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**Follow-up to and implementation of the outcomes  
of the International Conferences on Financing for  
Development**

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**Implementation of and follow-up to major United  
Nations conferences and summits: follow-up to the  
International Conference on Financing for  
Development**

**Summary by the President of the Economic and Social Council of the forum on financing for  
development follow-up, including the special high-level meeting with the Bretton Woods  
Institutions, the World Trade Organization and the United Nations Conference on Trade and  
Development (New York, 18-20 April 2016)**

### **I. Introduction**

1. The ECOSOC forum on financing for development follow-up (FfD forum), including 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), was held in New York on 18-20 April 2016. The forum was chaired by the President of ECOSOC, H.E. Mr. Oh Joon (Republic of Korea). The overall theme of the forum was “Financing for sustainable development: follow-up to the Addis Ababa Action Agenda”.
2. The inaugural forum brought together a large number of high-level participants, including 17 Ministers and Vice-Ministers, as well as many high-level government officials in the areas of finance, foreign affairs and development cooperation. An unprecedented number of World Bank Group (WBG) and IMF Executive Directors, as well as senior officials from the UN system and other international organizations attended the forum. There was also strong representation of civil society organizations and the private sector.
3. The inaugural segment of the FfD forum featured an opening address by the Secretary-General, the video messages by the Managing Director of the IMF and the Director-General of the WTO, as well the statements by the Senior Vice President of the World Bank, the Administrator of the United Nations Development Programme (UNDP) (on behalf of UN Development Group), the Under-Secretary-General for Economic and Social Affairs (as Chair of the Inter-agency Task Force (IATF) on Financing for Development), the Secretary-General of UNCTAD and the Executive Secretary of the UN Economic and Social Commission for Asia and the Pacific (on behalf of the five UN regional

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commissions). In addition, statements were delivered by the heads of relevant intergovernmental bodies, including the Chair of the joint IMF/World Bank Development Committee, President of the Trade and Development Board of UNCTAD and the Acting Secretary of the International Monetary and Financial Committee (IMFC) of the IMF.

4. A salient feature of the inaugural segment of the FfD forum was the interactive dialogue with the representatives of intergovernmental bodies and senior management of the World Bank, IMF, UNCTAD and UNDP on two themes: (i) Policy coherence in implementing the Addis Ababa Action Agenda (AAAA); and (ii) Humanitarian and development nexus.

5. The general segment of the FfD forum was organized around six round tables on the themes: “Global framework for financing sustainable development”; “Domestic and international public resources”; “Domestic and international private business and finance”; “Debt and systemic issues”; “Trade, science, technology, innovation and capacity-building”; and “Data, monitoring and follow-up”. In addition, a dedicated panel discussion was organized on the outcome of the Global Infrastructure Forum.

6. The participants had before them a note by the Secretary-General on Monitoring commitments and actions in the Addis Ababa Action Agenda of the Third International Conference on Financing for Development (E/FFDF/2016/2). The inaugural 2016 report of the Inter-agency Task Force (IATF) on Financing for Development, entitled “Addis Ababa Action Agenda: Monitoring commitments and actions” served as a major substantive input.

## **II. The opening of the FfD forum**

7. The opening of the forum featured statements by the President of ECOSOC, the Secretary-General, the Managing Director of the IMF, Christine Lagarde, the Director-General of WTO, Roberto Azevêdo, and the Senior Vice President for the 2030 Development Agenda, UN Relations, and Partnerships of the World Bank Group, Mahmoud Mohieldin, who spoke on behalf of the President of the World Bank.

8. **The President of ECOSOC** emphasized the mandate of the forum to discuss the follow-up and review of the Financing for Development (FfD) outcomes and the means of implementation (MoI) of the 2030 Agenda for Sustainable Development (2030 Agenda). In this context, the forum will perform four unique functions. First, it will serve as the primary platform for policy dialogue on FfD follow-up to assess progress, identify challenges, and facilitate the delivery of the MoI. It will also promote sharing of lessons learned at the national and regional levels, while addressing new and emerging topics. Second, the forum will provide a platform for concrete action and will result in intergovernmentally agreed conclusions and recommendations to guide the implementation of the AAAA. Third, the forum will enable broad engagement by relevant stakeholders as well as Member States. Fourth, it will carry out its work in accordance with an evidence-based approach, with the report of the IATF serving as the major analytical input for consideration.

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9. **The Secretary-General** stressed the collective responsibility to turn the 2015 landmark agreements into tangible actions. The financing requirements to achieve the Sustainable Development Goals (SDGs) were estimated to be in the order of trillions of dollars annually. Mobilizing these resources would be a significant challenge, particularly at a time of continued economic uncertainty and financial constraints. The global response must match the scope of the challenge. The AAAA provided a comprehensive financing framework that, if fully implemented, would realign financial flows and policies with economic, social and environmental priorities. He called for the implementation of the new “social compact” enshrined in the AAAA to provide social protection and essential public services for all, as well as greater investments in sustainable and resilient infrastructure. Whereas South-South cooperation was driving innovation and demonstrating its effectiveness in many developing countries, the Official Development Assistance (ODA), especially to least developed countries (LDCs), remained crucial. Finance was also key in delivering on the new Paris Agreement and helping countries implement their national climate plans.

10. **Ms. Lagarde**, expressed the commitment of the Fund to full and timely implementation of the AAAA and highlighted a range of action taken by the IMF, with the view to promoting macroeconomic stability, improving taxation, tackling climate change and supporting inclusive economic growth. In terms of macroeconomic stability, the IMF continued to advise countries on their national frameworks and potential spill-over effects. The speaker noted the progress made in international tax cooperation, largely due to the Base Erosion and Profit Shifting (BEPS) initiatives, and called for focusing on improving national tax frameworks with the view to increasing tax revenues. On climate change, the IMF will continue to pursue research and provide technical assistance on subsidy removal strategies and the proper taxation of externalities, including through carbon taxation. Finally, Ms. Lagarde called on governments to target their spending properly, including on education of young people, in particular girls, in order to achieve inclusive and sustainable growth.

11. **Mr. Azevêdo**, highlighted the importance of the FfD forum in ensuring coherence between the implementation of the FfD outcomes and the 2030 Agenda. He highlighted the WTO’s active involvement in the work of the IATF, especially in the area of trade. Given the complexity of achieving both the AAAA and the SDGs, the report made number of proposals aimed at determining the contribution of the multilateral trading system in specific areas, including special and differential treatment for developing countries and LDCs, issues in fisheries and agriculture, access to affordable medicines and the implementation of the WTO’s ministerial conferences in Bali and Nairobi. According to the speaker, recent developments at the WTO had been encouraging. For example, in December of 2015, governments agreed on the most significant reform of global agricultural trade in the history of the WTO and made progress on preferential rules of origin and the implementation of preferential treatment in services for LDCs.

