**General Assembly**
**Seventy-fourth session**
Item 19 of the preliminary list*
**Follow-up to and implementation of the outcomes of the International Conferences on Financing for Development**

**Economic and Social Council**
**2019 session**
26 July 2018–31 July 2019
Agenda item 6
**High-level political Forum on Sustainable Development convened under the auspices of the Economic and Social Council**

# Summary by the President of the ECOSOC of the Forum on Financing for Development follow-up, including the special high-level meeting with the Bretton Woods institutions, WTO and UNCTAD

**(New York, 15 to 18 April 2019)**

## I. Introduction

1. The fourth Forum on Financing for Development follow-up of the Economic and Social Council (ECOSOC) was convened by Inga Rhonda King (Saint Vincent and the Grenadines), President of ECOSOC, at United Nations Headquarters in New York from 15 to 18 April 2019. The Forum included the special high-level meeting with the Bretton Woods institutions. The strong participation of ministers and senior government officials as well as other stakeholders demonstrated the growing importance and convening power of the Forum and the UN in addressing Financing for Sustainable Development.

2. The Forum offered a people-centered narrative on financing issues, highlighting the impact of risks such as climate change, inequalities and disruptive technologies on achieving the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda. There was a strong focus on increasing the quantity and quality of public and private investments, ensuring that they reached the sectors, populations and countries where needs are the greatest. National strategies and policies to mobilize financial resources were central, and countries exchanged experiences on national financing strategies. Innovation and new technologies are opening doors for financing the 2030 Agenda, but the structural challenges to close the digital divide and mitigate new risks require greater attention. While the current context presents difficulties, the Forum shed light on opportunities to improve multilateral arrangements in support of Sustainable Development and its financing.

3. Adopted by consensus, the Forum's intergovernmental agreed conclusions and recommendations support the follow-up and review of the implementation of the 2030 Agenda; will feed into the High-level Political Forum on Sustainable Development and the General Assembly High-level Dialogue on Financing for Development in September 2019; and reflect many concrete commitments to further analysis and action.

## II. Opening of the Forum

4. The President of ECOSOC opened the Forum noting that despite progress since the adoption of the Addis Agenda, the broad transformation needed to achieve the SDGs by 2030 had not yet happened.

Global risks threatened to undermine global aspirations and national progress. Rising debt levels and trade tensions exposed developing countries to greater vulnerability. The ECOSOC President emphasized that leaving no one behind required stronger multilateralism. Financing frameworks needed to be better aligned with Sustainable Development objectives. Clear, actionable recommendations were needed to accelerate sustainable investment and channel resources appropriately. The outcome document of the Forum captured some key principles and areas of work to be carried forward.

5. The President of the General Assembly emphasized that a sustainable future required investing in the present. Four years into implementation, there was still sufficient time to take the decisive steps to fulfil the promise of poverty eradication. Financing gaps must be addressed using tools and formulae that have proven to be effective. Developed countries needed to deliver on their commitments, including those contained in the Addis Agenda and concerning official development assistance. Financial systems should provide better support to the real economy to ensure that no one is left behind. The transformative 2030 Agenda required equally visionary political leadership at all levels.

6. The Secretary-General stated that 2019 was a defining year for implementing the 2030 Agenda and Paris Agreement. A greater magnitude of resources was needed to implement the SDGs given current economic and non-economic challenges, especially in developing countries. How and where resources were deployed was also important. The Secretary-General's Strategy for Financing the 2030 Agenda outlined the UN approach to build momentum at all levels. He would convene the Global Investors for Sustainable Development alliance in September 2019 to engage leading investors in support of mobilizing longer-term investment. He highlighted strengthening UN collaboration with multilateral development banks to scale up climate finance and increase access to finance for LDCs and SIDS as a priority at regional level. At country level, the UN was strengthening its capacity to support governments in domestic resource mobilization, in line with the reform of the UN development system.

7. Tao Zhang, Deputy Managing Director of the International Monetary Fund (IMF) said that the global economy was at a delicate moment, with the global expansion continuing but at a slower pace. Stronger medium-term growth was essential if the developing countries were to achieve the SDGs. The IMF had identified three key policy areas for action: domestic policies to build resilience and promote inclusion; upgraded international cooperation; and the commitment to work together on global challenges. Climate change required joint actions, and the IMF was working on issues including fiscal policies for climate change mitigation and adaptation, energy pricing and building resilience. A redesign of the international taxation system was urgent. Public debt was also a risk, especially in a number of developing countries. Financial integrity also needed to be strengthened.

8. Mahmoud Mohieldin, Senior Vice President for the 2030 Agenda, UN Relations, and Partnerships of the World Bank Group echoed concerns on global growth and policy uncertainties. Its forecast indicated that hundreds of millions could be left behind without an urgent change in approach. Looking ahead, the role of the private sector would be fundamental. Governments would need to invest in human capital as a driver of productivity and growth. Regionally, more integrated solutions were needed and focused on infrastructure, logistics, trade and mobility of finance and people. At the country level, broad-based growth could prioritize infrastructure, gender equality

and support to post-conflict contexts. Local-level action was increasingly important. As priorities in 2019, finance should be better integrated into SDG implementation, and the High-level Political Forum provided an opportunity to this end. The High-level Summit week in September 2019 comes at a critical juncture for accelerating action.

9. Tim Yeend, Chef de Cabinet and Principal Adviser to the Director-General of the World Trade Organization, speaking on behalf of the Director-General, recalled that the Addis Agenda emphasized that trade could be an engine for sustainable development. Trade had contributed to raising per capita income levels to reducing poverty. Developing countries' share of world trade had grown significantly, and these gains should not be undone by current challenges. Efforts to resolve trade differences were welcomed. The current context presented an opportunity to review underlying fundamentals of the global trading system. WTO members had started a conversation about reform, or modernization, including on issues of transparency, notifications, rule-making, negotiations and dispute settlement. Eligibility for preferential treatment was another area for dialogue. Discussion through "joint initiatives" on e-commerce, MSMEs, investment facilitation and gender and trade, with dialogue regarding how rules are agreed at the WTO was also taking place. Strengthening global cooperation should be prioritized, and the Forum offered a platform to facilitate greater dialogue on multilateralism.

## III. Keynote addresses

10. Tharman Shanmugaratnam, Deputy Prime Minister, Singapore and Chair of G20 Eminent Persons Group on Global Financial Governance, warned that the world was becoming increasingly fragmented. If this worsened, it would undermine countries' ability to address the complex challenges ahead: job creation, climate change, biodiversity loss, water scarcity and health pandemics. Trade, finance, technology and data were policy areas currently causing friction that needed to be urgently addressed. A reinvigorated international order would reflect a more multipolar, decentralized and interconnected world. The multilateral system, including the UN and global and regional development banks, should work more coherently and leverage their respective strengths for larger development impact. This would help diversify risks and allow capital to flow where it was needed. In closing, he noted that governments and businesses needed to regain trust at the national level by focusing on the root causes of domestic dissatisfaction. Doing so would also enable better support to the open, integrated international order that was in all of humanity's interest.

