de Alvarado, Vice President and Minister of Foreign Affairs of the Republic of Panama
- Mr. Daniel Titelman, Director, Economic Development Division, Economic Commission for Latin America and the Caribbean (ECLAC)
- Mr. Pascal Saint-Amans, Director, Centre for Tax Policy and Administration, Organisation for Economic Co-operation and Development (OECD)
- Ms. Amina Mohammed, Deputy Secretary-General, United Nations

Summary:

The participants of the side event reflected on actions to overcome the challenges of mobilizing resources to achieve the SDGs in developing countries, including middle-income countries. Speakers referred to the Addis Agenda, which recognizes that significant additional domestic public resources, supplemented by international assistance as appropriate, will be critical to realizing the SDGs. Private international capital flows, particularly foreign direct investment (FDI), along with a stable international financial system, are vital complements to national development efforts.

The Addis Agenda acknowledges that many countries, particularly developing countries, still face considerable challenges, for which solutions can be found through strengthening public policies, regulatory frameworks and finance at all levels, unlocking the transformative potential of people and the private sector, and incentivizing changes in financing.

Participants in the event also exchanged ideas on how to maximize international tax cooperation at the service of sustainable development, as well as putting in place the necessary safeguards. As countries develop further, they have traditionally relied on offering incentives to attract FDI. However, one speaker suggested that under the new expectations of the international community, the legitimacy of tax incentives is questioned and considered as potentially harmful tax practices. A clear differentiation is necessary between pernicious tax incentives and tax incentives with substance. The latter are a genuine means of financing the 2030 Agenda as they promote FDI that generates employment and encourages technology and knowledge transfers.

Furthermore, participants discussed how alignment with the 2030 Agenda also places pressure on domestic public finances, as countries seek to strengthen the ability of tax administrations to improve tax collection, monitor the use of incentives, and curb tax evasion. It was argued that curbing tax evasion would not be limited to the domestic sphere. This requires the support of the international community through multilateral cooperation on tax affairs to tackle tax evasion and combating illicit flows.

Participants in the event further exchanged experiences and lessons learned on how governments can strengthen their regulatory frameworks to ensure more efficient and effective tax collection. Adequate administration of fiscal incentives can play a catalytic role for investment in key sectors for sustainable development in middle-income countries. Speakers argued that all parts of government and the private sector should be governed by clear rules through the coordination of policies aimed at strengthening the link between fiscal incentives and the results sought at the national level. But these national efforts would have to be strengthened through regional and international cooperation. National investment would have to be restructured, while regional cooperation intraregional investment should be promoted through trade and investment strategies, as well as transparent financial integration policies. In this regard, participants suggested a regional code of conduct for the use of tax incentives.

Finally, participants noted how the challenge of mobilizing resources to fulfil the objectives of the 2030 Agenda was compounded by the need to take into account the changes in the financial development landscape in the past decade. These changes include the growing importance of new actors and sources of development finance, including donors that are not OECD Development Assistance Committee (DAC) member countries, non-governmental organizations, climate funds, innovative financing mechanisms and South-South cooperation initiatives. Similarly, private capital has emerged as an important source of finance with a diversified set of instruments such as equity, bonds, debt securities, non-concessional loans, and risk mitigation instruments (including guarantees), together with worker remittances and private voluntary contributions. Participants concluded that while these changes have increased the options for funding the 2030 Agenda, they also raise substantial challenges in terms of coordinating and combining the actors, instruments and mechanisms of finance under a coherent and consistent financing for development framework.

Combatting illicit financial flows and enhancing assets recovery

23 May 2017, 8:00-9:30 a.m.
Conference Room 12

Organizers: Permanent Mission of Nigeria to the United Nations, Permanent Mission of Norway to the United Nations

Speakers:

- Representative of the World Bank Group (WBG)
- Representative of the OECD
- Representative of the Economic Commission for Africa (ECA)
- Representative of the Stolen Asset Recovery Initiative (STAR)
- Representative of the United Nations Office on Drugs and Crime (UNODC)

Summary:

The side event discussed policy options for combatting illicit financial flows (IFFs) through improved tracking mechanisms. Participants also elaborated on ways to enhance assets recovery and how these assets can be used for sustainable development.

Global Partnership Dialogue 2017: Wall Street's stake in the UN—the role of the private sector in financing sustainable development

23 May 2017, 8:00-9:30 a.m.
West Terrace

Organizers: European Union Delegation to the United Nations, European American Chamber of Commerce (EACC), New America

Speakers:

- H.E. Mr. João Vale de Almeida, Ambassador, Head of the Delegation of the European Union to the United Nations
- Mr. Jeffrey Sachs, Director, Center for Sustainable Development, Columbia University
- Ms. Jacqueline Corbelli, Founder, Brightline
- Ms. Brandee McHale, President, CITI Foundation and Director, Corporate Citizenship, CITI

- Mr. Filippo Bettini, Chief Sustainability & Risk Governance Officer, Pirelli Tires
- Mr. Hervé P. Duteil, Managing Director, Regional Coordinator for Corporate Social Responsibility & Sustainable Finance in the Americas, BNP PARIBAS
- Mr. Philip De Leon, Director, Public Affairs & Int'l Business Development, AGCO Corporation
- Mr. Mahmoud Mohieldin, Senior Vice President for the 2030 Development Agenda, UN Relations & Partnerships, WBG
- Ms. Carlota Cenalmor, Senior Institutional Adviser, Deputy Head of US Representative Office, European Investment Bank
- Ms. Georgia Levenson Keohane, Executive Director, Pershing Square Foundation
- Ms. Adrienne Zitka, Senior Legal Counsel, DSM North America

Summary:

The event considered the fundamental role of the private sector in advancing the sustainable development agenda and discussed ways to mobilize the global business community in support of the SDGs. Participants agreed that realizing the SDGs will improve the environment for doing business and building markets. Trillions of US dollars in public and private funds are to be redirected towards the SDGs, creating tremendous opportunities for responsive companies to deliver solutions. Partnerships between the key stakeholders would be essential and, as spelled out in the Addis Ababa Action Agenda, a broader and more varied set of financial resources would have to be mobilized in addition to public resources (domestic and international) to achieve the SDGs by 2030.

Participants elaborated on requirements from key stakeholders to ensure that government initiatives as well as business actions and investments can be accelerated. Speakers addressed the question how businesses can become real levers of change, while also maintaining their profitability. The discussion also focussed on how businesses are contributing to sustainable development and what ways should be explored to further inspire businesses to increase action while at the same time showcasing how companies are aligning core business strategies and practices with the SDGs, creating value for shareholders and maximizing profit. Speakers shared success stories and examples of concrete actions, as well as obstacles and limitations.

The changing global landscape of international tax cooperation

23 May 2017, 1:15-2:30 p.m.
Conference Room 7

Organizers: United Nations Department of Economic and Social Affairs (UN-DESA), Organisation for Economic Co-operation and Development (OECD)

Speakers:

- Mr. Alexander Trepelkov, Director, Financing for Development Office, UN-DESA
- Mr. Pascal Saint-Amans, Director, Centre for Tax Policy and Administration, OECD
- Ms. Ana Rodriguez-Calderon, Global Forum on Transparency and Exchange of Information for Tax Purposes
- Ms. Elfrieda Tamba, Commissioner General of Taxation, Liberia Revenue Agency
- Ms. Marlene Nembhard-Parker, Chief Tax Counsel, Legislation, Treaties and International Tax Issues, Tax Administration, Jamaica

Summary:

The global landscape in the fight against cross-border tax avoidance and tax evasion has changed dramatically since the Third International Conference on Financing for Development, held in Addis Ababa in 2015. The participants in this side event discussed the latest developments in international tax cooperation, both in terms of institutional arrangements and policy guidance, including progress made by the United Nations and the OECD in supporting developing countries to cope with the challenges posed by international tax avoidance and tax evasion. The side event showed how the two organisations, by working together and capitalizing on the complementarities of their respective work, as well as by joining forces with other partners, were able to achieve a greater impact in supporting developing countries to increase their tax revenues for investment in sustainable development. Participants arrived at the following key messages:

The Addis Agenda called for strengthening the effectiveness and operational capacity of the United Nations Committee of Experts on International Cooperation in Tax Matters. To this end, the frequency of its meetings has been increased from one to two sessions per year. Its engagement with the United Nations Economic and Social Council has also been increased through the annual special meeting of the Council on international cooperation in tax matters, with a view to enhancing inter-governmental consideration of tax issues at the United Nations. These arrangements have been instrumental to achieving some important milestones in the United Nations work on international tax cooperation, including in the fight against international tax avoidance and tax evasion. These include relevant updates of the United Nations Model Double Taxation Convention between Developed and Developing Countries and the United Nations Practical Manual on Transfer Pricing for Developing Countries, as well as the adoption of the United Nations Code of Conduct on Cooperation in Combating International Tax Evasion.

The Inclusive Framework on Base Erosion and Profit Shifting (BEPS) brings together over 100 countries and jurisdictions to work together, on an equal footing, on the implementation of the measures developed under the OECD/Group of 20 project on BEPS, with a view to tackling tax avoidance, improving the coherence of international tax rules and ensuring a more transparent tax environment. The measures promoted by the Inclusive Framework include the adoption of minimum standards aimed to: (a) increase transparency, including through the introduction of country-by-country reporting; (b) align taxation with value creation, including by preventing tax treaty abuses; and (c) ensure greater certainty through effective dispute resolution mechanisms. In addition, a Multilateral Instrument (MLI) has been developed to allow countries to rapidly implement tax treaty related measures to prevent BEPS.

The Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) contributes to taking forward the commitments of the Addis Agenda, by implementing international standards for transparency and exchange of tax information, which are critical to support the fight against international tax avoidance and evasion, as well as IFFs. The Global Forum is committed to supporting developing countries in implementing these standards, including through pilot North-South capacity building programmes, through the cooperation with regional tax organisations, as well as through the development of tools and guidelines.