12. **Mr. Mohieldin**, stressed the need to fully implement the landmark UN agreements of last year. Implementation required good data, skilful delivery, and solid financing, including preparedness for shocks, natural disasters, and the capacity to respond to crises of all kinds. The WBG was deeply engaged in the FfD process, including through taking active part in the IATF. The WBG, other multilateral development banks (MDBs), and the IMF were working together to use shareholder

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capital, innovative financing solutions, knowledge, and convening power to catalyse and crowd in additional public- and private-sector resources. The WBG also worked on strengthening domestic resource mobilization capacity, through the Joint Initiative with the IMF on Strengthening Tax Systems in Developing Countries. According to the speaker, another crucial aspect of the FfD agenda was infrastructure financing. In this context, he highlighted the launch of the new Global Infrastructure Forum. He further emphasized that the WBG remained committed to attract investment in societies and markets impacted by conflict, climate change or migration.

### III. Statements by institutional stakeholders

13. Statements were made by the Chair of the joint Development Committee of the World Bank and IMF, Bambang Brodjonegoro (Indonesia); President of the Trade and Development Board of UNCTAD, Alfredo Suescum A. (Panama); and the Acting Secretary of the International Monetary and Financial Committee (IMFC) of IMF, Calvin McDonald. Subsequently, keynote presentations were delivered by the Administrator of UNDP, and Chair of UNDG, Helen Clark; the Under-Secretary-General for Economic and Social Affairs, and Chair of the IATF, Wu Hongbo; the Secretary-General of UNCTAD, Mukhisa Kituyi; and the Executive Secretary of UN-ESCAP, Shamshad Akhtar.

14. **Mr. Brodjonegoro** referred to the current “Forward Look” exercise of the Development Committee, where proposals would be developed to ensure that the WBG remained responsive to diverse client needs, made “billions to trillions” a reality, partnered with the private sector, became a more effective development partner and adapted its business model accordingly. To implement the AAAA, the Committee called for crowding in the private sector and boosting domestic resource mobilization, including by tackling illicit financial flows. It urged the Group and the IMF to become more effective in fragile and conflict situations, through strengthened operational capacity in affected countries, better-tailored capacity development activities, incentives and enhanced security for staff, and innovative financing and resourcing. The Committee also called for the modernization of the World Bank’s Environmental and Social Framework to be finalized by August 2016.

15. **Mr. Suescum** explained that UNCTAD, as an institutional stakeholder of the FfD process, could play an important role in revitalizing the multilateral trading system, serving as a forum to exchange ideas and approaches to advance the WTO process and better integrate the multilateral trading system into the other pillars of global economic governance. The speaker also noted the importance of international investment agreements and the broad interest in improving the investor-state dispute prevention and settlement system to promote an environment conducive for development. He recommended that UNCTAD and the UN regional commissions adequately covered FfD issues in their intergovernmental programs of work to ensure that the full breadth of experience and knowledge in the UN system was harnessed.

16. **Mr. McDonald** highlighted that the IMFC called for a general three-pronged approach spanning structural, fiscal and monetary policies, to address current economic challenges. A strong global financial safety net that protected countries from sudden liquidity shortages or external shocks would be important. Moving forward, the Fund will have three strategic priorities. First, it will identify fiscal

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space and propose measures to improve the policy mix. Second, it will provide financial support, when needed, with instruments suited to evolving needs of member countries. Finally, it will help address new challenges. The Fund would also undertake a number of reforms, including strengthening coordination with regional financing arrangements, revisiting the lending toolkit, and considering further support for countries impacted by the decline of commodity prices, refugee crisis, epidemics and natural disasters.

17. **Ms. Clark** noted that the FfD forum must drive forward a clear plan for monitoring and reporting. At each annual forum, the international community could take stock of progress; consider who is being reached and who risks being left behind; and share experiences about innovative approaches to financing sustainable development. UNDG could provide further support to implementation in a number of ways. First, UNDP would showcase the range of innovative financing approaches through its country-level work. Second, the UN development system could be a key partner to countries in building strong national ownership. Third, UNDP could support countries in building the broad coalitions and partnerships called for in the AAAA. Fourth, UNDP would intensify its focus on the poorest and most vulnerable countries. Fifth, in partnership with the OECD, UNDP would continue to advance the “Tax Inspectors without Borders” initiative, which supported developing countries in building their tax audit capacities.

18. **Mr. Wu** launched the inaugural report of the IATF, noting that it mapped out the commitments in the AAAA and their relationship to the MoI of the SDGs. It also presented the monitoring framework and data sources that would enable annual progress assessments. The report highlighted where the MoI targets were integrated into the broader financing framework. He concluded with three observations. First, the evolving global context called for flexibility in the follow-up process and the themes it addressed. Second, given the comprehensive and complex nature of the FfD outcomes, the IATF proposed including an online appendix to address a broader set of commitments in addition to the report. Finally, further guidance from Member States would be needed to assess options for country reporting in the FfD process, and how it would relate to the SDGs.

19. **Mr. Kituyi** stated that while substantial flows of foreign direct investment were anticipated to fill some of the financing gaps towards attaining the SDGs, UNCTAD research had raised concerns, such as lack of investment in greenfield projects, the preponderance of mergers and acquisitions as a main form of investment, a collapse of investment in some commodity-dependent economies, and limited positive recovery and trade in the Middle East, Africa and Latin America. These factors significantly impacted the ability of governments to reach the ambitions of the AAAA. In concluding, he acknowledged the need to pay sufficient attention to monitoring, data and sound statistics, but argued that these were only secondary to good implementation. He invited participants to engage in UNCTAD XIV.

20. **Ms. Akhtar** reviewed priorities in the implementation of the AAAA, such as mobilizing domestic resources, overcoming gaps in infrastructure financing, implementing sound macro-prudential policy frameworks and tools to address financial vulnerability, and enhancing debt sustainability management. She also emphasised the need to combat illicit financial flows and to promote global partnerships for countries in special situations. After recapping important initiatives at

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the regional level to address these priorities, she concluded by recommending that the global follow-up and review process more comprehensively recognize the role of the UN regional commissions.

#### **IV. General debate**

21. During the general debate, over 50 Government representatives made statements, including 17 Ministers and Vice-ministers. Representatives of UN agencies, civil society organizations and the private sector also spoke. Joint statements were delivered by the Group of 77 and China, European Union, Group of African States, Community of Latin American and Caribbean States (CARICOM), Alliance of Small Island States (AOSIS), and a group of countries in support of middle-income countries.

22. Delegations welcomed the FfD forum as a significant milestone in the implementation of and follow-up to the AAAA and the 2030 Agenda. They reaffirmed the centrality of the AAAA in accelerating progress on financing sustainable development and called for strengthened cooperation in implementing all action areas of the AAAA in a full and balanced manner, leaving no one behind. Many delegations also recognized that the FfD forum was instrumental in paving the way for a successful High-Level Political Forum (HLPF) on Sustainable Development, to be held in July 2016.

23. Many speakers agreed that significant progress had been made in implementing the FfD outcomes, but much more needed to be done to translate commitments in the AAAA into concrete actions. A number of delegations stressed the need to ensure an adequate balance between an enabling international environment, global partnership for development and domestic resource mobilization. Policy coherence, mobilization of financing from a variety of sources and aligning financial flows with sustainable development objectives was seen as crucial. Implementation must go beyond finance and cover policies as diverse as good governance, trade, private sector engagement and gender equality. Member States expressed their commitment to formulate policies which would facilitate integration of both the AAAA and the 2030 Agenda into their national plans and priorities.