11. Raghuram G. Rajan, Katherine Dusak Miller Distinguished Service Professor of Finance, University of Chicago Booth School of Business said that the open, liberal democratic market system that promoted prosperity following the Second World War was under attack. While rewarding for some, others were excluded and countries needed to work harder to help those affected adjust. The best solution was helping workers build relevant skills through continuous education and re-training. As globalization surged, governments acceded to international treaties that diminished their power, in turn catalyzing movements that emphasized national sovereignty. Power could be brought back to the country level, providing that markets remained open. A revival of community-based policies must be bottom-up, based on inspired, empowered local leadership. Links should be restored between national and local economies. Governments could help local communities retain talented people by providing good infrastructure and broadband access. The international community should preserve a world open to trade and investment, while following

the subsidiarity principle in which decisions were made at the local level in the context of wider cooperation.

## IV. Setting the scene

Session I: "Navigating the headwinds and tailwinds: current global economic context and emerging trends"

12. Liu Zhenmin, Under-Secretary-General for Economic and Social Affairs and chair of the Inter-Agency Task Force on Financing for Development presented the key messages of the 2019 *Financing for Sustainable Development Report*. Peaking global growth, rising debt risks and climate change put collective aspirations at risk and raised the urgency of action. Addressing these risks presented an opportunity to revisit existing arrangements in trade, debt, tax cooperation and other areas to ensure that the multilateral system effectively supported sustainable development. The international community should recommit to the Addis Agenda and strengthen collective action. Global approaches should be complemented by national actions, using the building blocks for integrated national financing frameworks. Achieving Sustainable Development required a long-term perspective, with public and private incentives aligned with Sustainable Development. The potential of innovation should be harnessed to strengthen development finance, while carefully managing risks.

13. Tao Zhang, Deputy Managing Director of the IMF stressed that domestic actions were essential for developing countries faced with a multitude of Sustainable Development challenges – including the large financing deficit that the IMF had identified. While public sector financing would not be sufficient to close the financing gap, domestic policy actions were essential to improve domestic revenue mobilization for spending on education, health and infrastructure. Inclusive economic growth was essential for Sustainable Development and should be based on macroeconomic stability, fiscal balance and sound fiscal planning. In addition to increasing fiscal revenue, it would be important to spend smarter, implement good and transparent governance, and strengthen coordination between all stakeholders to create the largest possible consensus. In this context, he cited Bangladesh and Indonesia as good examples.

14. Camillo Gonsalves, Minister of Finance, Economic Planning, Sustainable Development and Information Technology of Saint Vincent and the Grenadines called for greater emphasis on climate change vulnerability, especially in the context of SIDS. He recalled the agreement made as the result of climate change negotiations, in which a temperature rise of up to 2 degrees was accepted in return for the provision of resources for adaptation and as reflected in the commitment by developed countries to mobilize $100 billion a year by 2020. He highlighted that only 20% of climate finance was currently being used for adaptation purposes. In countries such as his, with small economies and markets, private sector engagement would be less likely to generate significant resources and that officially pledged sources of financing such as ODA and climate finance remained critical.

15. Vera Songwe, Executive Secretary of the UN Economic Commission for Africa, speaking on behalf of all Regional Commissions, highlighted integrated national planning as a tool to navigate the tensions between the need for macroeconomic stability and calls for austerity. She noted that trade was an important engine for growth, citing the recently signed African Continental Free Trade Agreement. She pointed out the effect of poor growth on debt sustainability and called for a restructuring of market debt. Asset classes could be created around infrastructure, education and

health to crowd in the private sector, and she welcomed the decision by the Japanese Presidency of the G20 to continue Argentina's initiative in this regard. She concluded by calling for better inclusion of women and increased attention to fragile and conflict-afflicted states. Multilateral development banks and the UN should work together on these issues.

16. Jorge Moreira da Silva, Director of the OECD Development Cooperation Directorate, noted the relevance of ODA as a resource that should go where private flows do not. It was vital especially in fragile contexts. He expressed concern about decreasing FDI and the drop of ODA to LDCs and Africa in 2018. In his view, discussions focused too much on volumes and too little on policies that could improve alignment of financing with the SDGs. Going from billions to trillions was important, but so was shifting the trillions to focus more on impact and results. Better measurements were needed to enhance transparency. Total Official Support for Sustainable Development (TOSSD) could contribute as a complement, not replacement, to ODA. Regulation was needed to fix inconsistencies in the "marketplace for financing for development", including through the principles for blended finance in the Tri Hita Karana Roadmap. Domestic resource mobilization and international tax cooperation were also critical. The agendas of Financing for Development and aid effectiveness should be better linked.

17. Dana M. Peterson, Director of Citi Global Economics, CITI Group, stressed the importance of convincing the private sector that investment in the SDGs makes business sense to unlock private resources for their realization. Governments could support this through constructive interventions, for example by ensuring that social welfare and retirement systems are inclusive and non-discriminatory. Business, on the other hand, could participate by providing the necessary metrics and taking remedial action. For instance, CITI raised the pay for women and minority ethnic groups, after an internal review of wage structures. Companies should make additional efforts to ensure that high-performing women returned to the labour force after taking paid family leave. Governments could support these efforts by providing subsidized universal child care.

18. Kavaljit Singh, Director of Madhyam, speaking as a discussant, emphasized the need to manage volatile short-term capital flows, including through capital controls, to avoid the high cost of self-insurance and/or the hard conditionality attached to IMF funding. He also spoke about the importance of multilateral development banks and development finance institutions playing a larger developmental role in a transparent and accountable manner. Fintech had potential to contribute to the SDGs under five preconditions: robust regulation and supervision; immediate regulatory action instead of a wait-and-see approach; a profound understanding by regulators of data science and technology; updated data protection rules; and greater international regulation to prevent money laundering and financing of terrorism.

19. Rana Foroohar, global business columnist and associate editor, *Financial Times*, moderated the discussion. During the interactive discussion, speakers stressed the importance of managing sovereign debt to ensure its sustainability through the development of financing strategies, increased transparency and putting funds to the most productive uses. Tax evasion and illicit financial flows were also identified as critical, given their potential impact on a country's debt ratio. Improving creditor coordination was identified as possible solution by some, as more public and private creditors provided debt and equity finance. Regarding the large debt ratios of many Caribbean countries, it was often in response to climate events, and the distinctions between countries' access to concessional financing – based on income level – could seem arbitrary to some.

Debt-for-climate swaps were mentioned as a potential tool which could free up fiscal space for indebted countries to take climate action.