The United Nations and the OECD, together with the International Monetary Fund (IMF) and the WBG, have established the inter-agency Platform for Collaboration on Tax, with a view to strengthening the cooperation among the four organizations in tax matters and increasing their tax capacity-building support to developing countries. To this end, the Platform has started work on a series of toolkits to support developing countries in the implementation of measures developed under the OECD/G20 project on BEPS, as well as on promoting nationally-owned medium-term revenue strategies (MTRSs) aimed to support country-led reforms of tax policy and administrations.

Country representatives from Jamaica and Liberia contributed their national perspectives on how the initiatives undertaken by international organisations were instrumental in helping them protect their tax base. Liberia noted that coordinated efforts by several international organisations had effectively supported the country in implementing the BEPS actions, discouraging aggressive tax planning and boosting voluntary compliance. Jamaica shared the measures that were taken by the country to strengthen the tax system, including the introduction of transfer pricing legislation and the adoption of policies oriented to address transparency issues, and to effectively deal with the taxation of services, as well as the establishment of data collection and statistical procedures to improve control over revenue collection.

The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS will be open for signature starting in June 2017.

The inter-agency Platform for Collaboration on Tax will organise a global conference, to be held on 14-16 February 2018 at the United Nations headquarters in New York, on the general theme of "Taxation and the Sustainable Development Goals" (for more information on the conference see http://www.worldbank.org/en/events/2017/06/06/first-global-conference-of-the-platform-for-collaboration-on-tax#1).

Making finance work for sustainable development in Asia and the Pacific

23 May 2017, 1:15-2:30 p.m.
Conference Room 11

Organizers: United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)

Speakers:

- Ms. Shamshad Akhtar, Under-Secretary-General of the United Nations & Executive Secretary, ESCAP
- Mr. Peter Thomson, President of the 71st session of the United Nations General Assembly
- Mr. A.S. Khan, Charge d' Affaires, Deputy Permanent Representative of Sri Lanka to the United Nations
- H.E. Mr. Tevita Lavemaau, Minister of Finance and National Planning, Tonga

- Mr. Nim Dorji, Finance Secretary, Bhutan
- Mr. Prem Prasad Dangal, Executive Vice-Chairman, Youth and Small Entrepreneur Self-Employment Fund, Ministry of Finance, Nepal
- H.E. Mr. Ahmed Sareer, Ambassador and Permanent Representative of the Maldives to the United Nations
- Mr. Pagnathun Theng, Director General, Ministry of Planning, Cambodia
- Ms. Neha Narula, Research Director of the Digital Currency Initiative, MIT Media Lab, USA
- Ms. Bhumika Muchhala, Senior Policy Analyst, Finance and Development, Third World Network

Summary:

The objective of the side event was to highlight the key features of the 4th High-Level Dialogue on Financing for Development in Asia and the Pacific held in Bangkok from 28 to 29 April 2017 and to reflect further on capacity support and cooperation demands of developing countries in the Asia Pacific region. The High-Level Dialogue had provided an important opportunity to gather regional momentum, scale up consolidated efforts and to emphasize the importance of broad-based regional dialogue for tax cooperation. It emphasized the potential of ESCAP to leverage its intergovernmental mechanisms for this purpose, in close collaboration with development partners.

In addition to highlighting the importance of public finance, side event participants underscored the need for stronger efforts in mobilizing private financing through public-private-partnerships (PPP) and capital market development, while noting the potential values of an Asia-Pacific network of PPP units for knowledge sharing on country experiences. Participants also discussed the importance of financial inclusion and the new developments of small and medium-sized enterprise financing in the form of FinTech. Calls were made for capacity building on financial regulation so that an appropriate balance can be struck between financial inclusion and financial stability.

Furthermore, participants underscored the critical need of regional level engagement, including through the United Nations Regional Commissions, such as ESCAP, to mobilise the expertise and mechanisms needed to achieve the commitments in the Addis Agenda and the 2030 Agenda. Speakers at the side event reiterated the importance of the following regional priorities, with special reference to the least developed countries (LDCs), landlocked developing countries (LLDCs) and small island developing states (SIDS): (i) enhancing their capacity to domestically mobilize and efficiently allocate public finance resources; (ii) delivering financing for sustainable and resilient infrastructure through partnerships with the private sector; and (iii) deepening financial inclusion while ensuring financial stability.

Speakers highlighted that regional cooperation in public finance, policies and tax cooperation need to take into consideration the different structural characteristics of within the region and the vulnerabilities of SIDS. Participants recognised that gender equality should be an objective when designing tax and revenue policies as the tax policies could impact disproportionately on the poor, women, minorities and people with disabilities. The discussions also took note of digital currencies, cryptocurrency and blockchain technology to potentially help improve financial inclusion. These technologies could be used to enable more confidence in financial transactions. By making transactions more transparent and more verifiable, they could potentially address issues of corruption and fraud, which in turn could make resources available for investments. In addition, participants stressed the importance of partnerships with the private sector in support of an action-oriented Financing for Development framework at the regional level.

ESCAP representatives also updated the participants on the establishment of an Eminent Expert Group on Tax Policy and Public Expenditure Management for Sustainable Development, comprising 18 leading global and regional experts and policymakers. The group will help ESCAP in advising Member States on developing an Asia-Pacific approach and vision on public finance reforms needed for implementing the 2030 Agenda.

Enhancing the role of the private sector in the implementation of the Vienna Programme of Action and the 2030 Agenda for Sustainable Development

23 May 2017, 1:15-2:30 p.m.
Conference Room 12

Organizers: United Nations Office of the High-Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS), Government of Zambia, Chair of the Group of Landlocked Developing Countries (LLDCs), International Road Transport Union (IRU), International Finance Corporation (IFC), United Nations International Trade Centre (ITC)

Speakers:

- Mr. Sandagdorj Erdenebileg, Chief, Policy Development, Coordination, Monitoring and Reporting Service, UN-OHRLLS
- Ms. Christine Kalamwina, Charge d'Affaires a.i., Permanent Mission of Zambia to the United Nations, Global Chair of the Group of LLDCs
- Mr. Christian Labrot, President, IRU
- Mr. Umberto de Pretto, Secretary-General, IRU
- H.E. Mr. Jan Kickert, Permanent Representative of Austria to the United Nations
- Mr. Neil Gregory, Head of Thought Leadership, IFC
- Ms. Juliette Passer, Senior Advisor, Global Partnership for Sustainable Transport (GPST)
- Ms. Riefqah Jappie, ITC Representative to the United Nations

Summary:

The main objective of the side event was to foster a dialogue on policy options to create a conducive business environment for growth and development of the private sector, including investment promotion and innovative financing mechanisms, with a specific focus on supporting entrepreneurship development in LLDCs. Participants also shared experiences on how to catalyze the private sector resources for the implementation of the 2030 Agenda and the Vienna Programme of Action (VPoA), PPPs.

Speakers stressed the need to assist LLDCs in strengthening the participation of the private sector in national development. In this regard, panellists emphasised the importance of transport and energy infrastructure, green innovative financing, trade facilitation and the nurturing of small and medium-sized enterprises (SMEs).

Furthermore, the meeting identified several measures to support LLDCs in strengthening the role of the private sector, for example the effective implementation of tried and tested UN facilitation instruments, such as the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention) for improved trade facilitation. Participants highlighted the role of strong local institutions that support the private sector to meet standards needed for trade facilitation to work. Speakers encouraged governments to develop effective and transparent policy and regulatory frameworks in support of private sector development. Targeted policies to enhance firms' access to finance, particularly for SMEs, would also be needed. It was also suggested to facilitate LLDCs' access to equity markets, capital markets and development banks to attract private investment. Participants agreed that LLDCs would need comprehensive capacity-building to support the development of bankable projects, manage their implementation and connect to regional and global value chains.

Presentations also covered recent relevant initiatives, such as the Multimodal Tursundaze Logistics and Distribution Centre in Tajikistan that will be using green financing. In Mongolia, the government is planning to establish a joint investment fund with private sector involvement to create a mechanism for financing innovative projects. In Bhutan, a multilevel car parking facility initiated on a PPP model is expected to be completed in November 2017 and the current PPP unit under the Ministry of Finance will be set up as an autonomous agency in the future. Paraguay enacted a law on "Investment promotion in public infrastructure, expansion and improvement of goods and services provided by the State" which seeks to establish mechanisms to promote infrastructure PPPs.

Assisting the least developed countries (LDCs) in preparing for graduation

23 May 2017, 1:15-2:30 p.m.
Conference Room B

Organizers: Federal Ministry for Economic Cooperation and Development (BMZ), Germany, Permanent Mission of Argentina to the United Nations, Brot für die Welt and SocDevJustice on behalf of Global Coalition for Social Protection Floors, International Labour Organization (ILO)

Speakers:

- Mr. Roland Mollerus, Chief, Secretariat of the Committee for Development Policy (CDP), Development Policy and Analysis Division, UN-DESA
- H.E. Mr. Nabindra Raj Joshi, Minister of Industry, Nepal
- Mr. Yonov Frederick Agah, Deputy Director-General, World Trade Organisation (WTO)
- Mr. Daniel Gay, Inter-Regional Advisor, Secretariat of the CDP, Development Policy and Analysis Division, UN-DESA
- H.E. Mr. Masud Bin Momen, Ambassador of Bangladesh to the United Nations, Chair of the LDCs Group
- H.E. Mr. Jouni Laaksonen, Ambassador and Deputy Permanent Representative of Finland
- Mr. Ratnakar Adhikari, Executive Director of the Executive Secretariat for the Enhanced Integrated Framework (EIF)
- Ms. Susanna Wolf, Senior Programme Officer, UN-OHRLLS
- Ms. Maryla Maliszewska, Economist, WBG

Summary:

The side event provided a platform for understanding of the available LDC-specific support and the policy implications of the possible loss of such support after graduation, including the flexibilities provided under the multilateral trading system. H.E. Mr. Joshi addressed the role that trade and investment can play in delivering a sure footing for graduation and self-sustaining growth. Providing the backdrop of Nepal, he underscored the need for a conducive environment to foster economic activities and investment, and emphasized the urgent need to undertake resource mobilization, both domestic and external. Further, he highlighted the government leadership in key prioritization and implementation of several areas with comparative and competitive advantage that have been identified in the Nepal Trade Integration Strategy supported by the EIF; and the need to match the actions taken by the LDCs in pursuit of their graduation aspiration with international support measures. He also emphasized the need to address the major challenge of structural transformation, such as the high dependence on the agricultural

sector, which was being tackled by promoting the productive and manufacturing sector with clearly defined comparative advantages.

