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Follow-up to and implementation of the outcomes of the  
International Conferences on Financing for Development****Economic and Social Council  
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Agenda item 11 (a)  
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 (New York, 22-25 May 2017)<sup>2</sup>****I. Introduction**

1. The second ECOSOC forum on financing for development follow-up (FfD forum) was held in New York from 22 to 25 May 2017. The FfD forum was chaired by the President of ECOSOC, H.E. Frederick Musiiwa Makamure Shava (Zimbabwe). It brought together a large number of high-level participants, including 20 ministers and vice-ministers, as well as numerous high-level government officials in the areas of finance, foreign affairs and development cooperation. An unprecedented number of WBG and IMF Executive Directors (24), as well as senior officials from the UN system and other international organizations, including the major institutional stakeholders of the FfD process, attended the forum. There was also strong representation of civil society organizations, the business sector and local authorities.

2. The first day of the ministerial segment featured the special high-level meeting with the WBG, IMF, WTO and UNCTAD. Its morning session provided an opportunity for the heads of the major institutional stakeholders, as well as their intergovernmental bodies to interact with their UN counterparts on issues of common interest in the follow-up to the FfD outcomes. A salient feature of the special high-level meeting was the interactive dialogue with the representatives of intergovernmental bodies and senior management of the WBG, IMF and UNCTAD on two themes: (i) Fostering policy coherence in the implementation of the Addis Ababa Action Agenda (Addis Agenda); and (ii) Inequalities and inclusive growth. The second day of the ministerial segment was structured in the form of three ministerial round tables on “Steps taken towards implementation of commitments contained in the Addis Agenda and other FfD outcomes”, followed by the general debate.

<sup>1</sup> A/72/50

<sup>2</sup> A more comprehensive summary of the 2017 FfD forum is included in a publication available at:  
[http://www.un.org/esa/ffd/publications/ffd\\_forum\\_publication\\_2017.html](http://www.un.org/esa/ffd/publications/ffd_forum_publication_2017.html)

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3. The expert segment was organized around four multi-stakeholder thematic round tables and two expert discussions. In addition, a stakeholder dialogue was organized, with the participation of civil society, the business sector and local authorities, followed by a panel discussion on the outcomes of the fora mandated by the Addis Agenda and updates on key voluntary initiatives launched at the Third International Conference on Financing for Development.

4. The participants had before them a note by the Secretary-General on “Financing for development: progress and prospects” (E/FFDF/2017/2). The 2017 report of the Inter-Agency Task Force (IATF) on Financing for Development on “Financing for development: progress and prospects”, provided the major substantive input.

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

5. The opening of the FfD forum featured statements by the President of ECOSOC, Deputy Secretary-General of the UN (video message), the Managing Director of IMF, Christine Lagarde (video message), the Senior Vice-President for the 2030 Agenda, UN Relations and Partnerships of WBG, Mahmoud Mohieldin and the Deputy Director-General of WTO, Yonov Frederick Agah.

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

7. The Deputy Secretary-General highlighted that the Addis Agenda, the 2030 Agenda and the Paris Agreement provided the framework for sustainable development. Referring to the challenging global environment, the DSG emphasized the need for additional long-term high-quality investments to stimulate sustainable low-carbon growth and urgent measures to address needs of poor and vulnerable. The FfD forum provided an opportunity to reaffirm the collective commitment of governments and all stakeholders to sustainable development and multilateralism.

8. Ms. Lagarde outlined five key ways in which IMF was working to advance the implementation of the Addis Agenda, namely: (1) strengthening the global financial architecture, while also helping countries with external financing to support their development efforts; (2) supporting countries in strengthening domestic revenue mobilization; (3) evaluating the negative impact of IFFs, including

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tax evasion and criminal activity on development efforts, and supporting relevant reforms; (4) engaging with small states to help them build their macroeconomic and financial resilience to natural disasters and climate change; and (5) promoting debt sustainability and exploring innovative instruments to manage public debt.

9. Mr. Mohieldin emphasized that in order to move the discussion from “Billions” in official development assistance (ODA) to “Trillions” in investments of all kinds, multilateral development banks (MDBs) needed to change the way they worked on development finance. WBG had made some progress, including through: (1) record replenishment of WBG’s International Development Association (IDA) of \$75 billion; (2) working closely with IMF and other MDBs to increase the effectiveness of domestic resource mobilization, developing a tax policy assessment framework and increasing the voice of developing countries in the global discussion on tax issues; and (3) crowding in the private sector, whenever possible.