Session 2: “Bending the curve: non-economic trends and embracing new opportunities”

20. Aksel Jakobsen, State Secretary for International Development, Norway said that trust was a crucial element for all human interactions, pointing to the strong correlation between general levels of trust in a society and economic growth. Progress on the Financing for Development Agenda required improved trust and tackling unfairness. Illicit financial flows and corruption undermined trust, while fair taxation and good use of revenues towards inclusive service provision could restore and enhance it. Trust was vital for well-being and made economic sense. Further, he identified the high economic cost of exclusion of persons with disabilities, equivalent to around 7% of GDP in low and middle-income countries according to the ILO. He stressed the need for inclusion of the 800 million persons with disabilities living in developing countries, especially with access to education, and pointed to Norway’s support to these efforts.

21. Luis Alfonso de Alba, the Secretary-General’s Special Envoy for the 2019 Climate Summit argued that climate change was humanity’s biggest challenge. At the current trajectory, average global temperatures would increase by 3 degrees. There were also increasing opportunities to invest and transform the economy, for example through renewable energy investments. Beyond the mobilization of $100 billion annually for climate finance for developing countries by 2020, trillions in private and public investment would be necessary to transform the global economy. The Green Climate Fund could play an important role in this regard. The Climate Summit would be an opportunity to accelerate progress on climate action, and its preparation included a track on climate finance, including from innovative sources.

22. Ronan Ryan, President of IEX Group, member of the United Nations Task Force on Digital Financing of Sustainable Development Goals presented IEX’s approach to institutionalize fairness in trading. By slowing down trades by 350 microseconds, the exchange sought to level the playing field between hyper-fast traders and ordinary traders. Regarding opportunities to tackle different SDGs, Mr. Ryan stressed the role of data, including its normalization and analysis, to understand which interventions work and which could be scaled.

23. Rana Foroohar, global business columnist and associate editor, Financial Times, moderated the discussion. During the interactive discussion, education – especially girls’ education -- was raised as a priority in the context of non-economic risks. Continuous education was also important to upgrade workers’ skill sets during technological transition. A group of countries emphasized the negative effects of unilateral economic measures on development and called for an end to such measures.

## V. Ministerial finance dialogues

Ministerial Finance Dialogue 1: “Promoting inclusive growth and reducing inequalities”

24. In his special presentation, Maatia Toafa, Deputy Prime Minister and Minister of Finance and Economic Planning of Tuvalu said that there were no simple answers to the challenge of inclusive growth and that trade-offs were likely. In Tuvalu, the enforcement of corporate tax remained a challenge due to weak capacities. Targeted audits of major taxpayers had been effective in deterring non-compliance and raising revenues. Investments in public education and health helped to reduce

income inequality and enhanced social mobility. Reforms were enacted to enhance transparency and accountability: new procurement standards; internal auditing; and centralized management of commercial contracts. These advances encouraged trust and confidence of development partners. The national gender policy aimed to introduce gender-responsive budgeting. Increased support from development partners and improved access to climate financing was critical given the threat of natural disasters.

25. Giovanni Tria, Minister of Economy and Finance of Italy defined the current phase of globalization as one of hyper-connectivity. While this facilitated prosperity, it also increased concentrations of economic power within countries, which resulted in economic polarization and inequality. Those left behind tended to be those with low human capital. Therefore, a priority must be increased public investments and resources for social protection, education and skills development and training. Currently, there was significant liquidity but not enough investment. Additionally, fiscal policy needed to be better coordinated. Tax policies played an important role and their design should be progressive, encourage investment and promote tax compliance. International tax cooperation was critical, and it was important to address the impact of race-to-the-bottom competition.

26. Mangala Samaraweera, Minister of Finance of Sri Lanka said that inclusive growth was the central theme of Sri Lanka's recent national budget. With rapid economic liberalization, a strong social safety net was a necessity and it had maintained high-quality public health and education systems. Indicators of social equality had moved in the right direction since 2012, with the Gini measure of inequality decreasing and the poorest 20 percent share of national income increasing. Urban inequalities remained as did regional inequalities stemming from post-conflict challenges. Gender equality and the inclusion of persons living with disabilities were areas needing progress. As a good practice, Enterprise Sri Lanka aimed to create 100,000 youth and women entrepreneurs through the disbursement of concessional financing. Thousands had already benefited since its launch in 2018 and new measures were proposed in the 2019 budget to connect beneficiaries to market access, technology and know-how.

27. Norma Allegra Cerrato, Vice-Minister of Foreign Affairs and International Cooperation of Honduras stated that her country's approach to reducing inequality was founded on a solid legal framework for inclusion. Its long-term national vision and medium-term national development plan put inclusive growth and Sustainable Development at their core. Despite progress, inequalities remained and there were difficulties in addressing the economic and social dimensions. The country had approved tax reforms to incentivize foreign investment which could help to generate decent jobs for citizens, while simultaneously encouraging domestic private sector development and entrepreneurship. There was no single "recipe", and developing countries should work with a full understanding of their unique circumstances. Consistent efforts were needed to ensure that human development is fully considered when assessing the potential effects of reforms.

28. Alicia Tauro, Representative of the UN Major Group for Children and Youth emphasized the energy of youth as a resource for sustainable development. She challenged reliance on GDP as a development measure and called for living wages, safe working conditions, social security and social protection floors, and affordable and quality education at all levels. To fulfill this vision, commitments needed to go beyond the national level. National and international cooperation to address tax avoidance and evasion should be strengthened. Progressive taxation on extreme wealth

and large corporations was essential. Redistribution alone would not reduce inequalities. Larger structural changes were needed in the financial system, political systems and private sector behavior.

29. As a discussant, Mamadou Diallo, Deputy Secretary General of the International Trade Union Confederation focused on the issue of working poverty and the de-linking of economic growth from wage growth. Real wage increases and the expansion of social protection helped to increase consumption, strengthened global demand and contributed to formal job creation and economic stimulation. In addition, social protection systems should be extended to provide universal coverage. This would build resilience among workers as they faced vulnerabilities resulting from the changing nature of work and informal economy.

30. John Authers, Senior Editor for Markets at Bloomberg moderated the discussion. During the interactive discussion, the importance of investment in basic services and infrastructure to support the market economy was highlighted. The lack of effective education systems could drive people into poorly paid or precarious employment. It was noted that in some developing countries the informal sector is thriving and that transitions to formalizing should be carefully considered, supported by strong social protection programmes that covered informal economy workers.