Mr. Agah discussed the impact of graduation on LDC-specific support and flexibilities. He highlighted the importance of trade to graduating countries and endorsed the WTO view that graduating LDCs should be assisted in all possible ways to be able to sustain their positive development that qualified them for graduation. Mr. Agah addressed the three main trade-related concerns that the LDCs stand to lose after graduating, including, preferential market access, flexibilities and other special treatment at the WTO, as well as receiving less Aid for Trade. He concluded by stating that at the WTO, graduating LDCs have the possibility to negotiate special arrangements with members in any area where they require additional time.

Mr. Gay introduced the proposed graduation platform, which was envisaged to be a website detailing data, timeline and best practice for LDC graduation, tailored to each country and divided into 'before', 'during' and 'after' graduation phases. It would contain sections on country data and progress on LDC criteria, international support measures, incorporation of productive capacity into the graduation strategy, best practice on graduation and activities before, during and after graduation. Furthermore, it would include a repository for information-sharing.

H.E. Mr. Momen welcomed the proposed graduation platform as a helpful tool for LDCs to prepare for graduation. He also welcomed the EIF efforts in incorporating the graduation checklist into the Diagnostic Trade Integration Study (DTIS) work and commended UN-DESA for establishing the LDC Portal that provided support for a smooth transition strategy. In addition, he listed additional focus areas to assist the LDCs to prepare for graduation, for example, addressing supply-side constraints, mobilizing domestic resources, expanding tax bases, investing in human resources and technology, promoting connectivity, regional integration and strengthening regulatory frameworks.

H.E. Mr. Laaksonen underlined how development partners continued to be crucial even after graduation, especially with the broad range of development challenges that needed to be addressed. Development challenges included a very low share of LDC global exports. In addition, LDC exports were concentrated in areas of low value addition, such as raw materials and primary commodities, which were vulnerable to fluctuations in international market prices, while having only a limited impact in terms of inclusive growth. Underscoring the requirements to enable the LDCs to increase participation in the global economy, he emphasized market access with sufficient productive capacity and inclusiveness, while highlighting the distinct backdrops of each LDC in a one-size-does-not-fit-all model; for example, the differences between land-locked or island economies.

Mr. Adhikari emphasized the role of the EIF in providing international support towards graduation and a smooth transition strategy. He welcomed and appreciated the joint work with UN-DESA in supporting the LDCs to prepare to graduate with key resources and tools, including the graduation platform, which served as a one-stop shop for the LDCs and recently graduated countries, tailored to each country according to its graduation phase.

Ms. Maliszewska addressed how DTISs can help to prepare the LDCs for graduation, noting that the DTISs financed through the EIF served to evaluate internal and external constraints for a country's integration into the world economy. The DTISs would analyze specific sectors of the economy as well as cross-cutting issues, such as market access, transportation and trade facilitation, regulatory environment, small-scale informal trade and regional integration. Increasingly they would cover constraints faced by women and include gender-specific policy recommendations in the Action Matrix, for example, the DTIS Update for Tanzania.

Trading beyond the trade rules: financing the SDGs with multilateralism under fire

23 May 2017, 1:15-2:30 p.m.
Conference Room C

Organizers: United Nations Conference on Trade and Development (UNCTAD), Permanent Mission of Tanzania

Speakers:

- H.E. Mr. Modest Mero, Permanent Representative of Tanzania to the United Nations
- H.E. Mr. Christopher Onyanga Aparr (Uganda), President, Trade and Development Board, UNCTAD
- H.E. Mr. Admasu Nebebe, State Minister of Finance and Economic Cooperation, Ethiopia
- Mr. Richard Kozul-Wright, Director, Division for Globalization and Development Strategies, UNCTAD
- Ms. Chantal Line Carpentier, Chief, UNCTAD New York Office

Summary:

The event aimed to present perspectives from UNCTAD's analytical and intergovernmental pillars on the importance of trade as a source of financing for development in the context of an uncertain global environment.

Key messages from the discussions focused on the need to recapture the narrative of trade and its contribution for development, beyond discussions on rule-making. Trade is an important source of financing for development and for sustained world peace. Successful experiences in making trade a motor for development have relied not just on trade rules, but on industrial policy and other interdependent economic rules. The current global trade slowdown cannot be attributed only to protectionism, but rather to the slowdown in major markets. Accordingly, the international system needs to focus more broadly on the global enabling environment for trade and development, which is conducive to meeting the SDGs.

The experience of Ethiopia demonstrates that developing countries can accomplish many development objectives through trade, while still in the accession process to the WTO. Ethiopia has registered significant levels of export-led growth and has a strategy in place, including a network of industrial parks, with a view to further industrialization and diversification.

Participants argued that going forward it is important to bring together the New York- and Geneva-based processes addressing trade and development. There remain many untapped opportunities for further collective action to enhance South-South and intra-regional cooperation on trade and development. Participants also agreed that for enhanced trade performance, LDCs require meaningful market access opportunities, as well as an enabling policy framework and enhanced support for trade capacity-building.

Pushing the boundaries of official development assistance: challenges and opportunities

23 May 2017, 6:30-8:00 p.m.
Conference Room 7

Organizers: Civil Society FfD Group (including the Women's Working Group on FfD), facilitated by Eurodad, International Trade Union Confederation, UK Aid Network

Speakers:

- Mr. Pierre Habbard, Senior Policy Advisor, Trade Union Advisory Committee (TUAC)
- Mr. Jorge Moreira da Silva, Director, OECD Development Co-operation Directorate
- Ms. Shari Spiegel, Chief, Policy Analysis and Development Branch, Financing for Development Office, UN-DESA
- Mr. Fanwell K. Bokosi, Executive Director, Afrodad
- Ms. Ana Gallo-Alvarez, Team Leader, Financing for Development, Directorate-General International Cooperation and Development, European Commission
- Mr. Noel Gonzalez, Director General for Policy Planning and Multilateral Affairs, Mexican Agency for International Development Cooperation (AMEXCID)

Summary:

The side event served as a platform to exchange views on current efforts underway to reshape how official development assistance (ODA) is measured and used. The objective was to understand how principles of accountability, inclusion, ownership and results were being considered in the modernization process.

The meeting was kicked off by recognising that while the process of redefining ODA originated in the OECD Development Assistance Committee (DAC), it was broadened in the Addis Agenda committing donors to ensuring that this process is open, inclusive and transparent. The discussion was also informed by the commitment in the Addis Agenda on the use of blended finance, with a particular focus on PPPs.

The OECD provided a summary of the ongoing discussions on this issue with a particular emphasis on the motivation behind the different efforts. Recognition was given to the fact that blended finance is a reality and its application in development is on an upward trend. It was noted that there was a great deal of pressure to ensure that blended finance respected the same principles as ODA. As such, specific guidelines and principles adapted to blended finance are required. An advisory group was set up and tasked with the development of these principles by October 2017. Reflections from the European Commission, a DAC member, focused on the notion that available resources are not necessarily increasing, and thus there is a need to make the most of what is available.

To this end, it was suggested that the ODA system needed to be modernised because there was a need to use it as an incentive to mobilise other resources that were there. There was acknowledgement, however, that blending was in some cases controversial and carried certain risks that needed to be addressed. Finally, it was highlighted that, for some donors, blending was essential to keep a link with middle-income countries that continued to require assistance but different to that of traditional ODA.

The importance of effectiveness when using ODA for different and differentiated purposes, such as climate change and migration, was also emphasized. The need for evidence-based support and the placement in the context of the broader Financing for Development agenda would be critical.

A civil society representative shared some of the issues that should be addressed by the measure. For example, international public finance should "do no harm, do some good". Based on the example of PPPs in Africa, particularly in infrastructure, it was shown that risks and burdens were disproportionately being borne by the public. It was also stressed that blended finance would not simply be a quantity issue, with a new mantra about moving from billions to trillions, but little discussion about the quality of those trillions. According to the speaker, the profitability of the private sector should not be the primary goal but the focus had to remain on development outcomes. Furthermore, when resources were leveraged, standards such as human rights and development additionality should be ensured.

The panel closed with a comment that, while blended finance remained small, there was a need to get out ahead of the curve with the right principles. It was suggested that, while the Addis Agenda established a general set of principles, the IATF should continue to develop them further, though much work remains. The importance of having this discussion now, prior to a possible future intensified use of blended finance as a source of development finance, was strongly emphasised.

Wednesday, 24 May 2017

Taking stock on investment in children: towards the implementation of the Addis Ababa Action Agenda

24 May 2017, 8:00-9:30 a.m.
Conference Room 12

Organizers: Permanent Mission of Canada to the United Nations, ChildFund Alliance, Global Partnership to End Violence Against Children, Save the Children, Office of the Special Representative of the Secretary General on Violence Against Children, UNICEF, SOS Children's Villages, World Vision

Speakers:

- Mr. Charles Badenoch, Vice-President for Advocacy and External Engagement, World Vision
- Mr. Robert Tew, Head of Technical Development, Development Initiatives
- Ms. Marta Santos Pais, Special Representative of the Secretary-General on Violence against Children
- Mr. Olav Kjovern, Director, Public Partnerships Division, UNICEF
- Ms. Susan Bissell, Director, Global Partnership to End Violence Against Children
- Ms. Anar Mamdani, Counsellor, Permanent Mission of Canada to the United Nations
- Mr. Michael Rose, Chair of the Board, ChildFund Alliance

Summary:

The purpose of the side event was to present the results of a study entitled "Counting Pennies: A review of official development assistance to end violence against children", which was commissioned by the event organizers. Furthermore, the event raised awareness on the urgent need to invest in children which started with raising the visibility of child rights in national budgets and aid allocations.