10. Mr. Agah highlighted the importance of multilateral trade agreements in the implementation of the 2030 and the Addis Agendas. In this regard, he emphasized that trade was a driver of economic growth. However, trade growth underperformed GDP growth after the 2008 financial crisis and the right policy mix was needed to achieve recovery of trade. The rules-based multilateral trading system was indispensable because it brought predictability, security and sustainability to international relations. The DDG drew the conclusion that the priority should be given to strengthening the system and delivering new reforms, so as to ensure that WTO delivers new outcomes for the achievement of the SDGs and the Addis Agenda.

### **III. Statements by institutional stakeholders**

11. Statements were made by the President of the Trade and Development Board of UNCTAD, Christopher Onyanga Aparr (Uganda); the Executive Secretary of the IMF/World Bank Development Committee, Yvonne Tsikata; and the Deputy Secretary of the IMFC of IMF, Patricia Alonso-Gamo. Keynote presentations were also delivered by the Under-Secretary-General for Economic and Social Affairs, Wu Hongbo (as Chair of the IATF); the Secretary-General of UNCTAD, Mukhisa Kituyi (video message); the Acting Administrator of UNDP, Tegegnework Gettu (on behalf of UNDG); and the Executive Secretary of ESCAP, Shamshad Akhtar (on behalf of the five UN regional commissions). Keynote presentations were followed by a general debate.

12. Mr. Aparr underscored that globalization must be inclusive and that reviving global solidarity and partnership was a vital part of the Addis Agenda. He suggested that the FfD forum consider: (i) how developing countries could mobilize domestic and international resources in the context of weak trade growth; (ii) what reforms would be required to create inclusive international financial markets and investment regimes; (iii) how to ensure participation of developing countries in global economic governance; and (iv) how developing countries can take advantage of new opportunities, including e-commerce.

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13. Ms. Tsikata shared a brief overview of the 95<sup>th</sup> meeting of the Development Committee held on 22 April 2017 in Washington D.C. Governors called on WBG and IMF to provide advice and support to advance inclusive and sustainable growth policies, deliver the 2030 Agenda, and protect the most vulnerable. Development Committee members also underscored that reducing inequality was necessary to ensure long-term and sustainable growth. Governors supported the WBG's scaled-up activities in crisis preparedness, prevention and response, through investments to address the root causes and drivers of fragility by helping countries build institutional and social resilience.

14. Ms. Alonso-Gamo outlined three elements of IMF's strategy: structural, fiscal and monetary policies. The IMF would continue to support its membership to deliver on FfD commitments by: (i) providing policy advice, financial support and capacity development; (ii) facilitating multilateral solutions across countries to meet global challenges; and (iii) providing support to low-income countries, commodity exporters and small and fragile states.

15. The Under-Secretary-General for Economic and Social Affairs officially launched the 2017 report of the IATF and presented its key findings. He pointed out that a combination of national actions and international cooperation could help change the current trajectory of the global economy and support countries towards achieving the SDGs. In this regard, long-term and quality investments in sustainable development had to be increased. In this connection, the IATF proposed measures to address impediments to private investments and enhance public investments in infrastructure and the SDGs.

16. Mr. Kituyi expressed concern about the recent ODA trends which affected the realization of core ODA targets. There was a need to strengthen smart partnership with the private sector, including more action-oriented initiatives, such as the sustainable stock exchange initiative. On the other hand, the risks of PPPs must be jointly studied so that they do not backload the debt burdens for future generations. Mr. Kituyi reminded participants that there were no shortcuts to implement the 2030 and Addis Agendas.

17. Mr. Gettu emphasized that it was critical to mobilize long-term investment for sustainable development and provide fiscally sustainable and nationally appropriate social protection to assist the poorest and most vulnerable. Resources for hosting refugees in donor countries should not dilute ODA for long-term sustainable development. UNDP was supporting countries in developing integrated financing frameworks with focus on catalytic interventions, crowding in private investments and building partnerships.