Ministerial Finance Dialogue 2: "Mobilizing finance for climate action"

31. Richard Cantor, Member of the Task Force on Climate-related Financial Disclosures; and Chief Credit Officer, Moody's Investors Service said businesses would make climate investments only if they believed they would be rewarded by capital markets for their green operations, and penalized for those that were not. The Task Force analyzed and made recommendations on climate-related risks and opportunities. Progress was encouraging. Among 1,800 company filings for 2017 reviewed by the Task Force, most included disclosures aligned with its recommendations. However, some challenges remained: disclosures often did not include the financial implications of the risks identified; were often presented in different types of company reports, making comparisons hard; and varied in quantity and quality by industry and region. There were myriad other developments in the private sector that had improved the market's understanding and actions around environmental risks and opportunities, and the example of Moody's – where tools and training had been developed – was given. Many market participants now recognized the need to take such steps if they were going to intelligently evaluate climate-related risks and opportunities, and act accordingly.

32. Nigel Clarke, Minister of Finance and the Public Service of Jamaica spoke about the Jamaican context of managing climate risks against a backdrop of high debt and low growth. He noted Jamaica's successful approach in tackling the challenge through fiscal, monetary and structural reforms. Recently, it had significantly reduced its debt-to-GDP ratio and reached its highest ever employment rate. Recognizing the high risks that natural disasters can have on economic prospects, Jamaica was putting in place a range of measures to ensure greater resilience. Looking ahead, it was focused on fiscal savings and the creation of a contingency fund for natural hazards. Although the Caribbean Catastrophe Risk Insurance also provided resources under specific circumstances, its annual premium impacted on budgetary resources and fiscal space.

33. Peter Eriksson, Minister for International Development Cooperation of Sweden emphasized the availability of resources to develop into low- or zero-carbon societies but underlined the need for a

bigger push. To mobilize finance for climate action, the business and financial sectors required clear signals. Regulatory frameworks must be in place to create an enabling environment. The use of the right incentives in energy markets was especially critical. The experience of the green certificate system in Sweden had resulted in large investments in wind power. Increasingly, profitability and energy efficiency went together. In 2017, the Swedish Parliament adopted a climate law which aimed to reach net zero emissions by 2045 and 100% renewable energy production by 2040. The Fossil-Free Sweden partnership, in which industry leaders present plans for reaching such targets, had seen 13 road maps introduced for industries including steel, cement and construction.

34. Aiyaz Sayed-Khaiyum, Attorney-General and Minister for Economy, Civil Service and Communications of Fiji highlighted the need for countries to articulate and cost their climate actions to effectively mobilize climate finance. In Fiji, the Environment and Climate Adaptation Levy was enacted in 2017 at the rate of 10% and designated for building climate resilience. Funds generated by the levy would be put into a trust fund to support 43 villages under threat from rising sea levels. Success towards climate action hinged on mainstreaming of resilience across policies. He noted the need for SIDS to take a regional approach and give greater focus to mitigation to trigger the engagement of the private sector through bankable projects.

35. As a discussant, Yannick Glemarec, Executive Director of the Green Climate Fund noted that the Fund worked through a wide range of organizations including public, private and non-governmental entities. He reported that it had 84 implementing agents currently. It aided in the form of grant and non-grant instruments, and he noted that grant finance helped developing countries prioritize climate actions, whereas senior loans or equity investments helped to catalyze finance at scale. Concessional finance was also offered for policy support.

36. Satu Santala, Director-General for Development Policy of Finland moderated the discussion. During the interactive discussion, a civil society participant noted that finance for climate action should reflect the historical responsibilities. This could be facilitated through the elimination of fossil fuel subsidies as well as redirecting military spending to climate action, she said. Separately, it was also noted that mitigation was a cross-sectoral issue that required both political and bureaucratic commitments. SIDS and low-lying coastal countries were identified as requiring grant-based financing for adaptation to address loss and damage, against a backdrop in which adaptation is underfinanced.

Ministerial Finance Dialogue 3: “Designing integrated national financing frameworks for sustainable development”

37. Mukhisa Kituyi, Secretary-General of UNCTAD gave a special presentation in which he observed that four years after the adoption of the 2030 and Addis Agendas, the financing gap to meet the SDGs had increased further. To alter this trajectory, he stressed that all sources of finance would be needed – domestic resource mobilization and effective debt management to create fiscal space for investment in social sectors, incentives to private investments to create jobs and drive growth, and international development cooperation for the poorest countries. Blending these different forms of finance in an integrated approach could maximize their impact. Financing frameworks relied on government leadership, and investments needed to have maximum impact on sustainable development. For this, better monitoring was essential.

38. Matia Kasaija, Minister of Finance, Planning and Economic Development of Uganda stressed that his country had a national development vision it wanted to achieve by 2040, with all financing policies oriented towards this objective. Emphasizing the importance of national leadership, he identified Uganda's priorities as domestic resource mobilization and borrowing in domestic markets. Trade was an effective way to finance development, but the country struggled with supplying adequate infrastructure, quality standards and other non-tariff barriers by its trading partners.

39. Bambang P.S. Brodjonegoro, Minister for National Development Planning of Indonesia reported on measures taken in his country to mobilize Financing for Sustainable Development, including the introduction of fiscal incentives such as tax reductions for SMEs; tax policy harmonization; a public-private partnership (PPP) policy framework that facilitated identification of PPP opportunities in 19 sectors; and the introduction of new financial instruments such as green bonds. An integrated national financing framework was at heart of Indonesia's efforts, and was implemented in the context of its medium-term development plan. Cognizant that public funding would not suffice to meet the SDGs, Indonesia was working to attract investments from the private sector, philanthropy and others.

40. Gloria Amparo Alonso Másmela, Minister of National Planning of Colombia reported on the process of approving a new national development plan that was aligned with the 2030 Agenda and provided a roadmap toward inclusive development. To achieve its goals, Colombia was aligning public resources and striving to attract private investments through capacity-building, effective administration, clear rules and transparency. It was also an experienced leader in developing sustainable PPPs and had developed other financial instruments to catalyze investment. She highlighted the need to improve the quality and effectiveness of development cooperation, and the continued importance of ODA for middle-income countries such as Colombia.

41. Luis Daniel Soto, Vice-Minister of Planning and Economic Policy of Costa Rica spoke about the importance of mobilizing new resources and using existing resources more effectively. Costa Rica's Ministries of Planning and Finance worked closely together to ensure that strategic projects were prioritized and received sufficient financing. He stressed the country's long history of democracy, stability and high levels of education, which allowed Costa Rica to effectively integrate Sustainable Development with business opportunities. The importance of active citizen participation throughout was also emphasized. Finally, the Minister reported that Costa Rica had succeeded in linking national development indicators and investment plans with the SDGs.

42. As a discussant, Dereje Alemayehu, Coordinator of the Global Alliance for Tax Justice stressed the responsibility of the international community to support improved conditions for greater domestic resource mobilization in developing countries. This could be done by closing loopholes in the international tax system and fighting illicit financial flows. Addressing these global challenges and strengthening the UN's work on these issues were priorities.