The Addis Agenda recognizes that investing in children and youth is critical to achieving inclusive, equitable and sustainable development. Consequently, it reaffirmed the vital importance of promoting and protecting children's rights. Violence against children is a violation of children rights and happening all around the world. It has been reported that a child dies every five minutes as a result of violence. Preventing violence, protecting children and creating enabling environment requires a decisive commitment to invest in children. It was argued that the loss of human capital and increased cost of health and social services totals between $2 trillion to $7 trillion, or up to 8 per cent of global gross domestic product.

During the discussion, participants emphasised that violence against children had been recognised as a development priority by the international community. For example, several SDGs contain specific targets related to children and the Addis Agenda includes commitments on investing in children. However, based on the study, it was suggested that only 0.1 per cent of total gross ODA was spent on projects specifically targeting violence against children. The main recipients were countries with low levels of government revenue (e.g. South Sudan, DRC) and middle-income countries suffering from the refugee crises as a result of conflict (e.g. Iraq, Syria). Furthermore, spending on preventive and responsive actions in relation to violence against children remains very low. Therefore, participants urged donors to commit additional resources that address the prevention and response to ending violence against children. It was argued that more needs to be done to ensure the resources are allocated to the areas of greatest needs and with the highest impact. Finally, participants called for improved tracking of resources spend on ending violence against children.

Public-private interfaces - new models of interaction between the public and private actors, successes and challenges and their meaning for development finance and the eradication of poverty

24 May 2017, 8:00-9:30 a.m.
Conference Room B

Organizers: Civil Society FfD Group (including the Women's Working Group on FfD), NGO Committee on FfD, NGO Committee on Social Development, with support from: Brot für die Welt, Christian Aid, Eurodad, Global Foundation for Democracy and Development, Global Policy Forum, MISEREOR, Society for International Development (SID), New Humanity, Virginia Gildersleeve International Fund, Medical Mission Sisters, Pax Christi International, Sisters of Charity Federation, Religious of the Sacred Heart of Mary, VIVAT International

Speakers:

- Ms. Barbara Adams, Chair, New York Board, Global Policy Forum
- Mr. Stefano Prato, Managing Director, Society for International Development and Civil Society FfD Group
- Ms. Yuko Suzuki Naab, Global Policy Advisor, Effective Development Cooperation, Bureau for Policy and Programme Support, United Nations Development Programme (UNDP)
- Mr. Daniel Platz, Economic Affairs Officer, Financing for Development Office, UN-DESA
- Mr. Joe Klock, Representative to the United Nations and Vice President, New Humanity

Summary:

The side event provided a platform to review the interaction between the public and private sectors. The traditional models, largely based on corporate regulation and public procurement, are relatively well understood and accepted. However, the most recent wave of economic globalization has been accompanied by a widened process of commodification with the effect that a widening range of goods and services are now being provided by market actors rather than states. At the same time, the classic models of public-private interaction have been challenged by the rise of new types of financing instruments that to various degree have introduced private actors in areas that were traditionally in the remit of public sector. The phenomenon of public concessions and benefits towards the private sector is rapidly evolving and its scope is becoming much broader than what usually is understood to be a PPP.

In the context of the SDGs, the discussion explored new and old forms of public-private interaction and introduced the concept of public-private interfaces (PPI) to refer to the widening and increasingly prominent forms of public-private interaction within the development landscape. The debate reaffirmed how current PPPs remain highly contested by civil society due to the lack of their claimed developmental impact, the often perverse effect on the nature of public services, the high cost if compared to public procurement, the inadequate accounting of future financing costs linked to long-term contracts and the unequal risk sharing between public and private sectors, among others.

Participants argued that while there is an urgent need to address the challenges resulting from the increasing application of the PPP model, it is also necessary to explore the broader PPI phenomenon and ensure that future policies protect the public space and the nature of public services. Speakers also emphasised that all types of financing, for example government and municipal bonds and loans, public procurement, and establishment of public-sector enterprises, should be treated equally when conducting capacity assessments, rather than emphasizing a single PPP model.

Furthermore, participants discussed new actors that are based on co-operative or social enterprise models and have been able to use market-based income generation to create a measurable social impact.

Finally, the CS FfD Group presented a research project, which intended to conceptualize PPIs and would comprise of a broad survey to explore the actual forms these are taking in various regions and thematic sectors. The survey will categorize PPIs and conduct an initial assessment of their capabilities to achieve developmental outcomes as well as their risks. This might inform future policy making aimed at ensuring adequate accountability to citizens for the use of public resources.

Urban finance as a game changer for the SDGs

24 May 2017, 1:15-2:30 p.m.
Conference Room 7

Organizers: Financing for Development Office, UN-DESA, United Nations Capital Development Fund (UNCDF), United Cities and Local Governments (UCLG)

Speakers:

- Ms. Christel Alvergne, Deputy Director, Local Development Finance, UNCDF (Moderator)
- Mr. Alexander Trepelkov, Director, Financing for Development Office, UN-DESA
- Mr. Xavier Michon, Deputy Executive Secretary, UNCDF
- H.E. Mr. Nabindra Raj Joshi, Minister of Industry, Nepal
- Mr. Wild Ndipo, Mayor of Blantyre, Malawi
- Mr. Daviz Simango, Mayor of Beira, Mozambique
- Mr. Mpho Khunou, Mayor of Rustenberg, South Africa
- Mr. Philippe Orliange, Director of Strategy, Partnerships and Communication, Agence Française de Développement (AFD)
- Mr. Edgardo Bilsky, Director of Research, UCLG

Summary:

The side event featured the launch of a joint publication by the Financing for Development Office/UN-DESA and UNCDF, entitled “Financing Sustainable Urban Development in

the Least Developed Countries" and brought together high-level participants to discuss the role of urban finance for the implementation of the SDGs. UCLG also presented the Global Observatory on Local Finance, which was developed in cooperation with the OECD.

Mr. Michon pointed out the challenges arising from rapid urbanisation in LDCs. While facing a critical shortage of financial resources, local governments would be increasingly responsible for the provision of public goods and services, critical infrastructure, as well as for the implementation of the SDGs. In this regard, Mr. Michon pointed out the work of the UNCDF Municipal Investment Finance programme, which would support local governments in unlocking investments, expanding access to innovative financial resources, broadening the tax revenue base and building capacity.

Mr. Trepelkov emphasised that Member States in the Addis Agenda committed to fully engage local authorities in the global framework for financing sustainable development. The joint publication by the Financing for Development Office/UN-DESA and UNCDF would be part of the commitment to strengthen international cooperation, by providing an overview of the multidimensional challenges faced by local governments in the LDCs. In particular, the publication offers insights into revenue generation, public financial management and long-term capital formation; illustrated by a wide range of case studies from local governments in LDCs.

H.E. Mr. Joshi built on his experience as the former Deputy Mayor of Kathmandu while making the case for making more resources available to the local level. Nepal took measures to expand local revenue generation by enabling local governments to collect taxes on local property, vehicles, enterprises, and the use of innovative financing mechanisms. The Minister also referred to the cooperation between different levels of government and pointed out the challenges in buliding capacity at the local level to execute long-term investment strategies for sustainable development.

Mr. Ndipo explained that the city of Blantyre was facing a shortage of financial resources to make necessary investments for sustainable development. He called for an increased share of national revenues to be allocated to local governments to increase fiscal autonomy. In addition, he suggested making revenues from certain taxes, for example road and business taxes, available for local governments and called for expanding the opportunities for local governments to generate own-source revenues.

Mr. Simango described that despite the availability of an increasing amount of resources, for example from property, garbage and vehicle taxes, challenges remained to finance sustainable development. One current effort by the city government was to digitalise all land titles in an effort to strengthen revenue collection from property and business taxes. The Mayor also elaborated on the collaboration with international development banks in the construction of the largest urban park in Africa.

Mr. Khunou presented focus areas of the South Africa Local Government Association aiming at strengthening local revenue generation. One area was to address gaps in revenue generation trough regular updates to property registries, the implementation of cost-recovering tariffs and the use of smart technologies for the collection of user fees. Another area was the diversification of revenue sources. For example, local governments in South Africa would aim to expand the formal sector through the procurement process.

Mr. Orliange highlighted that local governments were increasingly concerned about the integration of sustainable development objectives in their investment plans. He suggested that national governments should provide adequate legal, technical and financial frameworks for local governments, while local governments would need to build capacities in the respective areas. Based on AFD's lasting experience with working directly with local governments, Mr. Orliange also urged development partners, including development banks, to take similar steps within existing frameworks.

Mr. Bilsky explained that the Global Observatory on Local Finance was intended to support analysis on how to strengthen local government finances. The data showed that local governments in low-income countries accounted for a significantly lower share of public expenditures and revenues compared to other countries. Similarly, there was a higher dependency on transfers from central governments. Mr. Bilsky proposed using ODA for strengthening local governments' credit worthiness and financial management capacity, as well as for expanding the pipeline of investment-ready projects.

During the ensuing interactive discussion, participants raised the issue of risk management, including political risks, for long-term investments. Panellists highlighted the importance of good governance and stable institutions in this context. Participants also discussed the role of technology, for example for tax payments and fee collection. Furthermore, participants encouraged local and national governments, local government associations, national and international development banks, as well as other development partners to scale up their efforts in support of sustainable development at the local level. There was broad agreement that the joint UN-DESA/UNCDF publication and the Global Observatory could provide policy makers with important analysis and recommendations in this regard.