24. Member States welcomed the inaugural IATF report and agreed on the proposed three-pronged approach comprised of a brief discussion of the global context, a concise overview of each chapter with updated data and new initiatives, and a discussion of specific thematic issues, drawing on inputs from across the seven action areas of the AAAA. Recognizing that monitoring required accurate measurements and an updated reporting from all stakeholders, delegates noted that annual reporting on progress by the IATF would be key to ensure coherence among different actors, identify gaps and best practices, and make recommendations for future action.

25. While recognizing that all sources of financing were important to achieve sustainable development, delegates stressed that ODA remained an essential component of international development cooperation and the fulfilment of all ODA commitments was crucial. Concern was expressed about the continued fall in ODA to LDCs. Inadequate resources exacerbated by illicit financial flows, discriminatory trade rules, high debt burden, systemic issues and lack of capacity were highlighted as additional obstacles to sustainable development. Some delegations pointed out the unique challenges faced by African countries, LDCs, landlocked developed countries (LLDCs), Small

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Island Developing States (SIDS), as well as middle-income countries (MICs) and countries in conflict and post-conflict situations.

26. Participants noted that international community was facing serious economic and humanitarian challenges, with a wide gap between needs and resources. Innovative and comprehensive approaches were required to raise additional financing for sustainable development. There was a broad consensus that South-South cooperation had proven to be an important supplement to North-South and triangular cooperation. Some speakers also highlighted the potential of remittances urging the international community to reduce the transaction costs. The importance of private investment, tax revenues and philanthropy was also emphasized.

27. Member States recognized that capacity development was of great importance for addressing the specific needs of developing countries and should reflect their national sustainable development strategies and priorities. A call was made for increased international support and establishment of multi-stakeholder partnerships to implement effective and targeted capacity-building in developing countries. In this regard, some Member States called for an enhanced engagement of major international institutions, including UNIDO and UNCTAD, in providing technical assistance and expertise in the areas of industrialization, as well as trade and investment.

28. It was further noted that developing countries should have a stronger role in international economic decision-making, norm-setting and global governance. Calls were made for scaling up international tax cooperation and for greater transparency in financial flows. Tax evasion and money-laundering represented a threat to international stability and development and participants committed to work together in the fight against illicit financial flows. Many participants also endorsed efforts to assist developing countries in attaining long-term debt sustainability, including measures aimed at fostering debt financing, debt relief, debt restructuring and sound debt management. Stressing that international trade and investment were engines for development, several speakers called for prompt conclusion of the Doha Round of multilateral trade negotiations.

29. Delegations welcomed the launch of the Global Infrastructure Forum and acknowledged the establishment of the Technology Facilitation Mechanism (TFM), as called for in the AAAA. Other early achievements of the AAAA commitments include ambitious targets to reduce greenhouse gas emissions, supporting the private sector in developing countries, and investing in women's economic empowerment.

## **V. Interactive dialogue on “Fostering policy coherence in the implementation of the AAAA”**

30. The interactive dialogue was chaired by the President of ECOSOC, Oh Joon (Republic of Korea) and moderated by Eliza Anyangwe of the Guardian News and Media, and CNN International. Opening remarks were delivered by the President of ECOSOC; the Dean of the Board of Executive Directors of the WBG, Merza Hasan; the Dean of the Board of Executive Directors of the IMF, Aleksei Mozhin; and the President of the Trade and Development Board, UNCTAD, Alfredo Suescum A. (Panama).

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31. **The President of ECOSOC** explained that the innovative format of the dialogue was designed to respond to the mutual desire of ECOSOC and the Executive Boards of the WBG and the IMF to strengthen their interaction within the framework of the FfD forum. **Mr. Hasan** welcomed the efforts of ECOSOC to strengthen the dialogue, making it more inclusive and interactive. Highlighting the emerging global challenges, in particular the humanitarian crisis, the Dean noted that the Bank had redesigned its modalities and country specific approach to become more dynamic. The Bank also saw the need to more strategically use its concessional resources by focusing more on leveraging the private sector, while strengthening partnerships with other actors, including with the UN. **Mr. Mozhin** stressed the commitment of the IMF to the implementation of the AAAA and noted that during the IMF/WB Spring Meetings, Ministers and Governors committed to upgrading their efforts to secure sustained economic growth. In addition, new initiatives had been developed to complement the Fund's traditional role of fostering sustainable economic growth and financial stability. **Mr. Suescum** pointed out that the scope and ambition of the new agenda increased stakes and challenges, which warranted unprecedented collaborative efforts among institutions. It was important that the UN system avoided duplication at both Secretariat and intergovernmental levels. He further underscored the value of bringing together trade, finance and development Ministers so that coherence was addressed in both substance and format.

32. The dialogue addressed two themes: (i) Policy coherence in implementing the Addis Ababa Action Agenda (AAAA); and (ii) Humanitarian and development nexus. Under the first theme, the lead discussants were: the WBG Executive Director for the United States, Matthew McGuire; the Chair of the IMF Executive Board Committee on Liaison with the World Bank, the United Nations and other International Organizations and the Executive Director for Canada, Ireland and the Caribbean, Serge Dupont; and the Vice-President of ECOSOC, Héctor Alejandro Palma Cerna (Honduras).

33. **Mr. McGuire** argued that policy coherence required conceptual clarity. The world had a solid sense on how to move forward in general terms, e.g. on domestic resource mobilization, but progress needed to be made in crowding in private capital to support the attainment of the SDGs through use of relevant tools and financial instruments. Regulatory harmonization for the new tools and actors, such as crowd-funding entrepreneurs and Diaspora Investment Funds, was important. **Mr. Dupont** recalled the IMF's core responsibility to promote monetary and financial stability as well as its three business lines, surveillance and policy advice; lending; capacity development and technical assistance. He presented the IMF's initiatives to implement the 2030 Agenda, including expanding its concessional lending facility by 50 per cent and setting the interest rate to zero on its rapid credit facility, both targeting low income countries. The Fund would feature more domestic revenue mobilization in its surveillance work, expand its capacity building activities and work on issues such as infrastructure, gender and climate change. Following the 2010 quota reform, the Fund would embark on the 15<sup>th</sup> quota review to be completed by its 2017 annual meeting. **Mr. Palma Cerna** highlighted the distinct challenges of MICs. He argued that the per capita income based category did not reflect the multidimensional nature of poverty. In this connection, he asked the representatives of the World Bank and IMF to elaborate on mechanisms that had been established and actions that had been taken to consider the specific challenges of the MICs. He also raised a question of how to engage non-state actors to become full-fledged development partners.