18. Ms. Akhtar shared that growing distrust of globalization was leading to short-sighted protectionist measures and unanticipated tightening of monetary policy compounding global uncertainty, which could lower the growth in the Asia Pacific region. Policies needed to play a greater role in expanding social safety nets and reducing inequality. Regional commissions had made efforts to support the implementation of the Addis Agenda with focus on four key areas: domestic resource mobilization, efficiency of public financial management, fostering infrastructure investment and financial inclusion.

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#### **IV. Interactive dialogue with intergovernmental bodies of major institutional stakeholders**

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

20. The President of ECOSOC underscored that major institutional stakeholders in FfD follow-up were aligning their work streams in an unprecedented manner, with UN-led outcomes including the 2030 Agenda, the Addis Agenda and the Paris Agreement. Building on a strong foundation of growth, specific policies and approaches could improve both growth and reduce inequality. He highlighted that investments in inclusive and resilient infrastructure was an important way to address inequality in access to markets, finance and technology.

21. Mr. De Villeroche, noted that the FfD forum was a critical platform for monitoring financing commitments and financing initiatives to achieve the SDGs. He further emphasized that ODA needed to be used strategically to catalyse additional private capital. WBG IDA reached a record replenishment of \$ 75 billion. The IIFC adopted a new long-term strategy to scale impact investing from the private sector and strengthen strategic engagement in key sectors in developing countries. WGB was fully committed to use its balance sheet to achieve the SDGs.

22. Mr. Beblawi noted close parallel between the global economic recovery and a sequence of actions by the major institutional stakeholders. He informed the forum that later in the week, the IMF Executive Board would consider proposals to improve the debt sustainability framework for low income members of the IMF. He acknowledged the importance of continued cooperation with the other major institutional stakeholders in accordance with their respective mandates to implement the Addis Agenda.

23. Mr. Aparr noted that all countries needed to grow their exports and reform their trade to kick-start domestic revenue collection at the national level. Actions by development banks and the private sector were needed to address obstacles to investment in LDCs. It was also key to hold donors accountable for their ODA commitments to LDCs. The speaker further called for more inclusive discussions on sovereign debt workout at the UN.

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

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25. Mr. Heemskerk commented the UN could promote coherence by benchmarking performance of Member States and putting peer pressure on the private sector. There was need for a tool box for engaging smaller companies. The best leveraging machine continued to be a well-functioning state. In this context, he mentioned that IDA resources should be spent effectively and target the poorest of the poor.

26. Mr. Sembene noted that growth prospect had weakened particularly for LICs. The IMF supported capacity building on DRM and public financial management to fragile states and LICs. Additionally, the IMF had taken measures to support LICs through increasing concessional finance and debt relief. IMF also increased access to concessional finance for countries affected by natural disasters. The Fund continued to work on promoting global economic and financial stability through strengthening the global financial safety net and global financial regulatory reforms.

27. H.E. Mr. Munir noted that at the national level, countries continue to face challenges in formulating multi-sectoral, integrated and coherent policies and actions towards the achievement of the SDGs. More international support for developing these policies was required, particularly for countries in special situations. The existing regional mechanisms must continue to adapt their work programmes to the Addis Agenda and the 2030 Agenda and more must be done to increase the coherence between national policies and global development priorities.

28. In the interactive discussion, there was a call for international trade and financial institutions to scale up their policy and financial support for LICs and fragile states in regards to public financial management and domestic resources mobilization, financial inclusion and combating IFFs. There was emphasis on mainstreaming trade in SDGs and building trade capacity. In this regard, three priorities were highlighted: (i) trade facilitation reforms; (ii) establishing new global rules for e-commerce; and (iii) improving small businesses access to finance.

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

30. Ms. Kunene referred to two issues relating to inequality: access and quality. She noted that one of the most visible gaps was connectedness. For example, the pace of urbanization in Africa was fast, whereas connectedness among cities was low. To address this, there should be demand-led strategies to create evidence-based solutions that use data.

31. Ms. Horsman pointed out that in most advanced and emerging economies, inequality increased after the 2008 financial crisis. IMF research indicated that technological change, more than integration, was the leading factor behind the falling income of labour in advanced economies and thus the driver of inequality. Protectionism was not the answer. The IMF responded by providing policy advice that supported inclusive growth and encouraged national authorities to boost productivity.