Innovative instruments to manage public debt

24 May 2017, 1:15-2:30 p.m.
Conference Room 12

Organizers: International Monetary Fund (IMF), United Nations Development Programme (UNDP)

Speakers:

- Mr. Chris Lane, IMF Special Representative to the United Nations
- Ms. Shari Spiegel, Chief, Policy Analysis and Development Branch, Financing for Development Office, UN-DESA
- Mr. S. Ali Abbas, Deputy Chief, Debt Policy Division, IMF
- Mr. Mike Sylvester, IMF Executive Director's Office representing Grenada
- Mr. Tobias Meier, Vice President, Swiss Re
- Mr. Magdy Martínez-Solimán, United Nations Assistant Secretary-General and Director of the Bureau for Policy and Programme Support, UNDP

Summary:

The participants of this side event considered the potential of state-contingent debt

instruments (SCDIs) to better manage public debt in a world of uncertainty. A range of shocks, including economic crises, conflicts and natural disasters can reverse hard won development gains. They can also easily weaken countries' ability to pay back their debt. In some cases (e.g. following Ebola) public creditors have responded to debt distress by easing debt repayment obligations of affected countries. Instead of ex-post responses, however, there is a strong case for scaling up innovative financial instruments, which trigger automatically downward adjustments in debt service during shocks. SCDIs provide breathing space in the case of two distinct shocks: 1) economic: when there is volatility in the business cycle (e.g. due to commodity price shocks); 2) non-economic: one-off exogenous events (e.g. natural disasters). Insurance markets also play an important role, using diversification for risk management. An example of an insurance pool is the Caribbean Catastrophe Risk Insurance Facility. These two types of instruments are not substitutes and they should go together.

SCDIs link debt service payments to real world variables or events. Examples are gross domestic product (GDP) or wage-indexed bonds (e.g. Uruguay, 2014), commodity-linked bonds (e.g. Mexico, 1977) or hurricane clauses (e.g. Grenada, 2015). This means that when times are bad — such as during an economic downturn or following a natural disaster, a government automatically receives debt relief when it is needed most. As this mechanism is already built into the debt contract, there is less need to undertake a procyclical and costly fiscal adjustment or a time-consuming debt restructuring.

Whereas the idea of SCDIs has been around for a while, their use has been limited. The issue was recently taken up by the G20 German Presidency. Potential interest among: long-term institutional investors (domestic and international); international investors looking to diversify risk across countries; reinsurers for exogenous shocks (e.g. hurricanes); Islamic finance investors (especially in commodity-linked bonds). We also see increasing interest from issuers such as small states (given vulnerability to exogenous shocks); commodity exporters; emerging market low income countries (LICs) lacking established local currency bond markets.

A recent IMF report looks at benefits and complications of these instruments and how to overcome complications via robust design. For example, sovereigns with a large stock of SCDIs may have weaker incentives to pro-actively plan and protect against risks (moral hazard problem); there could be a temptation for governments to opportunistically manipulate data (e.g. GDP data, in the case of GDP-linked bonds); and excessive risk could be transferred to the private sector holding these instruments. By considering experience from past uses of these instruments as well as feedback from the market, the panel explored how robust contract design and support from the official sector could help overcome some of these problems.

The moderated panel discussion gave attendees an understanding of the benefits and complications associated with SCDIs, a perspective on the potential issuer and investor base for these instruments; and a sense of which instruments would be most appropriate for which types of countries and circumstances; there was be a special focus on small open economies vulnerable to large exogenous shocks.

For instance, in the case of Grenada, Hurricane Ivan had a significant macroeconomic impact: the damage accounted for $ 800 million and the recovery cost was more than 200 per cent of GDP. Risks from disasters are escalating and frequency and intensity of these events are increasing. Lessons learned during two episodes of debt restructuring of Grenada within a 10-year period include: the need to avoid overly optimistic and unrealistic forecasts of future macroeconomic performance and to be realistic about future financing needs (taking into account possible shocks).

The hurricane clause included in Grenada's debt restructuring relies on the parametric indexed trigger used by the Caribbean Catastrophe Risk Insurance Facility (CCRIF) and allows for a moratorium on debt payments in the event of a natural disaster. A key consideration for the inclusion of the clause is that authorities maintain insurance coverage with CCRIF. Relief can be claimed once every five years.

In the reinsurance market, there is a huge appetite for the risk of exogenous shocks (e.g. earthquake in New Zealand, tsunami in Japan) as reinsurance companies collect premiums sufficient to cover that kind of risk. Reinsurance market is heavily regulated. A key feature is the diversification of risk as it covers different sectors (e.g. also car insurance, fire insurance, etc.) and different regions. Speakers suggested that sovereigns and humanitarian community also consider tapping into this market.

Similar to the IMF's analysis, the findings of the recent research by UNDP and a joint analysis with the French Development Agency, stress that instead of ad hoc and ex-post responses, there is a strong case for increased use of state-contingent lending instruments, which have the potential to contribute to improve debt sustainability and help countries manage risk and cope with shocks more effectively. Debt crises may still occur even when instruments such as SCDIs are widely used; hence impartial and neutral processes of sovereign debt restructuring are also critical. UNDP supports SCDIs to be part of a broader package. As to small states, it is also important to ensure that eligibility criteria for concessional finance take into account vulnerability to shocks.

Investing in infrastructure for an inclusive and sustainable future of the Asia-Pacific LDCs, LLDCs and SIDS

24 May 2017, 1:15-2:30 p.m.
Conference Room B

Organizer: United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)

Speakers:

- Ms. Shamshad Akhtar, Under-Secretary-General of the United Nations & Executive Secretary of ESCAP
- Mr. Nabeel Munir, Vice-President of the Economic and Social Council and Deputy Permanent Representative of Pakistan to the United Nations, New York
- Mr. Nim Dorji, Finance Secretary, Bhutan
- H.E. Mr. Masud Bin Momen, Ambassador of Bangladesh to the United Nations, Chair of the LDCs Group
- Ms. Sirimali Fernando, Chief Executive Officer, Coordinating Secretariat for

Science, Technology and Innovation (COSTI) and Chairperson of National Science Foundation, Sri Lanka

- Mr. Arounyadeth Rasphone, Deputy Director General, Department of International Cooperation, Ministry of Planning and Investment, Lao People's Democratic Republic
- Mr. Rami Ahmad, Special Envoy on the Sustainable Development Goals, Islamic Development Bank
- Mr. Martin Chrisney, Director, International Development, KPMG

Summary:

The objective of the side event was to highlight the main findings of ESCAP's Asia-Pacific Countries with Special Needs Development Report 2017. Sustainable Development Goal 9 focuses on promoting investment in sustainable infrastructure, of which the benefits for development are well documented. Upgrading and building infrastructure increases productivity growth, competitiveness and, done intelligently, supports social development. In the short term, building new infrastructure boosts demand and employment through construction work. In the longer term, it helps keeps growth sustainable. The academic consensus in this field is overwhelming. Infrastructure, growth and poverty reduction go hand in hand.

The discussion noted that ESCAP created the Access to Physical Infrastructure Index, which focused on four sectors of physical infrastructure: transport; energy; information communication technology; and water and sanitation. The Access to Physical Infrastructure Index was calculated for 41 countries in the Asia-Pacific region, including 23 countries with special needs. It confirmed the significant infrastructure deficits of these countries. The report calculated that if infrastructure access in countries with special needs were increased to the level of other developing countries in the region, their combined gross domestic product would increase by as much as $ 134 billion, or 6 per cent, by 2030.

Side event participants recognised the need to: (i) identify the opportunities associated with infrastructure development, such as prioritization, cross-sectoral coordination, and institutional capacity for implementing projects and ensuring sustainable and effective use of infrastructure; (ii) understand challenges and opportunities at the national level for financing infrastructure, including through mobilizing domestic public finance; as well as enhancing private sector participation and PPPs; and (iii) discuss the future role of ESCAP in collaboration with development partners and institutions in developing regional infrastructure such as large transport corridors, information superhighways and energy connectivity.

Speakers emphasized that ESCAP should continue to serve as critical link to bridge the national and regional challenges to the implementing the global sustainable development

agenda. Lack of resources and budget deficits for balancing infrastructure investment in countries with special needs create a situation in which infrastructure investments cannot be prioritized and future investors are discouraged. Participants recognised the need to enhance regional cooperation with bordering countries as an opportunity for sharing the gains of infrastructure development. Regional cooperation would allow to share experiences, collaborate on common interest and support each other in responding to emerging challenges.

Participants further emphasised that green infrastructure investment should be mainstreamed in the national development planning processes. In addition, participants stressed the importance of partnerships with the private sector as ODA alone would not be enough, and domestic resources mobilization should also be a key component of the sustainable development agenda.

Breaking the silos: financing for peacebuilding and development

24 May 2017, 1:15-2:30 p.m.
Conference Room C

Organizers: Permanent Mission of Indonesia to the United Nations, Permanent Mission of Norway to the United Nations

Speakers:

- H.E. Ms. Ina Hagniningtyas Krisnamurthi, Ambassador and Deputy Permanent Representative of Indonesia to the United Nations
- Mr. Henk-Jan Brinkman, Chief of Policy, Planning and Application, United Nations Peacebuilding Support Office
- Ms. Jennifer Topping, Executive Coordinator, Multi-Partner Trust Fund Office, UNDP
- Mr. Stephan Massing, Senior Strategy and Operations Officer, WBG
- H.E. Mr. Geir O. Pedersen, Ambassador and Permanent Representative of Norway

Summary:

The side event sought to raise awareness of the complementarities and synergies between peacebuilding and development, discuss key partnerships, inter alia between the United Nations and the WBG and with the private sector, and to explore concrete ideas for innovative financing of peacebuilding activities. The Addis Agenda affirms the challenges to development posed by violent conflict and recognizes the peacebuilding financing gap. In April 2016, the General Assembly and the Security Council adopted parallel resolutions on peacebuilding, which introduced the new framework of sustaining peace.

Secretary-General António Guterres has called for more investments in prevention across the United Nations system, as well as strengthened partnerships, to avoid crises and human suffering. This includes supporting governments in building resilient and inclusive societies that can deliver on the promise to leave no one behind.

The United Nations, Member States and key partners are now implementing these interrelated commitments, initiatives and partnerships. The significant linkages between financing for peacebuilding and development are important in achieving sustainable peace and development. Innovative financing mechanisms are needed to assist countries in accessing adequate financing for peacebuilding and development.