43. John Authers, Senior Editor for Markets at Bloomberg moderated the discussion. During the interactive discussion, participants noted that increasing strains on the multilateral trading system would worsen the trading situation of LDCs. To close large financing gaps, countries needed to mobilize resources from all sources of financing and to exploit the complementarity of these

resources. Adopting a successful financing strategy required a long-term development vision and medium-term development plans, underpinned by domestic leadership. Financing policies - from tax to trade and investment policies - should then be geared to support this vision. National leadership and action should be complemented by an enabling international environment.

Ministerial Finance Dialogue 4: “Harnessing new technologies for financing the SDGs”

44. Achim Steiner, Administrator of UNDP and Co-Chair of the UN Task Force on Digital Financing stated that many new financial technologies originated in countries not typically seen as technology leaders, yet those developments helped them become leaders in the sector. With a final report due in early 2020, the Task Force was anticipating a range of possibilities that could emerge in the years ahead as part of its work. Currently, many people used digital platforms to manage personal finances. The entire information and risk database used by intermediaries in the financial system, as well as their clients, is dramatically shifting, and governments are thinking about how to regulate and manage inherent risks. These included the protection of fundamental rights, data protection and privacy, as well as the risk of exclusion because of new technologies. The intersection of technology, the SDGs and financing formed a new arena that required attention and the deployment of financing on an unprecedented scale.

45. Maiava Atalina Ainuu-Enari, Governor of the Central Bank of Samoa, described how the issues studied by the Task Force manifested in SIDS. While other countries could take connectivity for granted, Samoa could not, considering its topography and geography. SDG financing was not just about inclusion through technology, though. In Samoa, access was important, but there were also broader development challenges to be faced, such as climate change. The country was exploring the potential of green bonds, as well as climate adaptation strategies like pooling risk with its neighbors. Regulators were responsible for creating the necessary space for innovations that may have the potential of advancing national development. In that vein, it was critical that regulators understood how digitalization affected businesses and consumers, especially in small economies.

46. Edward Scicluna, Minister of Finance of Malta agreed that many small island countries faced structural and geographic constraints, but they also tended to have a strong sense of survival. For example, Malta sought to diversify its economy and enjoyed a flexibility that many larger countries lack. He described Malta as a “block chain island”, noting that the pace of innovation in big data, artificial intelligence and financial technology had increased considerably in recent years. He warned that old regulatory frameworks could not be applied, and underlined the need for central banks to think innovatively. Malta’s decision to adopt a new regulatory system for its gaming industry was cited as a good practice. He also underlined the importance of restructuring tax systems to respond to technological shifts, citing the European Union’s new digital tax as an example.

47. Patrick Njoroge, Governor of the Central Bank of Kenya shared his country’s experience with digital innovation and underlined its leading role in developing new kinds of digital financial services. He emphasized the importance of moving the “democratization of financial services” to the centre of the discussion. A greater focus on how innovations and new technologies could be encouraged and oriented toward social good was needed. On regulation, he said Kenya recognized the need for oversight while employing a flexible “test-and-learn” approach that fostered innovation. More prescriptive polices were likely to hinder innovation. Regulators themselves often did not understand the technologies they are regulating, which highlighted the need for better

collaboration between regulators and innovators. This could also help to encourage the development of better products and services for poor people.

48. Three discussants took the floor. Shamika Sirimanne, Director, Division on Technology and Logistics of UNCTAD said that fintech helped cut down the middleman in financial services, adding value for users. If people lacked access to the Internet, they had no hope of benefiting from such tools, which applied to half the world's population. A whole-of-Government approach and a back-to-basics approach could ensure broader inclusion in the benefits of financial technology. Elenita Dano, Co-Coordinator of ETC Group underscored the need to "look before we leap". As inclusiveness would not emerge from financial technology automatically, she called for explicit efforts by the UN, civil society and grass-roots organizations to design strategies for inclusion. More attention was needed on the natural resource intensity of new technologies and to questions of control and consolidation of technological power. Pooma Kimis, Managing Director of the Official Monetary and Financial Institutions Forum underlined the need to connect capital with technology. Data was increasingly seen as a resource, which meant it must be properly regulated. New technologies that would reshape markets should seek to unlock stranded assets, including through engagement of sovereign wealth funds and private pension plans in such efforts.

49. John Authers, Senior Editor for Markets at Bloomberg moderated the panel discussion. During the interactive discussion, participants posed questions related to social divides around technology and the management of related risks. In many countries there is a generational divide between cautious central bankers and younger populations eager to adopt new tools. While there had been successful use of technologies for public service delivery, tensions were more common concerning commercially driven financial technologies. There was also a concern about the human resource impact of new technologies in contexts where job creation was needed. A critical priority was determining how technology was governed, and the role played by governments. Technology connected to demand was powerful, and regulators should find ways to oversee this rapidly evolving landscape in the interest of inclusivity. Central bankers, whose core business was navigating risk, needed to become more innovative.

## VI. Interactive dialogue with intergovernmental bodies of major institutional stakeholders

50. The 2019 interactive dialogue, chaired by the President of the ECOSOC and moderated by Eduardo Porter of the *New York Times*, addressed two themes: (i) public debt vulnerabilities and SDGs, and (ii) fintech and financial inclusion.

51. In opening the dialogue, the President of ECOSOC emphasized the importance of the longstanding cooperation between the institutional stakeholders for achieving the SDGs. Public debt vulnerabilities in many countries were a critical obstacle. Clear policy recommendations were needed on how heavily indebted developing countries could maintain sufficient fiscal space to invest in sustainable development. Secondly, financial technology, which was seen as the new hope for improving financial inclusion, required nuanced discussion in which the unintended side effects of fintech and priorities like consumer protection were given greater weight.

52. The President of the General Assembly underlined the importance of the high-level week in September 2019 in accelerating progress on the 2030 Agenda. Stronger cooperation was needed to align the global financial architecture with sustainable development. She identified various

challenges: strengthening the multilateral system; guaranteeing access to low-carbon technologies; and developing a gender perspective for financial policies. She encouraged a focus on regional cooperation to increase the impact of development projects, which was especially critical for smaller economies.

53. Ken Ofori-Atta, Minister of Finance of Ghana and Chair of the Development Committee gave an overview of its meeting at the 2019 Spring Meetings of the World Bank Group and the International Monetary Fund. The moderating economic outlook required reinvigorated determination to implement the 2030 Agenda. The Committee urged the World Bank to work with international financial institutions and the UN on the most pressing development challenges. Support was expressed for the approach by the World Bank and IMF to borrowers and creditors to improve reporting on public and private debt. He stressed the importance of growth-enhancing policies, alongside those to contain risks and protect the most vulnerable. Institutions needed to work with policymakers to find the right balance, and help countries improve debt management, transparency and bolster domestic resource mobilization. The Committee welcomed the mainstreaming of new technologies and measures to make them affordable for developing countries. Governments requested disaggregated data and refined indicators, with an emphasis on policy reforms that achieve tangible results. They also called on the World Bank to work towards mobilizing private-sector solutions and resources, and in mitigating investment risks.