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32. Mr. Kaizuka noted that IMF respected country specificities, such as for instance lack of capacity to implement policies, in formulating policy advice. IMF also used a milestone approach to monitor the impact of interventions that would materialize over a longer term. He further called for effective collaboration among institutions, based on comparative advantage and mandates.

33. H.E. Mr. Schulz underscored that inequality had been at the core of the ECOSOC's agenda. There was a need to address systemic issues and establish inclusive institutions at all levels. There was also need for the right policies and regulations to ensure that everyone could benefit from economic gains of a society. Strengthening the quality and further disaggregation of data was essential in that respect.

34. During the interactive discussion, it was noted that technology and the digital economy provided opportunities, but also led to inequalities. WBG and IMF also highlighted the important work they had done to address gender equality. Furthermore, social protection was discussed, including the IMF's indicative target for social protection floors for budget formulation for social safeguards in most LICs. On financing, enhanced engagement of the private sector to fill the financing gap was emphasised, including through risk mitigation measures. It was also stressed that trade finance played a key role in addressing inequalities in trade.

## **V. Ministerial round tables: Steps taken towards implementation of commitments contained in the Addis Agenda and other FfD outcomes**

### **Ministerial round table 1**

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

36. Mr. Zhang noted that domestic resource mobilization was a core element of the Addis Agenda. Real progress had been made in increasing tax revenues over the last 15 years, especially in LICs. The IMF remained fully committed to building domestic revenue capacity in developing countries and supported a wide range of multilateral initiatives, such as the Addis Tax Initiative and the Platform for Collaboration on Tax.

37. H.E. Ms. de Alvarado highlighted that Panama had fully integrated the 2030 Agenda in its national sustainable development strategy with the majority of public investments earmarked for SDGs. To ensure broad buy-in Panama had initiated a national dialogue with key stakeholders. Sustained economic growth, proper fiscal incentives and openness were key components that had allowed Panama to attract domestic and foreign investment in support of the SDGs. The Vice-

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President called on the international community to explore how foreign investments could promote the transfer of technology and know-how to developing countries.

38. H.E. Mr. Mimica noted that in 2016-2017, the European Commission had allocated millions of Euro in support of international tax cooperation. The EC had stimulated greater public and private investment into the SDGs through a new European External Investment Plan. It also increased ODA for the fourth consecutive year in 2016. The new European Consensus on Development, to be signed in June 2017, would reaffirm the collective EU commitment on ODA (0.7 per cent of GNI) with a more ambitious commitment for LDCs.

39. H.E. Mr. Nebebe outlined the road map of policy actions Ethiopia had developed for implementing the Addis Agenda. Over recent years, Ethiopia had invested 25 per cent of its GDP in infrastructure, education, health and social protection policies to safeguard vulnerable people. Ethiopia would continue to work with bilateral and multilateral partners to improve tax revenue collection. New policies had also been enacted on PPPs to ensure the fair sharing of risk and rewards between the public and private sector.

40. H.E. Ms. Singson emphasized that the Philippines would implement the Addis Agenda by shifting towards an investment-driven economy. The new government was urgently tackling resource mobilization challenges by cutting red tape, modernizing revenue collection, improving customs procedures and pursuing a government-wide crack down on tax evasion. It planned to lower personal income and corporate tax rates, while increasing VAT and excise tax rates on oil. Such policies would lead to increased revenue collection, which should promote inclusive economic growth, reduce poverty and help the Philippines become an upper middle income country by 2022.

41. Mr. Pankin noted that the landlocked client countries of the EDB faced particular challenges in the implementation of the Addis Agenda in the areas of transport and trade facilitation. LLDCs had seen much lower growth than other developing countries. The solution would not lie in unconditional trade liberalization and tariff reduction, but rather in regional cooperation. The Eurasian Development Bank would foster member state cooperation and integration by linking the value chains present in the region, with a focus on infrastructure development projects, and the development of high value-added production and energy efficiency programmes.

42. Mr. Rashid described that using the 2030 Agenda as a coherent road map for sustainable development, more investors were expanding their ESG approach towards SDG investing by actively seeking out companies that had made strides on corporate governance, labour relations and environmental policies. He called for countries to move towards a more dynamic regulatory environment in sectors like health and education, while ensuring a high standard of service delivery. He noted that large-scale investment into sectoral ecosystems was required to achieve the SDGs.