In his opening remarks, Ambassador Pedersen drew attention to the need for a holistic approach to development, prevention and peacebuilding, and hoped that a joint discussion between the Financing for Development and Peacebuilding communities would foster a common vision regarding financing for peacebuilding and development based on national ownership.

Ambassador Krisnamurthi shared experiences from Indonesia's transition to democracy and emphasized the importance of inclusivity at all levels. Decentralization to regional governments has been a key factor to allow autonomy and ownership of the process in the regions, and continues to be so in order to sustain peace, stimulate economic growth and promote development. Democracy, development and stability are mutually reinforcing. The Ambassador further highlighted Indonesia's success with e-democracy as a way of engaging the society and political leadership. E-democracy would shape a sense of ownership among the citizens. This in turn has led to the development of innovative programmes, which involve digital economy and microfinance, including through the expansion of market access of small and medium enterprises to digital markets. Furthermore, South-South cooperation would play an important role in international cooperation for sustainable development and peace. South-South and triangular cooperation, including through exchanging relevant experience and expertise to develop capacity, should be further strengthened.

Mr. Brinkman furthered the Ambassador's point by arguing that it was not a question of moving resources from development to peace and security, but a matter of how the United Nations worked — by bringing a peacebuilding approach into development and humanitarian activities. He argued that the United Nations must become much better at working in and on conflict settings, and it must be system-wide, comprehensive, multidimensional and people-centred. From the joint United Nations-WBG study on prevention, a preliminary finding was that a mechanism for voicing grievances was crucial to success. Another finding was that spending on prevention worked, the earlier the better. All countries were susceptible to conflict, but not all would escalate. Early prevention allows for greater savings down the line and for a broader set of policies. To bridge the financing gap, new and innovative sources of financing are currently being explored, including peace bonds, crowdsourcing, voluntary levies on certain products and arms trade taxes.

Ms. Topping continued to discuss the case for early intervention. One dollar spent on peacebuilding and prevention on average saves 16 dollars spent on the consequences of conflict. These findings build the case for investing more in peacebuilding and prevention. On average 4 per cent of domestic budget expenditure is spent on peacebuilding in the most conflict-ridden countries, much less than is needed. Today, peacebuilding financing is fragmented and dispersed, with a small donor base. There are, however, several examples at the country level of well-designed coherent funds that bring together peace and development. In Colombia, the government led a framing exercise around the principles of peace and consequently set up a fund built on the findings from that exercise. The Peacebuilding Fund is another example of a pooled fund that works effectively and functions as a door opener for other sources of funding, inter alia from the WBG. It responds catalytically, takes risk and brings the system together around common outcomes.

Mr. Massing echoed others in pointing out that the success of financing for peacebuilding is less about the pooling of funds and more about the financial architecture. There needs to be a portfolio approach that comes together as support of a coherent framework. Financing challenges will vary between low-income countries and middle-income countries — there is a big difference between a middle-income country that can issue bonds and low-income countries that depend on aid. There are also often differences within countries, where some parts may be affected by conflict. Mr. Massing elaborated on a push within the WBG for more upfront investment to prevent conflict. $ 70 billion have been allocated to International Development Association (IDA) 18 and the resources devoted to fragile states have doubled. There is a five times higher allocation to turn-around regimes, i.e. after conflict. A private sector window has been introduced where public resources take away some of the risk for the private sector.

Ambassador Pedersen concluded that the discussion encouraged a push towards a more coherent approach to peacebuilding and sustaining peace, within the broader context of the SDGs. The forthcoming report of the Secretary-General on sustaining peace, leading up to the High-level meeting of the General Assembly in 2018, will be an important milestone in this regard.

Realization of ECOWAS Vision 2020

24 May 2017, 1:15-2:30 p.m.
Conference Room F

Organizers: Permanent Mission of Nigeria to the United Nations

Panel Discussion on TOSSD: A statistical measurement framework for tracking the means of implementation to achieve the SDGs

24 May 2017, 6:30-8:00 p.m.
Conference Room 7

Organizers: Organisation for Economic Co-operation and Development (OECD), Agence Francaise de Developpement (AfD), Fondation pour les etudes et recherches sur le developpement international (Ferdi)

Speakers:

- Mr. Jorge Moreira da Silva, Director, OECD Development Co-operation Directorate
- Mr. Francois Legue, Foreign Affairs Counsellor, Ministry of Foreign Affairs (MAEDI), France
- Mr. Philippe Orliange, Director, AFD
- Mr. Matthieu Boussichas, Programme Manager, Ferdi
- Ms. Amy Dodd, Director, UK Aid Network
- Ms. Shari Spiegel, Chief, Policy Analysis and Development Branch, Financing for Development Office, UN-DESA

Summary:

The participants of this side event discussed how to harness synergies at the global and country levels for strategies to promote effective and integrated frameworks that mobilise all available resources—aid, taxation, domestic and international private finance, remittances and philanthropy—in support of financing for sustainable development. The discussion also focused on ways to promote enhanced accountability and incentives for resources beyond ODA and further advancing the understanding of the nature and potential future role of the total official support for sustainable development (TOSSD) measurement framework to strengthen data and monitoring of the means of implementation, including in support of global public goods and reducing economic, social, political and environmental vulnerabilities.

Preliminary first estimates of the order of magnitude of the TOSSD cross-border pillar amounted to $ 580 billion (gross, disbursements) in 2014. This pillar represents cross-border flows captured in the TOSSD framework, including official bilateral flows from Development Assistance Committee (DAC) providers, official flows from emerging market economies and official flows from multilateral institutions (mobilised private finance through official means and export credits are currently under consideration for inclusion under the framework).

Mr. da Silva announced that an international inter-governmental TOSSD task force will be launched in July 2017 to ensure that development of the measurement framework is carried out at the global level by experts from both the statistical and development policy communities. Technical work will be implemented under a two-phased methodological approach addressing: (i) cross-border flows; and (ii) contributions to address global challenges and support for development enablers.

Several participants emphasised that TOSSD is a necessary financial counterpart to capture and reflect the scope of the SDGs. It was noted that an aggregate TOSSD concept is needed to account for the growing number of providers of development finance (including South-South cooperation), to ensure greater transparency of broader public-private blending operations and to promote the development effectiveness of flows beyond ODA. It was also noted that the IATF annual report provided an important source of information on available non-financial flows such as trade and technology.

Participants agreed on the importance of ensuring that ODA is not diluted by TOSSD incentives. As a separate aggregate designed to support broader SDG resources, TOSSD presents an opportunity to secure the integrity of the ODA measure and commitments, which aim to promote allocation of the most concessional resources to countries most in need. Some cautioned about the inclusion of support to global public goods within TOSSD as these resources may not be aligned to developing country national priorities.

It was noted that TOSSD could also help to capture the new reality of transition financing for countries graduating from the ODA-eligible recipient list. The TOSSD measure would allow them to benefit from visibility of available flows beyond ODA after graduation. Participants also stressed the importance of fully integrating the recipient perspective and expressed support for the Senegal and Philippines case studies.

The Committee for Development Policy (CDP) indicated that, going forward, ECOSOC offers to take on a role to co-facilitate the development of the TOSSD measurement framework in collaboration with the OECD. Modalities for a co-facilitation process are under consideration.

Women's rights and gender equality in development finance

24 May 2017, 6:30-8:00 p.m.
Conference Room 12

Organizer: Civil Society FfD Group including the Women's Working Group on FfD

Speakers:

- Ms. Rosa Lizarde, Global Director, Feminist Task Force; Co-Convenor Women's Working Group on FfD
- Mr. Bruno Rios Sanchez, Second Secretary, Permanent Mission of Mexico to the United Nations
- Ms. Shanchita Haque, Counsellor, Permanent Mission of the People's Republic of Bangladesh to the United Nations, Expert Level Coordinator of Least Developed Countries (LDCs) issues at United Nations
- Ms. Everline Aketch, Member, Coordinating Committee for Education Support and Cultural Workers' Network, Public Services International (PSI), Uganda
- Mr. Matti Kohonen, Principal Adviser-Private Sector, Christian Aid
- Ms. Emilia Reyes, Director of Policies and Budgets for Equality and Sustainable Development in Gender Equity, Citizenship, Work and Family at Equidad de Género, Mexico, Co-Convenor, Women's Working Group on FfD
- Ms. Patricia Miranda, Senior Officer on FfD, LATINDADD and Fundación Jubileo, Bolivia

Summary:

Gender equality and women's human rights have been identified as key cross-cutting issues in the FfD process. In 2015, a series of international instruments were agreed to promote sustainable development and advance a paradigm shift in the social, economic and environmental dimensions. However, it was only in the Addis Agenda that women's human rights were highlighted as a critical component in tackling structural challenges to transformation. The side event provided a platform to explore how to possibly operationalize this recognition in active interplay with all other elements of the FfD framework and in the context of a possible proposal for a multi-year program of work for the FfD follow-up process that could enhance the achievement of the FfD commitments.

The full realization of women's human rights and gender equality should be achieved through macroeconomic and systemic measures and all matters related to the financing for development agenda. Addressing the differentiated needs of diverse groups of population to achieve the wellbeing of people is of crucial importance.

Gender equality cannot be achieved without comprehensive fiscal measures with a gender perspective, including progressive taxation and gender-responsive budgets at the national and local levels. The participants also emphasised that the notion of women's empowerment alone is not sufficient to the women's rights agenda. The women´s human rights agenda must be addressed in a comprehensive way to ensure the reduction, recognition, sharing and redistribution of unpaid domestic and care work between and among the state, private sector, communities, families, women and men. The centrality played by the provision of technology, infrastructure, social protection policies, and public services such as education, health- including sexual and reproductive health and rights, water and sanitation, renewable energy, transport, information technologies, as well as accessible, affordable and quality childcare and care facilities for older persons, persons with disabilities, persons living with HIV and AIDS, and all others in need of care, provides a framework for implementation.