54. Salim Baddoura, President of the Trade and Development Board of UNCTAD called for a new approach and renewed commitment to multilateralism. He also underlined the important role of international organizations such as UNCTAD that help to better understand the transformations of current challenges. He pointed to the High-level Dialogue on Financing for Development as an opportunity to enhance links between Geneva and New York as the UN builds momentum on the 2030 and Addis Agendas.

55. Speaking on behalf of the Chairman of the IMFC, Sabina Bhatia, Deputy Secretary said that action at the national and international level should focus on maintaining growth, building resilience, supporting recovery and striking the right balance between debt sustainability, demand and social objectives. The Fund worked to support well-managed and sustainable growth, including by fighting corruption, which could save an estimated $1 trillion in global tax revenue annually. It would continue to enhance engagement with fragile and conflict-affected States, and help countries boost tax revenue through its Platform for Collaboration on Tax.

56. On behalf of the General Council of the WTO, Tim Yeend, Chef de Cabinet and Principal Advisor to the Director-General of the WTO explained how trade impacted positively on economic progress and poverty reduction. Benefits of trade, however, should be spread more widely and inclusively. Trade opportunities for LDCs needed to be significantly improved. He also called on governments to ensure that the benefits of trade flows were inclusive and to consider redistributive policies if necessary. Additionally, financial inclusion and the introduction of new financial technologies fostered economic empowerment. He stressed that the current challenges at the WTO should be regarded as opportunities for reshaping a fair and rules-based multilateral system.

57. Merza Hasan, Dean of the Board of Executive Directors at the World Bank Group expressed concern that the international community must create 300 million jobs by 2050. Growth projections were not optimistic. Efforts were underway to increase private sector investment

towards the 2030 Agenda. The Bank was working to help improving the impact of such investments. It adopted the "cascade" framework to maximize Financing for Development, agreeing to "take the first loss", if needed, to create an environment for private sector investment. The International Development Association created a crisis fund which would be scaled up. Partnerships with the UN and the private sector would be strengthened, too.

58. Shona E. Riach, Executive Director at the IMF and Chair of the Liaison Committee with the World Bank, the UN and other International Organizations, reported on how the Fund was scaling up its support to national efforts to boost domestic resource mobilization. It had increased its infrastructure policy support and technical assistance aimed at improving countries' statistical capacity, intensified the volume of policy work on financial inclusion and was helping countries meet their carbon emissions targets through new climate change policy assessments. The IMF and World Bank were helping the poorest countries address debt vulnerabilities and improve debt analysis for enhanced advice and support. She referred to the launch of the Bali fintech agenda in October 2018, which lists 12 policy considerations to help countries harness the benefits and manage the risks of fintech.

59. Masaaki Kaizuka, Executive Director at the IMF, underscored IMFC's pledge to work towards improving debt transparency and sustainable financing. Public debt in many developing countries, including the LDCs, had risen substantially, approaching levels not seen since the 1980s debt crisis. While high debt levels were not always negative, today's high rates were largely driven by factors such as adverse shocks and weak debt policies. He underlined the need for a rebalancing aimed at helping countries achieve the SDGs, and in this context outlined the strategy endorsed by IMF and the World Bank.

60. Hervé de Villeroche, Executive Director at the World Bank Group, shared the view that debt distress posed critical obstacles to Financing for Sustainable Development. The recent increase in debt levels in low-income countries was especially challenging as the composition of foreign external debt had risen since 2012. This worrying trend was exacerbated by low levels of transparency. He referred to the importance of multilateral institutions such as the Paris Club, which helped implement coherent and more transparent policies. He advocated for the enlargement of its membership.

61. Valentin Rybakov, Vice President of ECOSOC (Belarus) stressed that debt sustainability was defined as a country's capacity to stabilize debt levels based on a commitment to meet creditor claims. Capacity-building efforts to strengthen debt management and steps to enhance debt transparency were critical. This was an obligation on both borrowers and lenders. He called on lenders, specifically, to make their lending transparent and easy to track. Debt swaps should be explored further. The Vice President noted that such instruments seemed particularly appropriate for countries that suffered heavy fiscal costs.

62. During the interactive discussion on debt vulnerabilities and the SDGs, the importance of LDCs working together to address growing debt distress was expressed. The importance of global financial safety nets and compliance with multilateral rules was also underlined. Civil society noted that high debt levels were not a new phenomenon and pointed to the lending practices of Western central banks as potential drivers. A major challenge remains for achieving global consensus on lending and borrowing standards.

63. Koen Davidse, Executive Director at the World Bank Group, noted that fintech could support national sustainable development efforts, including by lowering the cost of financial services, expanding access to credit and reducing the distance between people and services. In conflict-affected countries, they could establish public services in remote areas as one example. The World Bank and IMF were working on a stocktaking survey on those matters, which would identify best practices and emerging issues. Achieving financial inclusion within the SDG framework would require government commitment and support from international organizations.

64. Vladyslav Rashkovan, Alternate Executive Director at the IMF, noted that fintech had the potential to create financial access for about 1.7 billion people worldwide that were currently excluded. The Fund was committed to helping countries bring unbanked people into a financial system, while at the same time managing the risks without discouraging innovation. It shared concerns about the dominance of a small number of large players in the market. He highlighted the importance of lowering barriers for nontraditional companies, especially in low-income countries. ECOSOC and the Inter-Agency Task Force on Financing for Development should make use of the Bali Fintech Agenda with its 12 policy elements.

65. Kira Christianne Danganan-Azucena, Vice President of ECOSOC (The Philippines), noted that fintech had enabled three important advances. First, fintech reached new and underserved markets and could help close the remaining gap. Second, fintech facilitated access to finance for business and opened new opportunities for SMEs to get access to finance. Technology also enabled new lending solutions, such as peer-to-peer lending platforms and supply-chain financing platforms. Third, fintech addressed the decline of correspondent banking relationships. Digital platforms and fintech could help reverse their decline by reducing administrative costs related to due diligence processes. Policymakers needed to strike a balance between managing emerging risks and maximizing the benefits with the new fintech players.

## VII. Thematic panel discussions

Panel A: “Domestic public resources”

66. Participants highlighted the importance of mobilizing domestic resources for the achievement of sustainable development, stressing the need for further efforts to align the mobilization and use of domestic resources with the 2030 Agenda. In mobilizing domestic public resources, countries had introduced innovations to facilitate tax collection. Some countries had introduced online payment systems to facilitate tax collection and strengthen transparency. At the local level, there have been targeted efforts to assist capacity-building in local tax administrations.

67. Strengthening the ability of governments to mobilize resources also requires further efforts to ensure effective and fair taxation of corporates. As the OECD Due Diligence Guidance for Responsible Business Conduct acknowledges, it is important that companies operate in accordance with the text and spirit of the law of the countries where they operate.