## **Ministerial round table 2**

43. The round table was chaired by the President of ECOSOC and moderated by the Senior Vice President for the 2030 Agenda, UN Relations and Partnerships of WBG, Mahmoud Mohieldin.



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Presentations were made by the Minister of Industry of Nepal, Nabindra Raj Joshi; the Minister of Finance and National Planning of Tonga, Tevita Lavemaau; Undersecretary of Economic and Development Affairs, Ministry of Foreign Affairs, Estonia, Väino Reinart; the Head of the Mexican Agency for International Development Cooperation, Mexico, Agustín García-López, and the Mayor of Rustenberg, South Africa, Mpho Khunou.

44. Mr. Mohieldin highlighted that demographic pressures would increase the need for jobs and infrastructure. The right balance between public and private finance to ensure affordable, accessible, reliable and climate friendly infrastructure would be needed. While current infrastructure spending in developing countries would still largely come from public sources, there was much room for private and commercial financing to expand. MDBs were well positioned to leverage more investment into infrastructure, at the national and subnational levels.

45. H.E. Mr. Joshi discussed the challenges to implementation of the Addis Agenda in Nepal. Efforts were underway to upgrade domestic infrastructure and nourish entrepreneurship, including at the village level. Domestic resource mobilization was also a core priority and important progress had been made in this regard. Nepal's tax to GDP ratio was at 23 per cent, up from 9 per cent twenty years ago. Nepal was seeking more access to concessional finance with a focus on catalytic aid that could help crowd in private investment, specifically into infrastructure.

46. H.E. Mr. Lavemaau highlighted that Tonga's national development priorities included a knowledge- based economy, good governance, infrastructure development, gender equality, environment protection and enhanced resilience to climate change. On domestic resource mobilization, future reforms would aim at more progressive taxation, while more expenditure should target combatting non-communicable diseases. The speaker stressed that ODA and other international support was also critical and further emphasized that MDBs should factor in the vulnerability of SIDS into their lending decisions.

47. H.E. Mr. Reinart emphasized that rule of law and good governance had been critical to enabling Estonia to become a high-income economy. Estonia adopted a new development cooperation policy based on the 2030 Agenda and Addis Agenda. Its primary focus was on supporting democracy, advancing peace and stability, guaranteeing human rights and promoting economic growth. Estonia had also continuously increased its percentage of ODA. Estonia had also benefited from digital solutions, including the use of online tax declarations, e-health tools and online voting, which had resulted in economic development and helped reduce corruption.

48. H.E. Mr. García-López highlighted that in 2016, ODA to countries in Latin America had declined, and accounted for only 4.6 per cent of the total. The speaker stressed that it was crucial to comply with ODA commitments, in particular in LDCs and Africa. It was also important to address graduation concerns of LICs, including through methodologies for allocating resources that were not confined to per capita income. In this context, it was important to include the UN in the discussion on TOSSD.

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49. Mr. Khunou shared the perspective of local governments in the implementation of the Addis Agenda. He emphasised that investments into urban areas needed to be enhanced dramatically and that strengthening domestic resource mobilization could be achieved by diversifying local government resources and regulatory reform. MDBs and national development banks could also help by crowding in local investment. He called on national governments to guide international donors towards greater engagement at the subnational level.

### **Ministerial round table 3**

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

51. Mr. Agah outlined WTO's implementation of concrete commitments in the Addis and 2030 Agendas, including a ministerial decision eliminating export subsidies and setting out new rules on export credits. The entry into force of the Trade Facilitation Agreement was another important development to reduce bureaucracy and cost of trade. The WTO also allowed improved access to affordable medicines by developing countries. Outstanding challenges included subsidies for fisheries.

52. H.E. Mr. Sandoval highlighted that Guatemala's national development plan linked the 2030 Agenda priorities with public policies and budget, prioritizing food security, nutrition, education and democratic institutions. Guatemala had also improved its institutional framework and monitoring processes with respect to the judicial and tax systems. In addition, Guatemala had passed an anti-money-laundering law to combat IFFs. The speaker also emphasized that ODA, South-South cooperation and market access remained crucial for developing countries.