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34. In the ensuing interactive discussions, it was noted that coherence needed to be implemented at the institutional and project levels. It was also critical to support the tools and the development of local expertise to achieve bankability at the project level. Member States were called on to stay open-minded and act on the ideas that had emerged from the FfD forum. Noting the overwhelming attention to monitoring and review, participants were reminded of the importance of follow-up in the form of normative policy discussions.

35. Bringing the focus to national implementation, a World Bank Executive Director asked whether international institutions were providing coherent support for country implementation and whether these efforts were successful. In response, governments confirmed their readiness to work with international organizations to implement the AAAA. National efforts to expand the tax base and the need to remove harmful trade-distorting subsidies were emphasised. Noting the ongoing challenges of low commodity prices and high unemployment rate, industrialization and addressing illicit financial flows were seen as high priorities. There was also a call for greater policy space of developing countries in light of the impact of free trade and investment agreements.

36. Several questions regarding institutional adaptation were addressed to the Executive Directors. The Dean of the Board of Executive Directors of the WBG reaffirmed that the Bank was changing its way to engage with countries by studying country situations and encouraging the private sector to support national development with instruments such as guarantees. Likewise, the IMF had taken an approach sensitive to country circumstances and had continued to assess the fitness of its toolkit based on crystallized risks. One of the examples was its increased engagement in the area of gender as women empowerment had been seen a productivity boosting factor and macro-economically important.

37. To enable global policy coherence, it was emphasized that some shared understanding of the SDGs and some basic concepts, e.g. on how to leverage the private sector, should be developed among institutions. The related question was the institutional setup to allow for the development of such shared understanding. Since the implementation of the AAAA went beyond ODA, the coordination arrangements must also go beyond the aid community. To this end, the FfD forum was seen as an appropriate platform. However, to achieve real progress, more engagement among global institutions, beyond its annual exchange, was needed.

38. Under the second theme, the lead discussants were: Vice-President of ECOSOC, Jürg Lauber (Switzerland); and the WBG Executive Director for Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden, Satu Santala.

39. **Mr. Lauber** stressed the need to bridge the humanitarian and development divides at the operational level, with the view to helping countries strengthen their capacity for prevention and resilience building. Allocation of funding had a critical role to play in supporting coherence. Earmarking of resources contributed to duplication, competition and waste of resources. Getting humanitarian finance right could help push through institutional changes leading to improved coherence. The UN and the World Bank needed to work, on a multiyear programme based on their

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comparative advantages to deliver aid on the ground. **Ms. Santala** highlighted priority actions before, during and after a crisis. Before a crisis, relevant institutions and systems needed to be put in place to provide the social safety net when needed. During a crisis, a longer-term vision needed to be adopted. Affected populations should not be seen as victims only but also productive forces. Investment needed to focus on education, job creation and infrastructure development. After a crisis, attention had to be shifted to unlocking the potential of the private sector and understanding possible solutions at the regional level. According to the speaker, collaboration between institutions, such as the UN and the World Bank, should not only depend on the good will of the leaders of the institutions, but become a permanent way of working for the benefit of the recipient countries, supported by financial and internal incentives.

40. In the interactive discussion, an IMF Executive Director presented the work of IMF in fragile and conflict-affected states. He emphasized that the IMF focused on institution building and capacity development by deploying long-term advisors and working with national authorities and other actors. The Dean of the Board of Executive Directors of the WBG also highlighted the distinct focus needed in the context of natural disasters and conflicts. In the former, efforts should be directed towards making the economy more resilient, whereas in the latter the focus should be shifted to prevention. Another WBG Executive Director stressed that the World Bank needed to work more closely with the UN to better understand the local context.

41. It was noted that short-term and long-term interventions should continue in parallel, but greater attention was needed for investment in long-term development. Member States called on international organizations to work with national institutions which were most familiar with national contexts. Lessons learned from Ebola crisis, the importance of having a unified vision and priorities, as well as a strategic planning were emphasised.

## **VI. Round tables and panel discussion**

### **Round table A: “Global framework for financing sustainable development”**

42. The round table was chaired by Ahmed Shide, State Minister of Finance and Economic Cooperation of Ethiopia. David Nabarro, Special Adviser of the Secretary-General on the 2030 Agenda for Sustainable Development, moderated the panel discussion. Presentations were made by the following panellists: Ms. Lakshmi Puri, Deputy Executive Director of Strategic Partnerships, Coordination and Intergovernmental Support Bureau, UN Entity for Gender Equality and the Empowerment of Women (UN Women); and Maria Helena Semedo, Deputy Director-General of Natural Resources, Food and Agriculture Organization (FAO). Isabel Ortiz, Director of Social Protection, International Labour Organization of the United Nations (ILO), served as lead discussant.

43. The Chair opened the session by highlighting that the AAAA provided a new global framework for financing sustainable development that utilized the full range of financial and non-financial means of implementation in support of the 2030 Agenda. The Moderator highlighted that the FfD forum would be the first of a series of events to put in practice the follow up to the landmark agreements reached in 2015.

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44. **Ms. Puri** highlighted that mainstreaming gender in the formulation and implementation of all financial, economic, environmental and social policies was essential to fulfil the 2030 Agenda. She stressed the importance of the institutionalisation of a gender-responsive approach to public finance, including through budgeting, macroeconomic policies and tracking public expenditure across all sectors. She urged all Member States to recommit to gender equality by adopting the voluntary Action Plan on Transformative Financing for Gender Equality and Women’s Empowerment and report on its implementation.

45. **Ms. Semedo** emphasised that the new global financing framework enshrined in the AAAA must build synergies between the climate change and sustainable food and agriculture agenda. Eradicating poverty and hunger by 2030 required greater agriculture-related income, including through an increase of investment in rural areas, and the safeguarding of resilient, sustainable and inclusive food-production systems. Whereas family farms were the key to achieving much of the 2030 Agenda, they faced notable constraints stemming from inadequate policy and laws, including insufficient access to technologies and services, vulnerability to agricultural risks and market distortions, and lack of relevant property rights. An enabling policy framework was needed to stimulate investment in agriculture, complemented by effective partnerships and country-level commitments.

46. While recognizing the comprehensive nature of the global social compact included in the AAAA, **Ms. Ortiz** cautioned that social protection was not adequately covered under any global funds, and was still severely underfunded at only 2.9 per cent of GDP worldwide. While development aid was important, the speaker highlighted the reallocation of public expenditures, the increase of tax revenues, including through fighting tax evasion and expanding the contributory coverage, and the adoption of accommodating macroeconomic frameworks as important instruments to finance social protection. Ms. Ortiz called for establishing a global social protection fund to improve the capacity of governments to set up social protection floors.

47. In the ensuing discussion, several participants recognized the centrality of gender policies and institutions, food security and social protection for achieving sustainable development. It was emphasised that governments needed to take the lead in facilitating public and private partnerships by reconciling the interests of diverse stakeholders, and monitoring the progress in implementation of measures to reach the SDGs. To this end, the FfD forum should become an effective instrument to follow up on the social compact contained in the AAAA.