68. On expenditure, speakers stressed the need for better coordination and coherence between different ministries to ensure that taxation and regulation go together. To achieve the SDGs, further efforts are needed to ensure the allocation of resources to where they are most needed. Local administrations, for instance, usually lack the funds they need, as only a small fraction of

government budget goes to the local level, even though local authorities play a critical role in advancing the SDGs. Often less than 10% of municipal budget comes from fiscal revenues. Local authorities are well placed to advance access to water, health, education, which are catalytic for sustainable development.

69. Countries are increasingly broadening the focus of expenditure policies to include objectives that incorporate social and environmental indicators in decision-making processes. In Italy, for instance, well-being was introduced as a critical factor in the budgeting process. The indicators measure inequality, education levels, healthcare, and other social indicators. Doing this effectively requires countries to develop analytical tools and forecasting models that adequately account for impacts that go beyond GDP. It is critical to engage civil society in planning and service delivery to ensure that people's needs are adequately reflected in policy approaches.

70. The discussions also highlighted major impediments to mobilizing domestic public resources for sustainable development. Speakers underlined the urgent problem of a race to the bottom in tax incentives and tax base erosion, which affects the most disadvantaged countries and the most disadvantaged populations within them. The large size of the informal economy in many developing countries poses further challenges for domestic resource mobilization. The limited quantity and quality of financing to realise the rights and capacities of people with disabilities was also raised, and in this context, the Inter-Agency Task Force on Financing for Development was called on to examine government performance in conducting human rights impact of fiscal policies with an emphasis on the impact of marginalized groups in the 2020 Report.

71. Speakers highlighted the need to discuss global tax standards at the United Nations, where all countries can be represented.

Panel B: "Domestic and international private business and finance"

72. Discussions underlined the necessity to better align private investments with sustainable development. There is growing interest from investors in sustainable investing. On one hand, such interest derives from high-net-worth individuals and impact investors willing to align their investments with their values. On the other hand, mainstream investors, such as pension funds, gradually realize that environmental and social factors can impact portfolio performance, while they also affect the ability of the economy to generate returns in the long run. Yet, the short-term orientation of financial markets remains a critical impediment. For example, Basel III requirements have introduced a short-term focus in the financial sector and the interpretation of fiduciary duties constrains institutional investors in certain jurisdictions.

73. Public policies should create incentives to encourage private actors to take a long-term approach, for instance by making unsustainable activities unprofitable. There is also a need to better establish what sustainable investment means and how to measure its impact. Numerous initiatives in this area are underway, and there is a call for more standardization in corporate sustainability disclosures. This should help inform investment decisions and achieve greater coherence in sustainability ratings, which are currently diverging significantly among rating providers. Countries could also use corporate sustainability data to assess the private sector contribution to sustainable development.

74. Participants stressed the importance of improving access to finance for MSMEs. These enterprises are a driving force of the economy and represent a large share of employment. However, they are perceived as risky with relatively high transaction costs for the finance institutions involved. Regulators and governments have a role to play to alleviate the financial constraints faced by these companies, for instance through guarantees. Development finance institutions can also provide support through on-lending programmes, but the latter need to be affordable for the receiving finance institutions.

75. Participants also discussed blended instruments and how these instruments can attract investors in countries where investment profiles are riskier and in sectors with lower returns (e.g. water). These instruments should be country-led and in line with national development objectives. Countries could also develop local capital markets and improve the enabling business environment to promote private investments. However, there is a need to ensure that efforts to attract private investments do not result in excessive fiscal incentives, lowered environmental and social standards, or unbalanced risk-sharing agreements. In this respect, it was mentioned that public-private partnership contracts are complex to negotiate and if not managed properly, can entail significant fiscal risks.

Panel C: International Development Cooperation

76. International Development Cooperation was underscored as essential to achieving the SDGs. Participants stressed that the integrity of ODA should be protected and that countries should meet their ODA commitments of 0.7% of GNI to ODA. ODA should be both available and used efficiently and effectively. Country ownership should be central to development cooperation.

77. Some noted that public finance alone was not enough to support the achievement of the SDGs. Other innovative financing instruments were needed along with strong institutions to create an enabling environment for private investment. The role of private investment was emphasized, in particular the role that blended finance could play in scaling up resources for the SDGs. While blended finance was a useful tool to attract private investment, it should be used strategically. The leveraging of public finance to support private investment was not seen as appropriate in all circumstances. Some raised concerns that, given the limited information available on measuring, tracking and assessing the impacts of blended finance, blending in some instances could pose risks to public finance.

78. South-South and triangular cooperation were acknowledged as an integral arm of development cooperation built on solidarity and mutual benefit. The outcome of the BAPA+40 conference was welcomed and reaffirmed the principles of SSC, however, participants noted that more could be done in this context to build capacities at the national and local levels.

79. Integrated national financing frameworks were mentioned as strategies to complement national development plans. However, speakers also noted that the conditions were not yet ripe for the development of such frameworks in all countries, given the lack of data. The DCF mutual accountability survey was mentioned as a useful tool to enhance coordination amongst government ministries to support the development of these frameworks.

80. Youth inclusion, at all levels, was a necessary element to ensuring ownership and engagement in the development process. Panelists underscored that youth should benefit from capacity

development, training and employment programmes. They agreed that innovation should be applied to financing and that various platforms could be used to support innovation, including the leading group on innovative finance and the G20. Such platforms could facilitate technical discussions and build political will.

Panel D: Trade, science, technology, innovation and capacity-building

81. Rising trade tensions, increased protectionism and global uncertainties would pose serious challenges to international trade as an engine for development, as enshrined in the Addis Agenda. Participants underscored the need for revitalized efforts towards a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system under the WTO. Countries in special situations, such as least developed countries, require specific focus, for example through the appropriate and effective application of special and differential treatment. Core obstacles to the participation in international trade faced disproportionately by developing countries, such as non-tariff measures and subsidies, should be addressed.

82. Participants further noted that trade policy-making required a holistic approach factoring in social policies that could address potential detrimental impacts. The growing importance of regional trade, including between developing countries, was also highlighted. While regional trade is not a substitute for global trade, there were some critical features that can make trading regionally level more resilient against global trends, such as more product diversification and the trading of products of higher value. Another critical element of eliminating trade distortions was enhanced regulatory cooperation in trade, particularly through the harmonization of rules and mutual recognition agreements.

83. On science, technology and innovation, participants focused on the need to ensure that the "other half", including ageing populations, people with disabilities, youth and women, were connected to the opportunities offered by information and communication technology. In addition, participants also elaborated on the role of technology as a facilitator of financial access and inclusion for individuals and MSMEs. A key requirement in this context was effective, country-specific regulation at all levels with the appropriate balance between stability and flexibility. On subjects such as e-commerce, regulators would have to apply an inclusive approach and ensure appropriate protection for those unable to harness the full potential of the technology.