Moreover, governments need to effectively address the negative impacts of illicit financial flows, including tax avoidance and evasion, on gender equality, because, as the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) Committee stated in December 2016, they have "a negative impact on the ability of other States, particularly those already short of revenue, to mobilise the maximum available resources for the fulfilment of women's rights."

Civil society has proposed that the IATF should include within its mandate the preparation of a comprehensive inventory of guidelines, principles and other policy interventions on how to mainstream women's human rights into the implementation of the Financing for Development Agenda to be discussed in the 2018 ECOSOC FfD Forum.

Mr. Sanchez discussed gender-responsive budgeting in Mexico, and how it has been implemented on the national level in specific sectors to tackle both gender inequality in social and economic issues, as well as gender-based violence. Gender has been a specific line item in the Mexican budgets for the past ten years. He raised the importance of obtaining good data and emphasized the collection of gender disaggregated data.

Ms. Haque discussed government policies in Bangladesh that directly addressed women's economic empowerment to resolve gender-based discrimination in the work place, unequal gender positions in labour markets and asset ownership, and specific government incentives and policies to encourage greater participation of women in the economy. Ms. Haque announced that the LDCs were integrating a gender-perspective analysis in their upcoming work, including respect for women's rights, highlighting gender equality in development of all LDCs, and women's economic inclusion as a state responsibility.

Mr. Kohonen discussed linkages between gender and taxation. Women tend to work in less skilled jobs, which results in lower income and lower income tax rates. However, their unpaid care duties mean that women tend to spend more on items that carry a value-added tax, such as household goods and groceries. Meanwhile, men tend to occupy better paid salaries and pay a slightly higher rate of taxation if income tax brackets are progressive — so a tax system can reduce inequalities if it is progressive and does not excessively tax consumption. Making women visible in income tax systems would be vital to understand the taxes they pay. On the spending side, revenue should be used in a gender-responsible way, including maternity pay shared by the government and employers for a period that is considered essential for health of mother and new-born.

Ms. Aketch discussed the impact of PPPs on women. The privatisation of public services in Uganda has a negative impact on women's rights. She pointed out the connections between green economics, decent work and social inclusion. Furthermore, she noted how women in the informal economy paid more taxes. Ms. Miranda argued that within the FfD process, inequalities needed to be addressed through progressive tax policies. Ms. Reyes suggested that women were not just economic agents that contributed growth, but should be the starting point in financing for gender equality.

Thursday, 25 May 2017

Achieving the Addis Ababa Action Agenda and Sustainable Development Goals at country level: mobilizing and managing complex financing with the integrated national financing frameworks

25 May 2017, 8:00-9:30 a.m.
Conference Room 7

Organizers: United Nations Development Programme (UNDP), United Nations Department of Economic and Social Affairs (UN-DESA), Asia-Pacific Development Effectiveness Facility (AP-DEF)

Speakers:

- Ms. Shari Spiegel, Chief, Policy Analysis and Development Branch, Financing for Development Office, UN-DESA
- Ms. Simona Marinescu, Chief, Development Impact Group, UNDP
- Mr. Thomas Beloe, Governance, Climate Change Finance and Development Effectiveness Advisor, AP-DEF

- H.E. Mr. Antonio Gumende, Permanent Representative of Mozambique to the United Nations
- Mr. Iqbal Abdullah Harun, Economic Minister, Permanent Mission of Bangladesh to the United Nations
- Mr. Stanley Longwe, Chief Economist, Ministry of Finance, Economic Planning and Development, Malawi
- Mr. Efraín Corea Yánez, Presidential Director of Strategic Planning, Budget and Public Investment, Ministry of General Government Coordination, Honduras

Summary:

The objective of the side event was to demonstrate the importance and impact of taking a holistic and integrated approach toward managing and mobilising financing for national sustainable development strategies, drawing on country experience in working toward establishing an Integrated National Finance Framework (INFF). Participants discussed opportunities, challenges and lessons learned in establishing INFFs and ways to promote support and engagement of all development stakeholders as countries take steps to establish an INFF.

The implementation of the 2030 Agenda will require significant increase in investments from a diverse range of sources, as well as changes in the way existing resources are used and prioritised. Understanding the increasingly complex development finance landscape, the Addis Agenda called for cohesive nationally owned sustainable development strategies to be supported by INFFs. In the same vein, the IATF, in its 2017 report, highlighted the need to bring implementation efforts across various financial and cooperation strategies together into a cohesive framework.

INFFs can help governments to develop and deliver a coherent strategy to mobilise the necessary investments from all types of financing. They can be understood as a system of policies and institutional structures designed to enable government to take a holistic approach towards managing and mobilising financing for national development strategies.

In responding to demand from developing country governments (and initially developed), and piloted by its Bangkok Regional Hub, in serving as the Secretariat for AP-DEF, UNDP has been undertaking Development Finance Assessments (DFA) that scan a country's financing landscape—both flows and policies. The DFA is a unique, government-led assessment and a useful tool for governments to identify opportunities and gaps towards establishing INFFs. It was highlighted that the DFA is a tool for aggregation and collaboration, drawing on existing data and evidence, rather than recreating studies already undertaken by other partners.

Countries that have already undertaken DFAs noted that the DFA has shown to be a useful tool, particularly with regards to understanding the full scale of available development finance and what policy and institutional arrangements are necessary to create an enabling environment for new sources of funding. For example, Bangladesh's DFA has led to an important dialogue on ensuring an enabling policy environment for private sector, as 78 per cent of funding for Bangladesh's five-year plan is estimated to come from the private sector. Bangladesh's DFA also brought new insights on specific finance flows, including ODA, climate finance and South-South cooperation. Similarly, Honduras has decided to undertake DFA that will provide a holistic assessment of financing landscape and identify new and innovative forms of financing, including private finance.

It was also noted that DFA was especially useful as certain specific flows can become increasingly unpredictable given the changing global political-economic situation. Mozambique is implementing Addis Agenda commitments in a context in which the main drivers for steady economic growth come from foreign direct investment (FDI) and increased domestic resource mobilisation, while experiencing a gradual reduction in external finance. FDI remains unpredictable however, and the DFA is proving to be a useful tool to understand other financing options.

Another benefit of the DFA is its ability to inform national development planning more broadly, particularly related to costing. In Malawi, DFA will be used in development and costing of a national development strategy, and provides a useful tool in establishing a development cooperation framework and instituting programme-based budgeting that links finance to results. The work will build on institutional arrangements already in place, including a newly established national planning commission, as well as utilising an aid management platform to ensure accountability and transparency of development cooperation.

The DFA has been used to spark new dialogues between the increasingly diverse groups of development stakeholders involved at country level to input into national development strategies. It was noted that high-level political commitment to the establishment and strengthening of an INFF and to undertake a DFA is a vital prerequisite to success of these exercises.

Investment promotion and facilitation measures for the LDCs

25 May 2017, 1:15-2:30 p.m.
Conference Room 7

Organizer: United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS)

Speakers:

- H.E. Mr. Masud Bin Momen, Ambassador of Bangladesh to the United Nations, Chair of the LDCs Group
- Mr. Rodrigo Polanco, Senior Researcher and Lecturer, World Trade Institute
- Mr. Nim Dorji, Finance Secretary, Bhutan
- Mr. Antonio Parenti, Head, Economic Section, Delegation of the European Union (EU) to the United Nations
- Ms. Chantal Line Carpentier, Chief, UNCTAD New York Office
- Mr. Patrick Gilabert, Deputy Representative to the United Nations, United Nations Industrial Development Organization (UNIDO)
- Mr. Yago Aranda Larrey, Investment Policy and Promotion Team, WBG
- Mr. Bostjan Skalar, CEO, World Association of Investment Promotions Agencies (WAIPA)
- Mr. Kabir Duggal, Attorney, Baker & McKenzie LLP

Summary:

The side event provided a platform to review investment promotion and facilitation measures that could be undertaken by foreign investors' home states and multilateral development agencies. It also assessed the feasibility and potential impact with a view to implementing the objectives and commitments set out in the Istanbul Programme of Action and the Addis Agenda.

H.E. Mr. Momen highlighted the importance of foreign direct investment (FDI) for the LDCs and noted that the absence of adequate resources for development has been identified as one of the major challenges faced by the LDCs. The 2030 Agenda and the Addis Agenda recognized FDI as an enabler of development. However, UNCTAD in the latest issue of the global investment trends monitor suggested that after a high of $44 billion in 2015, FDI flows to the 48 LDCs retreated by 13 per cent. Ambassador Momen stressed that only few sectors were generally considered investment worthy. There are concrete decisions pending with regards to the establishment of investment regime for the LDCs. He suggested that the FfD Forum should discuss the adoption and implementation of the investment promotion regime for the LDCs.

Mr. Polanco explained that investment promotion concerned activities that promoted a location as an investment destination. These are generally undertaken by prospective host countries (which seek to attract FDI) and, thus, are country-specific and competitive in nature. In contrast, investment facilitation involves activities that make it easier for foreign investors to establish or expand their investments, as well as to conduct their day-to-day business in host countries. He mentioned the heterogeneity of the LDC group that makes it harder to have analysis and solutions that are adequate for all countries. Mr. Polanco stressed that there were already numerous measures of facilitation and promotion for investment. Instead of creating new mechanisms, existing ones should be strengthened.

Mr. Dorji stated that investments were crucial for development and growth of the LDCs and a necessity to implement the SDGs and the Addis Agenda. Bhutan attracts only limited FDI. Therefore, Bhutan has been implementing several initiatives to improve the climate for investment.

Mr. Parenti explained that the EU had several initiatives for facilitating investment though none would specifically target LDCs. He stressed that it was important to have a strong connection with the private sector. The programs and resources for private sector development are deployed within the existing blending facilities of the EU. The EU is also putting forward the European External Investment Plan, which is expected to mobilize investment of up to 44 billion Euro. It will focus on facilitating investment of private actors by providing guarantees and fostering technical assistance.