53. H.E. Mr. Toatu explained Kiribati's national development plan with respect to strengthening the financial framework, addressing international debt, managing public expenditure and implementing tax and subsidy reforms. Implementation of the SDGs required infrastructure investment and greater institutional capacity. Flexible and predictable ODA and multilateral financing was essential to address these challenges. Kiribati would continue to leverage national savings to attract concessional funding and funding from other countries.

54. H.E. Mr. Randrianarivony highlighted that Madagascar's national implementation plan focused on: (i) ensuring the rule of law; (ii) creating a stable and inclusive financial system; (iii) improving the fiscal system; (iv) promoting PPPs and ensuring that private and public services are accountable, effective and efficient; (v) streamlining the use of capital; (vi) creating a system for information and monitoring of mobilization of domestic resources; (vii) updating sectoral policies and raising

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awareness through workshops on several SDGs; and (viii) better coordination with development partners.

55. H.E. Ms. Zambrano highlighted that it was crucial to enhance domestic revenue collection to realize the SDGs. She called for reforms of the international financial system to address tax evasion. Last February, a national referendum had been held, making Ecuador the first country in the world to prevent individuals with financial accounts in tax havens from being elected to office. The speaker also called for an upgrade of the UN Tax Committee to an intergovernmental body.

56. Ms. Buxton mentioned that Sweden had produced a report on the implementation of the Addis Agenda, which includes illustrative examples, challenges to implementation, lessons learned and relevant conclusions. Sweden had a gender-based approach to budget and provided step-by-step training on gender equality assessment to all actors involved in national budgeting. At the international level, SIDA had created an instrument for assistance to leverage private capital for development and to manage the associated risks.

57. Mr. Bokosi welcomed all efforts to implement fiscal measures focused on promoting gender equality and supporting disabled people. He stressed that it was important to improve tax cooperation, including by establishing an international tax body within the UN. The speaker also noted that the Global Infrastructure Forum should go beyond issues of blended finance and PPPs and urged donor partners to fulfill their ODA commitments.

#### *Interactive discussions*

58. During the interactive discussion, speakers stressed that more work was needed to translate the commitments contained in the Addis Agenda to the national level. There were also calls to align the FfD Agenda more strongly with the 2030 Agenda, including on human rights and environmental issues.

59. Several speakers highlighted the need for progressive taxation policies in order to fight poverty and inequality. One speaker mentioned that tobacco taxation was a useful tool to increase domestic resources. Others mentioned that it was critical to effectively tackle corporate tax avoidance and IFFs. Several speakers expressed their appreciation for the work of the UN Tax Committee and called for upgrading it to an intergovernmental body.

60. Some participants noted that it was crucial to put into place the right regulatory framework that provided for proper incentives for capital to flow into sustainable development. Participants highlighted that the UN was the right place to explore guidelines for PPPs to ensure the fair sharing of risks and rewards, clear accountability mechanisms and the adherence to social and environmental standards.

61. Speakers stressed the importance of meeting the 0.7% commitment of ODA/GNI, as well the need for a more nuanced approach to graduation that goes beyond measures of per capita income.

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More progress was also needed in improving development effectiveness, especially in terms of country ownership.

62. Speakers further highlighted that Aid-for-Trade could play an important role in trade facilitation but also should be geared towards increasing compliance with international labor standards. Some participants called on the 2017 WTO Ministerial Conference in Buenos Aires, Argentina to focus on completing the Doha Development Agenda.

63. Some speakers called for international action on the commitment in the Addis Agenda to work towards a global consensus on guidelines for debtor and creditor responsibilities. Several speakers highlighted the need to strengthen existing and develop new links between civil society and governments, and to create integrated strategies to meet the SDGs.

## **VI. General debate**

64. During the general debate, over 80 representatives of Member States took the floor, including 19 ministers and vice-ministers, as well as other high-level government officials. Statements were also made by representatives of UN agencies and civil society organizations. Joint statements were delivered by the G77 and China, EU, Group of African States, LDCs, LLDCs, CELAC, AOSIS, CARICOM and a group of countries in support of middle-income countries.

65. Delegations welcomed the report of the IATF as important input to the FfD forum, including its intergovernmentally agreed conclusions and recommendations. Several speakers stressed its robust and well-balanced nature and called it a sound basis for reflection on progress and gaps in the implementation of the Addis Agenda.