84. Participants agreed that cross-border challenges such as data protection, taxation of the digitalized economy, the environmental footprint of technology and big data concentration among a few global companies needed to be addressed through an inclusive global dialogue at the appropriate venues to ensure that people's interests remained at the core of the debate. Furthermore, the discussion pointed to the rapidly growing needs for individual and institutional capacity-building in science and technology.

Panel E: Debt sustainability and systemic issues

85. There was concern over the rapid rise of debt in many developing countries in recent years. Participants emphasized the need to manage debt effectively, including monitoring trends, investing the proceeds of debt in productive activities, promoting debt transparency and controlling contingent liabilities, maintaining sound macroeconomic policy frameworks and sustainable fiscal policies, conducting contingency planning, and investing in disaster resilience and insurance.

86. Creditors can increase debt transparency and follow the operational guidelines on sustainable financing being developed at the G20. Despite such measures, debt crises can arise because of changes in the sentiment of market actors, or other shocks. Vulnerable countries, particularly SIDS, face debt sustainability challenges when hit by disasters. While the instruments for managing this risk are helpful, such as catastrophe insurance and hurricane clauses in bond contracts, participants underlined the need for access to concessional finance to deal with disasters. In this context, some questioned the use of per capita income as the main criteria for graduation out of concessional finance instruments.

87. There was discussion of the many improvements made to debt restructuring processes, such as adoption of collective action clauses in bond contracts. Participants also noted the increased complexity of debt instruments, broadening of the creditor landscape and their impact on debt restructuring. Many participants felt that the international community has not done enough to prepare for the next round of possible debt crises, but some pointed out that international institutions are forced to work within mandates and the limited volume of concessional resources. Suggestions included expansion of the Paris Club, exploring debt swaps and debt relief with bilateral creditors, legislation to curtail the litigation of hold-out creditors, and the development of legal frameworks for responsible lending and borrowing.

88. In relation to systemic issues, Member States raised the importance of halting the decline in the number of correspondent banking relationships. Participants also raised the need for governance reform at international financial institutions to give developing countries more voice, including at the management level. Finally, some participants called for greater regulation of capital flows, and noted that capital account liberalization can make countries more vulnerable to debt crises.

## VIII. The Road to the General Assembly High-level Dialogue on Financing for Development

89. The co-facilitators of the High-level Dialogue noted the consensus among Member States on the need for an ambitious Dialogue that focused on implementation and impact on the ground. It will be critical to engage all stakeholders, including governments, the private sector and civil society. The various thematic priorities for the Dialogue could include addressing the issue of debt, tax and the digital economy, investment flows and systemic issues, and access to private and public capital. Solutions need to be relevant to country contexts, including in SIDS.

90. The co-facilitators reported on the strong desire to scale up efforts for the full and timely implementation of the Addis Agenda and means of implementation to achieve the 2030 Agenda. The outcome document of the Forum will be an important input into the Dialogue and can be used to derive actions that can be agreed upon and included in the September event. In the lead-up to the Dialogue, workstreams could be developed. A common narrative should be considered with related activities and events, including the high-level meetings occurring during the high-level week in September 2019.

91. Mauricio Escanero, Head of the Mission of Mexico to the EU and Ambassador to Belgium and Luxembourg, encouraged participants to ensure the Dialogue is meaningful and advances progress on Financing for Development. The Monterrey success was the result of diplomatic bridge-building involving all stakeholders as partners. There are systemic economic risks and challenges to consider alongside growing inequalities and rapid technological change. The Dialogue should

therefore consider actions needed for the equitable and sustainable management of the global commons; put a spotlight on Financing for Development priorities across different regions; and welcome initiatives and partnerships being created, such as the Global Investors for Sustainable Development (GISD) alliance.

92. During the interactive discussion, the high aspirations of countries on the road to the High-level Dialogue were echoed, as were the challenges to securing the financing necessary to achieve the SDGs. Renewed commitment to match intentions with actions was critical to leave no one behind.

## IX. General Debate

93. Speakers expressed appreciation for the work of the co-facilitators in facilitating the successful adoption of a balanced outcome document of the Forum. Member States also cited the usefulness and relevance of the 2019 *Financing for Sustainable Development Report*. Preparations for a successful September High-level Dialogue on Financing for Development were prioritized, as a milestone in implementing the Addis and 2030 Agendas.

94. Member States highlighted domestic efforts to implement the 2030 Agenda and reported on their progress in developing national strategies of integrating the SDGs into national development plans and budgets. Delegates recognized the importance of mobilizing the private sector as an essential partner for sustainable development and emphasized the challenge of changing incentives for long-term sustainable investment. They reported on progress in improving domestic environments for private investment, including FDI and PPPs that were consistent with sustainable development. The importance of international cooperation and capacity-building on tax matters was also underlined.

95. At the same time, many participants drew attention to the confluence of limited domestic and international public finance, global challenges and strained multilateral context, which could hold back implementation of the 2030 Agenda. Most Member States stressed the role of international trade as an engine for development, underlining concerns about sustaining the rules-based multilateral trading system, which may be jeopardized by unilateral measures. Some delegates also urged action to tackle the risk of a new cycle of debt crises and called for renewed international efforts towards ensuring debt sustainability, especially in vulnerable developing countries.

96. Member States drew attention to the need to consider vulnerability indicators beyond income level when deciding on concessional development finance for middle-income countries and SIDS. They also expressed strong concerns regarding the impact of climate change on national development efforts and the burdens it poses on developing countries already facing limited capacities and resources. In this context, numerous SIDS and partner countries called for strong support from the international community in the lead-up to the High-level Mid-term Review of the SAMOA Pathway in September 2019. These concerns also led to calls from some to meet and scale up, where needed, commitments to climate finance.

97. Some countries drew attention to new challenges brought about by technological innovation such as the digital economy and fintech. These will have potentially far-reaching effects on developing countries, which called for international cooperation and capacity-building in those areas.

Regarding technological change beyond the financial sector, the importance of public investments in continuous education and training was highlighted as a priority in all countries.

## X. Presentation and adoption of the intergovernmentally agreed conclusions and recommendations

98. The President of the ECOSOC thanked Mariangela Zappia, Permanent Representative of Italy to the United Nations, and Lazarous Kapambwe, Permanent Representative of Zambia to the United Nations, for bringing the negotiations to a successful conclusion. The outcome document was adopted by consensus. The European Union and the United States of America explained their positions after the adoption of the document.

## XI. Closing of the Forum on Financing for Development follow-up

99. The Forum adopted by consensus its report [xx], which contained the intergovernmentally agreed conclusions and recommendations. The Deputy Secretary-General addressed the closing of the Forum. The 2019 Forum was closed by the President of the ECOSOC.