#### **Round Table B: “Domestic and international public resources”**

48. The round table was chaired by Gina Casar, Executive Director of the Mexican Agency for International Development. Amar Bhattacharya, Senior Fellow of the Brookings Institution, moderated the panel discussion. During the first segment on “Domestic public resources”, presentations were made by the following panellists: Armando Lara Yaffar (Mexico), Chair of the UN Committee of Experts on International Cooperation on Tax Matters; and Peter Mullins, Deputy Division Chief of the Fiscal Affairs Department, IMF. Khady Dia, Program Director of the Dakar Municipal Finance Program, served as lead discussant. During the second segment on “International

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development cooperation”, presentations were made by the following panellists: Mario Pezzini, Director of the Development Centre and Acting Director of the Development Co-operation Directorate, Organisation for Economic Co-operation and Development (OECD), and Subhash Chandra Garg, WBG Executive Director for Bangladesh, Bhutan, India, and Sri Lanka. Smita Nakhoda, Senior Research Fellow of the Overseas Development Institute, served as lead discussant.

49. At the outset, the Chair noted that strengthening domestic resource mobilisation was a central mandate in the AAAA and recalled that the emphasis on domestic revenues marked an important change from the Monterrey Consensus and the Doha Declaration. The Moderator emphasised the very large fiscal gains that could be made from reducing fossil fuel subsidies, increasing carbon taxes, and undertaking tax and wider fiscal reforms. As regards the second segment of the panel, he stressed the role of international development banks in supporting sustainable infrastructure, and the centrality of ODA in tackling the issues related to refugees and displaced persons.

50. **Mr. Lara Yaffar** noted the importance of strengthening cooperation among countries to promote cross-border investment and reduce tax evasion. The Committee of Experts on International Cooperation in Tax Matters, since its creation, had aimed at improving the dialogue between developed and developing countries to strike a balance between their respective interests in setting international tax norms. The Committee was working on addressing some fundamental issues faced by developing countries, namely: determination of transfer prices and allocation of profits in connection with transactions occurring within multinational enterprises; taxation of extractive industries; enhanced exchange of information mechanisms and transparency standards; and taxation of cross-border services. He called for speedy implementation of the AAAA commitment to increase the resources of the Committee and the frequency of its sessions, as well as to enhance its engagement with ECOSOC.

51. **Mr. Mullins** stated that challenges for revenue mobilisation continued to be very significant and reported that, according to IMF data, between 2014 and 2016, around two thirds of countries had experienced a decline in revenues as a share of GDP. The IMF had identified several key areas where there was potential for domestic revenue mobilization. With regard to the corporate income tax, he called for reforming tax incentives regimes whose costs were higher than the benefits, as well as combating international tax evasion and avoidance. Moreover, domestic fiscal reforms in the areas of personal income tax, property tax, value-added tax, and environmental and extractive industries taxation were crucial for domestic resource mobilisation. The IMF was committed to support developing countries efforts in these areas, both through technical assistance and capacity building, as well as analytical tools.

52. **Ms. Dia** noted that by 2050 most of the global population would be urban-based and stressed the need to act locally and involve municipalities and local communities to ensure effective revenue mobilisation. She then reported on the experience of the municipality of Dakar, capital city of Senegal, which had been reforming the local tax system to become less dependent on transfers from the central government. Dakar had been trying to leverage resources from local banks and development banks for investment in local infrastructure and was working with partners to raise funds in the financial market through municipal bonds. In this context, the speaker emphasised the need to

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ensure better cooperation between different layers of government to empower local finance for sustainable development.

53. **Mr. Pezzini** emphasised that different sources of funding for international development cooperation should be used in a synergetic and, where possible, catalytic ways, for example by employing ODA in a blended finance framework, and encouraging South-South and triangular cooperation. With the increase of vulnerability, ODA played an increasingly important role in meeting the needs of developing countries, in particular LDCs. ODA worldwide had increased by 1.7 per cent between 2014 and 2015 and 6.9 per cent taking into account refugee in-country assistance. The quality and effectiveness of international development cooperation would be key to maximizing the impact of ODA.

54. **Mr. Garg** highlighted that the SDGs would have to be delivered in a challenging context, with dropping commodity prices, a cautious approach by many fiscal authorities, and often ineffective monetary policies. In a context where domestic public and private resource mobilisation might be heavily affected by international financial flows, ODA, South-South cooperation and multilateral development banks could leverage resources to achieve the SDGs. The negative flow of capital resources from developing to developed countries reported in 2015 emphasised the need for multilateral development banks to increase their financing efforts, and the necessity for more South-South cooperation, including initiatives such as the New Development Bank.

55. **Ms. Nakhooda** noted that according to the AAAA and the Paris Agreement, all financial flows should support the 2030 Agenda. She emphasised the importance of encompassing all actors in the financial architecture, and the need to include private actors in a context where resource constraints could make it difficult to significantly increase official flows to support financing for development. Ms. Nakhooda recalled the commitment to a holistic agenda comprising an inclusive social compact and environmental protection across all countries, including LDCs. She highlighted the critical challenge facing MICs in planning strategies with a balanced trade-off between long-term, low-emission investments and more immediate development policies, as well as the potential for South-South cooperation among developing countries.

56. During the ensuring discussion, participants called upon countries to respect their ODA commitments and to increase efforts to combat illicit financial flows. Several speakers addressed issues related to high administrative costs of tackling the informal economic sector in the fiscal framework, and stressed that efforts would need to be targeted in order to deliver satisfying results. Some speakers reiterated the central role of capacity development, the importance of subsidies reforms and the opportunity to better structure excise taxes to obtain revenues as well as environmental objectives.

### **Round Table C: “Domestic and international private business and finance”**

57. The round table was chaired by Christian Leffler, Deputy Secretary-General for Economic and Global Issues of the European Union. Marilou Uy, Executive Director, Group of 24 (G24) Secretariat, moderated the panel discussion. During the first segment on “Domestic private business and finance”,

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presentations were made by the following panellists: Gavin Wilson, Vice President, IFC and Chief Executive Officer of Asset Management Company of IFC, WBG; and Fiona Reynolds, Managing Director of Principles for Responsible Investment (PRI). Steve Waygood, Chief Responsible Investment Officer of the Aviva, served as lead discussant. During the second segment on “International private business and finance”, presentations were made by the following panellists: Keiko Honda, Executive Vice President and Chief Executive Officer, MIGA, WBG; and Richard Kozul-Wright, Director of the Division on Globalization and Development Strategies, UNCTAD. Bill Streeter, Senior Finance Advisor of Global Clearinghouse for Development Finance, served as lead discussant.

58. The Chair emphasised that the theme of the round table was at the heart of the successful implementation of the AAAA and the 2030 Agenda. Private sector investment needed to be married with responsible conduct and social responsibility. The Moderator encouraged participants to reflect on what factors must be addressed to encourage the private sector to invest in long-term development financing in responsible ways, both at the national and international levels.

59. **Mr. Wilson** commented that MDBs could provide support for domestic finance in four ways: (i) provide advice on particular projects; (ii) structure and underwrite specific transactions; (iii) assist in identifying and creating investible opportunities and ensure that projects meet environmental, social and governance benchmarks; and (iv) serve as a source of finance. Mr. Wilson presented examples of strategies that had been used to develop local capital markets to promote domestic investment. For example, in Zambia and Nigeria, the IFC supported the emergence of local corporate bond markets by acting as the anchor investor in specific bond issuances.