Ms. Carpentier proposed a dedicated investment monitor for LDCs to annually provide analysis and updates on investment trends. Another recommendation is to have a dedicated session within the framework of the biennial UNCTAD World Investment Forum to foster consensus building and review progress on initiatives, actions and coordination efforts. She stressed the importance of facilitating investment in SDG sectors and SDG-related activities especially for LDCs. Furthermore, she mentioned the clear need for capacity building and providing the right tools to LDCs and the importance of supporting local businesses.

Mr. Gilabert emphasised that LDCs had big potential for manufacturing. There is an increase in manufacturing value added in LDCs, especially in African LDCs. For instance, inward FDI stocks in Africa grew by 3.5 times between 2000 and 2013. Foreign firms from emerging economies are on average 17 per cent larger than domestic ones, while those from developed countries are approximately 11 per cent larger. Chinese and South African investors drive higher demand for labour. Although developed country investors are smaller, there is evidence of a strongly positive and significant wage premium compared to domestic firms.

Mr. Larrey noted that the WBG put in place a new framework on investment policy and promotion. The WBG provides assistance to developing countries to attract more and better investment. In its approach, the WBG tries to go beyond simple investment attraction to develop specific policy priorities for individual countries. Mr. Larrey concluded by noting that the quality of investment is key and the same investment policy and promotion needs would not apply to all sectors.

Mr. Skalar noted that OHRLLS and WAIPA were designing a dedicated program to provide capacity building specifically to LDC investment promotion agencies (IPA). This program would also help improve both the business climate and the investment promotion ability of the LDCs to attract sustainable investment. The program aims to organize tailored capacity development, regional meetings and allow for the LDC IPAs to participate in the WAIPA annual conference.

Mr. Duggal stressed that LDCs needed assistance in investment negotiation on short notice because of the financial constraints and the substantial technical asymmetries they suffered. Contracts may be binding for several decades and LDCs may be stuck with the consequences. In case of disputes, LDCs may not have the expertise to defend themselves in investor-state arbitrations.

Supporting domestic resource mobilization through Tax Inspectors Without Borders

25 May 2017, 1:15-2:30 p.m.
Conference Room 12

Organizers: United Nations Development Programme (UNDP), Organisation for Economic Co-operation and Development (OECD)

Speakers:

- Mr. Magdy Martínez-Solimán, Assistant Secretary-General and Director, Bureau for Policy and Programme Support, UNDP
- Mr. Ben Dickinson, Head, Global Relations & Development Division, OECD
- Mr. James Karanja, Head, Tax Inspectors Without Borders (TIWB) Secretariat
- Ms. Elfrieda Tamba, Commissioner General, Liberia Revenue Authority
- Ms. Marlene Parker, Chief Tax Counsel, Tax Administration, Jamaica
- Ms. Gail Hurley, Senior Policy Specialist, Development Finance and Project Manager, TIWB, UNDP

Summary:

This side event provided an opportunity to present the work of the Tax Inspectors Without Borders (TIWB) initiative, including country-level experience from Liberia and Jamaica. TIWB is a joint initiative of the OECD and UNDP supporting developing countries in building tax audit capacity. It facilitates targeted, highly specialized tax audit assistance and is an innovative and practical way of supporting developing countries in mobilizing more domestic resources for development. The 2016/17 TIWB Annual Report was also launched at this event. Currently active in 19 developing countries around the world, TIWB assistance programmes have already resulted in an additional $278 million in tax revenues being mobilized. The objective is to expand the programme to all regions, particularly in the LDCs, LLDCs and SIDS.

TIWB is widely recognized as a concrete and practical initiative that supports countries in building local capacities to tackle complex tax questions and in mobilizing more domestic resources in support of the SDGs. Its support is being provided in a diverse variety of sectors and technical areas. These include mining, tourism, financial, maritime, manufacturing, sales and distribution, and telecommunications. Some of the audit focus areas include transfer pricing, asset valuations, service verification and costing, profit allocations between the subsidiaries and their parent companies, and financing.

South-South cooperation is recognized as a significant opportunity for TIWB. The experience and expertise of developing country revenue authorities who have successfully built capacity in auditing multi-national enterprises are very valuable to other developing country revenue authorities. The establishment of the first South-South TIWB programme between Kenya and Botswana is a significant milestone.

A new roster of tax audit experts has been established to be managed by UNDP, which significantly expands the pool of talent and expertise to draw on to support deployments in developing countries. About one third of experts are from developing countries themselves.

At the event, Ms. Tamba outlined some of the main challenges for Liberia's domestic revenue mobilization, including reduced tax revenues from extractives due to low commodity prices, the impact of the Ebola-crisis, low technical capacity (especially audit skills) to detect aggressive tax avoidance, complicated international transactions by multi-national enterprises and smuggling of diamonds and gold to neighbouring countries. She further explained how Liberia is benefiting from the TIWB technical support. TIWB has contributed to increased level of voluntary compliance and knowledge building. The programme will also cover other sectors (in addition to mining). The request from Liberia to TIWB is to train and certify local auditors in order to ensure sustainability.

Ms. Parker indicated that with the new transfer pricing legislation, the tax administration realized the need to improve the skills of their auditors. Hence, they requested TIWB support. One concern of the private sector was related to the capacity of the tax administration to administer transfer pricing legislation in an equitable and fair way. Three TIWB missions have been completed related to tourism and telecommunications sectors, with an additional one-year audit assistance programme forthcoming.

Critical and emerging issues in Financing for Development: opportunities for a multiyear planning framework

25 May 2017, 1:15-2:30 p.m.
Conference Room B

Organizer: Civil Society FfD Group (including the Women's Working Group on FfD)

Speakers:

- Mr. Stefano Prato, Managing Director, Society for International Development, and Civil Society FfD Group
- Mr. Noel González Segura, Coordinator of Development Cooperation Fora, Mexican Agency for International Development Cooperation (AMEXCID)
- Mr. Stephan Reichert, Deputy Head of Division, Donor Relations and Financing for Development, Federal Ministry of Economic Cooperation and Development (BMZ), Germany
- Mr. Manuel F. Montes, Permanent Observer and Senior Advisor on Finance and Development, South Centre
- Ms. Dominika Halka, Chief, Multi-stakeholder Engagement and Outreach Branch, Financing for Development Office, UN-DESA
- Ms. Emilia Reyes, Director of Policies and Budgets for Equality and Sustainable Development in Gender Equity, Citizenship, Work and Family at Equidad de Género, Mexico, Co-Convenor, Women's Working Group on FfD

Summary:

The Civil Society FfD Group appreciated this year's effort to achieve a more substantive outcome document. However, according to them, the outcome negotiations exposed the lack of shared understanding and adequate planning of the FfD follow-up process. The FfD follow-up should provide for monitoring the implementation of concrete commitments that require action by Member States and multilateral institutions, advancing a consensual normative agenda as called upon by the FfD Conference outcomes as well as a continued contextualization of the process within the evolving socio-economic and political conjuncture. The event provided an early opportunity to assess the extent to which the outcome and format of the 2017 FfD Forum have meaningfully met these objectives.

The FfD Forum discussions and negotiations highlighted the difficulties in advancing the FfD agenda without a clear preparatory process and an adequate multiyear planning. Civil society has repeatedly called for space to explore the opportunities and feasibility of a multiyear planning horizon with respect to themes and key areas of focus for future editions of the FfD Forum and this call was reiterated during the discussion.

While the civil society proposal was received with interest, it was suggested by some that political traction for FfD remains limited and there is a need to raise importance of the process at national level as a fundamental pre-condition to be able to strengthen the global process. It was also suggested that more articulate country reporting on the FfD commitments might facilitate the shift from rhetoric to actionable outcomes. In this context, the Swedish country report on the monitoring of the Addis Agenda commitment was commended and considered a valuable example to follow. It was also suggested to ensure that the FfD Forum was designed to be constructive and effective. Many suggested that the FfD Forum ought to be much more interactive and lively for it to remain attractive for national delegations. In this respect, possible greater thematic focus and analysis might be required in future edition to make the FfD Forum more concrete and action-oriented in its deliberations.

The multiyear planning was considered as a possible vehicle to strengthen the FfD Forum preparatory process and shift from a Forum-only approach to a more articulate follow-up of the FfD process. However, some suggested that there should be a proper balance between informal preparations and formal processes to avoid excessive bureaucracy.

Another set of comments also suggested the possibility of strengthening the FfD follow-up at regional level, while recognising the capacity challenges of Regional Commission. It may therefore be necessary to connect or integrate such regional processes with mandated regional dialogues.

Maintaining the relevance of the FfD follow-up process will also require proper contextualization in the evolving socio-economic conjuncture as well as space to interrogate critical dynamics and emerging new issues. This also means that the FfD framework needs to constantly navigate pressures for adaptation to new circumstances while maintaining the integrity of the FfD commitments. The event explored the implications of the evolving macroeconomic and political conjunctures on the FfD agenda, with special but not exclusive reference to the shifting terms of the trade, technology and systemic reforms. The following elements emerged from the dialogue.

Limited discussion took place at the Forum on the structural determinants of the sluggish macroeconomic recovery, if recovery at all, and the low level of foreign investments by developed countries. Some highlighted the effect of inequalities and lower and decreasing share of labour in suppressing and depressing global aggregate demand, providing a possible explanation for the low level of investments despite low interest rates.

Some also highlighted the growing tension between national SDG implementation, particularly in developing countries, and the global structural obstacles that constrain the policy and fiscal space of developing countries. In this respect, the role of the FfD Forum in providing for an appropriate space to monitor progress in the delivery of the means of implementation as well as to constantly assess their adequacy remains undeveloped.

Concerns were also raised about the very limited discussion on systemic issues and the lack of any significant progress in addressing the possible determinants of the next financial crises. In this context, issues such as the continued underestimation of the possible use of

Special Drawing Rights, the very slow pace of debt write-offs, the urgent need to advance the regulation of shadow banking, the need to heighten coordination of private sector standards were all mentioned as neglected issues that would deserve greater attention in the FfD follow-up process.

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