60. **Ms. Reynolds** acknowledged the need for sustainability to be at the core of capital markets to address the financing gap facing the 2030 Agenda. She reviewed the results of a recent PRI survey, in which members were asked to identify how to overcome barriers to investing in SDGs. Responses included making goals relevant to investors, effective regulatory action, better company reporting and transparency, increasing capacity for actions amongst investors, greater demand from clients and beneficiaries, support from other actors in the investment system, and tackling short-termism. She stressed the need for projects to be investible. Finally, she advised that while investors had often used fiduciary duty as a reason not to invest, fiduciary duty also includes providing long-term returns that were risk adjusted.

61. **Mr. Waygood** outlined steps to build on the recommendations of the IATF report. He noted that while goal 12.6 called for integrated reporting, its corresponding indicator called for stand-alone sustainability reports. Yet, integrated reporting was essential and should not be undermined by the indicator. Additionally, he called for investors to report on their activities. Second, he called for more in-depth discussions on how to incentivize financial markets to invest in the SDGs. Mr. Waygood also highlighted the need to establish comparable corporate sustainability benchmarks, which should be revisited annually to promote competition between companies. Finally, he recommended that national curricula be developed so that future investors understand the implications of their investments and how they relate to the achievement of the SDGs.

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62. **Ms. Honda** articulated the important role that the MIGA had played in mobilizing private investment. With a mandate for cross-border investment, its business model works with multinational corporations to not only bring in capital, but to share expertise with host countries on a variety of issues including infrastructure, agriculture and manufacturing. Host countries benefit from the presence of these companies through boosts in trade and revenue, knowledge transfer and vocational training. Given its access to host country governments, investors feel more comfortable in investing through MIGA. This perceived value added had resulted in lowering the financing costs in the host country, particularly on long-term infrastructure development projects. In turn, private investors must meet environmental and social standards in implementing projects.

63. **Mr. Kozul-Wright** reflected on the financing gap facing the 2030 Agenda. He stressed that the current narrative purports that governments could not come close to filling the gap, and that the private sector must be incentivized to invest. Many proponents of this approach would count on financial engineering and self-regulation as the dominant method to mobilize capital for development. However, over recent decades, this approach had resulted in a large increase in the share of corporate profits of national income at the expense of productive investment. Historically, large financial needs were mostly tackled through targeted government spending, infant industry protection, investment in R&D and infrastructure and regulation of the private sector. Hence, the public sector would have to continue to play a driving role in mobilizing investments in sustainable development.

64. **Mr. Streeter** observed that while there were significant amounts of available capital, efforts were needed to ensure that investors found infrastructure projects in developing countries appealing. First, investors preferred stable revenue. Second, infrastructure was a long-term asset, which would match the long-term liabilities of many institutional investors. Finally, infrastructure investments could meet the social responsibility requirements for investing. However, long-term investment capital did not like exposure to exchange rate, illiquidity and reputational risk. Mr. Streeter concluded by outlining the need for adequate investment planning and well-structured partnerships between domestic and international capital.

65. During the interactive dialogue, reference was made to the need for enhanced interaction between large private sector companies and local businesses. Public-private partnerships were acknowledged as a potential way to garner additional resources, but not as a substitute for public investment. Participants also raised concerns over tax leakages and illicit financial flows. Speakers noted the need to adopt safeguards to meet labour standards and ensure transnational corporations were abiding by human rights standards.

#### **Round Table D: “Debt and systemic issues”**

66. The round table was chaired by Héctor Alejandro Palma Cerna (Honduras), Vice-President of ECOSOC. José Antonio Ocampo, Professor and Director of the Economic and Political Development Concentration of the School of International and Public Affairs of Columbia University, moderated the panel discussion. During the first segment on “Debt”, presentations were made by the following panellists: Alister Smith, WBG Executive Director for Antigua and Barbuda, Bahamas, Barbados, Belize, Canada, Dominica, Grenada, Guyana, Ireland, St. Kitts and Nevis, St. Lucia and St. Vincent

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and the Grenadines; and Stephanie Blankenburg, Head of the Debt and Development Finance Branch of the Division on Globalization and Development Strategies, UNCTAD. Lee C. Buchheit, Partner at the Cleary, Gottlieb Steen & Hamilton, LLP, served as lead discussant. During the second segment on “Systemic issues”, Min Zhu, Deputy Managing Director of the IMF, served as a panellist, and Jo Marie Griesgraber, Executive Director of the New Rules for Global Finance Coalition, served as lead discussant.

67. The Chair opened the round table by welcoming participants and outlining the topics to be discussed during the round table. The Moderator drew attention to the need for cooperation among stakeholders towards the elimination of major global imbalances and underscored the need for further reform of the international financial system.

68. **Mr. Smith** emphasised that the Heavily Indebted Poor Countries (HIPC) and Multilateral Debt (MDR) Initiatives had achieved important progress in reducing the debt burden of many low-income countries. However, exceptions remain in small middle-income countries with population of less than 1.5 million, particularly in the Caribbean region. Mr. Smith was sceptical about introducing new institutions for sovereign debt restructuring due to political difficulties. He stated that aggregated collective action clauses (CACs) and the introduction of *pari passu* clauses were important improvements for sovereign debt restructuring processes. In addition, it was important to strengthen the work of existing institutions. The FfD forum should play a stronger role in coordinating efforts of different actors, such as the Paris Club and international financial institutions.

69. **Ms. Blankenburg** highlighted the increasing use of debt to promote economic growth, the volatility of capital flows and lack of financial deepening as some of the critical challenges for debt sustainability in developing countries and beyond. She argued that while the AAAA comprised key principles for the prevention and resolution of debt crises, debt sustainability would ultimately require a more stable international financial system. This would include a reform of analytical and institutional frameworks, strengthened national legislation, an analysis of long-term debt sustainability vis-à-vis national productive capacities and a stronger role for international public finance.

70. **Mr. Buchheit** noted that as a consequence of low interest rates in developed countries after the 2008 financial crisis, as well as low commodity prices, both developing and developed countries increasingly resorted to debt financing in the past years. Now that these trends started to reverse, debt problems were likely to intensify. For the same reason, debt refinance risk would become more of an issue. Furthermore, debt is less frequently paid in instalments but rather in full payments regardless of electoral cycles. The introduction of the concept of lender responsibility was an important improvement. However, while the principle of supermajority requirements had been dominant in private insolvency regimes and bankruptcy codes, it was introduced to sovereign debt workout mechanisms only in 2002 and had yet to be mainstreamed in developing country debt frameworks.

71. **Mr. Zhu** emphasised that global economic governance needed to become more inclusive and representative to better reflect the role of developing and dynamic economies. The IMF had taken some important steps in this direction, for example the 2010 quota and governance reform, as well as



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the overhaul of the surveillance and lending toolkits. However, more needs to be done. This includes the completion of the next quota review by the 2017 annual meeting and reforms of the global financial safety net, but also other issues such as the fight against climate change and the support of fragile states. In general, global cooperation would be essential to ensure policy coherence in all areas of the global financial architecture. Finally, Mr. Zhu also highlighted that macroeconomic policies, for example capital flow management measures and flexible exchange rates, were the first line of defence against volatile and pro-cyclical capital flows.

72. **Mr. Ocampo** suggested that even though the world had never had better surveillance mechanisms, especially through the Group of Twenty (G20) and its Mutual Assessment Process, the results had been insufficient. The mechanisms have had little impact on reducing existing global imbalances, and additional imbalances were evolving. Mr. Ocampo proposed to reform the global reserve system through the creation of a fully Special-Drawing-Rights-based IMF with a clear counter-cyclical focus. Regional monetary arrangements could also play a useful complementary role. Indeed, the IMF of the future could be conceived as the apex of a network of regional funds, i.e., as an institution closer in design to the European Central Bank or the Federal Reserve Bank. In addition, Mr. Ocampo called for more progress on greater voice and participation of developing countries in international financial institutions.

73. **Ms. Griesgraber** highlighted the deficits in voice and participation of developing countries in global economic governance. She suggested that the IMF's constituency model should also include people and labour in addition to money and capital. Furthermore, to improve governance mechanisms, transparency, inclusion and accountability should be strengthened, including through the establishment of a complaint mechanism. On global tax matters, coherence between the UN, the IMF and the OECD remained of critical importance while the representation of developing countries needed strengthening. There was a need for better data on the volume and impact of illicit financial flows from developing countries.

74. During the interactive discussions, some participants warned that ongoing debt crises could endanger the achievement of the SDGs. Thus, debt sustainability analysis should include SDG financing needs. As regards systemic issues, participants highlighted the role of regional and bilateral institutions in addressing international capital flow volatility, which could play a counter-cyclical role. Speakers also urged for additional reforms on too-big-to-fail and shadow banking regulation.

#### **Round Table E: “Trade, science, technology, innovation and capacity-building”**

75. The round table was chaired by Paul Oquist Kelley, Minister and Private Secretary for National Policies of Nicaragua. Alfredo Suescum A. (Panama), President of the Trade and Development Board of UNCTAD, moderated the panel discussion. During the first segment on “Trade”, presentations were made by the following panellists: Puvan Selvanathan, Head of the International Trade Center (ITC); and Hans-Peter Werner, Counsellor and Head of the Committee on Trade and Development (CTD) Unit of the Development Division of WTO. Deborah James, Director of International Programs at the Center for Economic and Policy Research (CEPR), served as lead discussant. During the second segment on “Science, technology, innovation and capacity building”, Andrew Hirsch,

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Director General of the International Intellectual Property Institute, served as a panellist, and Ambuj Sagar, Professor of Policy Studies at the Indian Institute of Technology and Member of the Group of experts to support Technology Facilitation Mechanism (TFM), served as lead discussant.

76. The Chair welcomed the participants and outlined the topics to be discussed during the round table. The Moderator acknowledged that the AAAA highlighted the role that trade could play as an instrument for the successful implementation of the SDGs. With regard to the second segment, he underscored that investment in innovation leading to the development of affordable technology could make a significant contribution to the achievement of the SDGs.

77. **Mr. Selvanathan** highlighted that strengthening the role of domestic small and medium-sized enterprises (SMEs) in export-led strategies was a tool to avoid distortions in agricultural markets and promote technology transfers, ultimately supporting employment growth and economic development. In order to achieve the SDGs, strong attention should be placed on SMEs and their human element. SMEs across the world and across industries were all part of the same value chain structure, where the greatest value resided in activities such as patenting, consulting and design. Even though SMEs constituted the bulk of the economic sector in developing countries, they were often concentrated in lower value activities such as reselling, as well as maintaining and picking crops. Understanding their contribution to the value chain was essential to identify strategies to increase their value added.

78. **Mr. Werner** emphasized that SDG 17 contained the trade-related commitments to conclude the Doha Round of multilateral trade negotiations at WTO, stimulate exports in developing countries, and realize a timely implementation of duty-free and quota-free market access on a lasting basis for all LDCs. These commitments, also included in the AAAA and in the Nairobi Declaration, would be challenging to implement in the current economic scenario. To this end, the trading standard qualification framework, preferential rules of origin and preferential treatment for services were important to achieve SDG 17, and facilitating the attainment of several other SDGs, including those related to the reduction of inequality, the building of resilient infrastructure, and the access to healthcare.

79. **Ms. James** highlighted that the current model of trade agreement constrained developing countries policy space, and limited, rather than promoted, their ability to achieve the SDGs. The Trans-Pacific Partnership agreement and other preferential agreements could further exacerbate the marginalization of vulnerable economies, by preventing policies to retain knowledge from services and technology. New-generation trade agreements would often be based on proposals by multinational enterprises (MNEs), and would not sufficiently safeguard human rights, health and the provision of essential goods and services. In order to meet the SDGs, developing countries would need to ensure that trade agreements did not undermine their ability to pursue public policy objectives, and to unwind agreements with a negative impact in areas such as the environment, social services and safety.

80. **Mr. Hirsch** noted that a just, sustainable and integrated innovation and knowledge-based global ecosystem would require strong foundations, including peace and social stability, a market-based economy, respect for the rule of law, targeted national policies and multi-stakeholder participation.

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The Technology Bank was established as a facilitating mechanism to address science, technology and innovation (STI) gaps in LDCs by helping them to build a robust STI base, supporting their technology access, acquisition and utilization, and promoting research networking of their STI community. It was now time to operationalize it, with a view to ensuring information access to support R&D, supporting intellectual property (IP) rights and technology transfer on mutually agreed terms and conditions, and providing IP technical assistance and training for the benefit of LDCs.

81. **Mr. Sagar** stated that science and technology played a critical role in today's world for achieving sustainable development. Customized strategies were needed that take into account national priorities. Domestic efforts of developing countries needed to be complemented by effective international support mechanisms, in order to develop human and institutional capabilities to support innovation. Moreover, additional financing could play a major role, especially in promoting joint technology development and catalysing critical interventions to develop new technology and markets. In this context, he mentioned several initiatives, including the Technology Bank, the Green Climate Fund, the Global Environmental Facility, the TFM, and the Climate Technology Centre and Network.

82. During the ensuing interactive discussion, several speakers noted that while the linkage between trade and technology was a major opportunity, innovation remained a challenge for governments. It was important to consider how the rules of trade could impact development, promote innovation and improve access to markets for developing countries. The Technology Bank should be operationalized soon since it could help promote entrepreneurship and innovation in developing countries. Some speakers also reiterated that most developing countries lacked resources to invest in technology, hence the need for multilateral support, including for research and development.

#### **Round Table F: “Data, monitoring and follow-up”**

83. The round table was chaired by André Vallini, Minister of State for Development and Francophonie of France. Mr. Lenni Montiel, Assistant Secretary-General for Economic Development, UN Department of Economic and Social Affairs, moderated the panel discussion. Presentations were made by the following panellists: Robert York, Division Chief of Financial Institution, Statistics Department, IMF; and John James Pullinger, Chair of the Statistical Commission (United Kingdom) (by video link). Stefano Prato, Managing Director of the Society for International Development, served as lead discussant.

84. The Chair opened the panel and highlighted the need for data disaggregation and the development of new technologies, as well as the importance to engage new stakeholders such as civil society and the business sector. The Moderator called on speakers to address how to achieve a balance between existing data and developing new capacities, enhance accountability in monitoring in the context of the AAAA and tackle data gaps on national and cross-border financial flows.

85. **Mr. York** reflected on lessons learned from the IMF's Data Standards Initiatives. First, it was important, that human, financial and technological resources for the development of statistics must be adequate. Where resources were scarce, statistical development suffered. Second, political support for statistics must be strong and continuous and present in legal and institutional structures. Third,

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instruments to support monitoring and implementation were essential. Capacity building should be targeted in very specific ways. Mr. York encouraged participants to have candid and informed discussions about the resources needed to support statistical development and to identify ways to ensure that political commitments could be sustained throughout the implementation of the AAAA.

86. **Mr. Pullinger** shared four conclusions from the work of the Statistical Commission in developing the indicators for the SDGs. First, there was an urgent need for well-targeted investments in national statistical systems to improve official data, take advantage of new technologies, and build data science. Second, he underscored the need to build analytical capability within governments. Third, he underlined the need to build partnerships with civil society and the private sector to improve data literacy amongst citizens and promote accountability. Finally, he called for skills development and knowledge transfer toward building sustainable national capabilities.

87. **Mr. Prato** discussed how best to organize the FfD follow-up process along the four pillars, namely contextualization, monitoring, the normative agenda and global economic governance. Firstly, the forum should be a space, which contextualizes and discusses what is happening in the world. Secondly, there must be a clear understanding on the methodology of data production. Without this, data outcomes will continue to be contested. Thirdly, policy development, standard setting and policy convergence must be key features of the forum and multi-year planning must be undertaken toward these ends. Finally, the forum should build an organic relationship with other institutions such as the TFM and the Global Infrastructure Forum. To conclude, he called for an additional two-day FfD meeting this year to discuss how to realize these objectives.

88. During the interactive dialogue, the issue of building data monitoring systems for philanthropic organizations on achieving the SDGs was raised. Governance was also identified as the factor which would enable statistical agencies to survey and measure the impacts of strategic investments. Several speakers called for innovative approaches to be a supplement to the core data from government institutions. Better data needed to be published on how policy formulations were addressing the needs of the people. Some speakers also highlighted the need for data visualization and data aggregation to enhance the understanding of what worked in order to facilitate investment.

### **Panel discussion on “Global Infrastructure Forum”**

89. Presenters in the panel discussion were: Joaquim Levy, Managing Director and Chief Financial Officer of the WBG; Pablo Pereira dos Santos, Manager, Infrastructure and Environment Sector, Inter-American Development Bank; Thomas Barrett, Corporate Director, European Investment Bank; Craig Steffensen, Representative, North American Representative Office, Asian Development Bank; Laurence Carter, Senior Director, Public-Private Partnerships, WBG; and Mohan Vivekanandan, Group Executive of Strategy, Development Bank of South Africa.

90. **Mr. Levy** briefed participants on the outcome of the first Global Infrastructure Forum held in Washington D.C. on 16 April 2016, including its decision to hold annual meetings, to rotate the chairmanship among the MDBs and to cooperate with the UN, including through annual reporting to

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the FfD forum. Discussions at the Forum were focused on more, better and effective spending on infrastructure. He stressed three pillars for future work: (i) addressing the risk of infrastructure projects through better quality of projects and more effective regulation; (ii) using the balance sheet of MDBs more effectively through innovative instruments and guarantees; and (iii) developing an adequate regulatory environment on the finance side, especially with regard to fixed income and institutional investors, to match funds with needs.

91. **Mr. dos Santos** noted that well-developed infrastructure project pipelines would be essential for attracting investment. Political instability, weak institutions and lack of coherence between the project and the political election cycles remained the main challenges. End users must be engaged in projects to act as advocates for project implementation. Projects, in turn, must be investible and sustainable to become more resilient and effectively mitigate investor risk. **Mr. Barrett** discussed how to address questions of creating a pipeline of projects, building capacity and activating private sector markets. He also noted a strong call from the UN to exchange best practices and expertise. He recognized the leadership, ownership and organizational role that MDBs had to play in the implementation of the 2030 Agenda.

92. **Mr. Steffensen** called for new and innovative approaches, secure Public Private Partnerships, the use of high level technology in infrastructure to achieve environmental objectives, as well as a strong commitment to climate finance and the SDGs. **Mr. Carter** noted the importance of ensuring attention was paid to low income and conflict affected countries. He proposed the following thematic priorities for the next Global Infrastructure Forum: political economy and sustainability considerations; the role and visibility of regional and national development banks; and country programmes on private sector mobilisation. **Mr. Vivekanadan** maintained that while there was a role for MDBs and the private sector in infrastructure development, national development banks could also play a meaningful role in infrastructure investment.

93. During the interactive dialogue, participants welcomed the Global Infrastructure Forum and encouraged the MDBs to accelerate investment in infrastructure. The importance of building better quality infrastructure in response to climate change and natural disasters was raised. The need for engaging citizens in project preparation and implementation was also emphasized.

## **VII. The closing of the FfD forum**

94. The forum adopted its procedural report (E/FFDF/2016/3), including the intergovernmentally agreed conclusions and recommendations, which resulted from extensive informal consultations facilitated by H.E. Mr. Jean-François Regis Zinsou, Permanent Representative of Benin to the United Nations and H.E. Mr. Vladimir Drobnjak, Permanent Representative of Croatia to the United Nations. These conclusions and recommendations reaffirmed strong commitment to the full and timely implementation of the AAAA, which built on the Monterrey Consensus and Doha Declaration; and recognized that the AAAA was an integral part of the 2030 Agenda, supported and complemented it

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and helped to contextualize its means of implementation targets with concrete policies and actions. It also endorsed the conclusions and recommendations of the IATF report, setting up the monitoring framework for the AAAA and all the means of implementation of the SDGs. The document further provided guidance for future sessions of the FfD forum, emphasising the importance of an early decision on its dates, themes and other organizational matters.

95. Following the adoption of the intergovernmentally agreed conclusions and recommendations, the Group of 77 and China expressed the view that this year's document did not fully meet the mandates of the AAAA. The European Union, while referring to the brevity of the document, expressed the view that it was a testimony to common will of Member States to uphold the consensus reached in Addis and gave guidance towards preparations of future forums.

96. In his closing remarks, the President of ECOSOC thanked all participants for their substantive contributions to the forum and emphasized the importance of the shared sense of ownership, the spirit of cooperation, and the willingness to seek win-win solutions at all levels for achieving effective development cooperation and entering a new era for sustainable development.