66. Countries acknowledged the significant impact of the challenging global environment on implementing the 2030 Agenda, including difficult macroeconomic conditions, as well as humanitarian crises and conflicts. In order to ensure that the current global trajectory would not jeopardize the achievement of the SDGs, Member States called for accelerated national and international efforts to implement the Addis Agenda.

67. Several countries outlined their efforts to develop national action plans to implement the Addis Agenda. It was highlighted that the FfD forum should continue to provide a platform for sharing national experiences in mainstreaming the Addis Agenda into domestic policies and reforms.

68. Countries underlined the importance of international conventions and agreements, including the Paris Agreement. There were strong calls for further climate action and predictable and sustainable support, taking into account the specific needs and special circumstances of developing countries. Countries also called for transformative actions on gender and highlighted the need to better consider the impact of development finance on gender equality and the empowerment of women and girls.

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69. Many delegations emphasized the need for greater investments into quality, reliable, sustainable and resilient infrastructure. National, regional and multilateral development banks should continue to leverage private investment. In this connection, countries also emphasized the need for measures to assist poor and vulnerable people, including through social protection systems.

70. Delegations underlined the importance of domestic resource mobilization. Several speakers highlighted the need to fight corruption, increase transparency and enhance public resource management. Countries emphasized the importance of effective and efficient tax systems, including through greater tax cooperation and enhanced capacity building. Developing countries called for an upgrade of the UN Tax Committee to an intergovernmental body. Countries also reaffirmed the commitment to substantially reduce IFFs by 2030.

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

72. Several delegations expressed concern about a decrease in ODA to LDCs and called on donors to meet their commitments and to set a target to provide at least 0.2 per cent ODA/GNI to LDCs. Countries also highlighted the potential of catalysing additional finance from other sources and through appropriately designed risk-sharing instruments. A few delegations emphasised the importance of adhering to shared principles of the Global Partnership for Effective Development Cooperation.

73. Member States emphasized that trade remained an engine for sustainable development. Developing countries expressed alarm at the increase in protectionist rhetoric and tendencies of some developed countries and reaffirmed the importance of a universal, rules-based, open, transparent, predictable inclusive, non-discriminatory and equitable trading system under the WTO.

74. Several delegations urged international financial institutions to consider the impact of indebtedness and called for further actions on debt crisis prevention and market-based solutions for sovereign debt restructuring. Several developing countries also called for debt relief measures in cases of severe debt distress. Calls were made to improve global economic governance, including through giving greater voice and participation to developing countries in international financial institutions and standard and norm-setting bodies.

75. Countries noted the important progress that has been made in facilitating access to many technologies, but expressed concern about significant digital divides across and within countries. Many delegations pointed out the unique challenges faced particularly by African countries, LDCs, LLDCs, SIDS, as well as MICs and countries in conflict and post-conflict situations.

## **VII. Expert segment**

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## Panel discussion: 2017 IATF report

76. The panel discussion was chaired by the Vice President of ECOSOC, Marie Chatardova (Czech Republic). Opening remarks were delivered by the Director of FfDO, UN-DESA, Alexander Trepelkov (on behalf of the USG for Economic and Social Affairs, Wu Hongbo). The Chief of the Policy Analysis and Development Branch, FfDO, UN-DESA, Shari Spiegel moderated the discussion. The panellists were representatives of the five major institutional stakeholders of the FfD process: the Deputy Director-General, WTO, Yonov Frederick Agah; the Director, Strategy Policy and Review Department, IMF, Siddarth Tiwari; the Director, Division on Globalization and Development Strategies, UNCTAD, Richard Kozul-Wright; the Director, Bureau for Policy and Programme Support, UNDP, Pedro Conceição; and the Advisor on Financing for Development, WBG, David Kuijper.

77. Mr. Trepelkov delivered opening remarks, in which he set the stage for the expert round tables and suggested to IATF members to build on the discussions in the next report. Ms. Spiegel described the structure and key findings of the IATF report, highlighting the challenging global economic environment and its implication for the implementation of the Addis Agenda.

78. Mr. Agah emphasised the importance of multilateralism to resist protectionism, which would hurt the poor, and the role of policies to ensure that the benefits of trade are shared widely and equitably. He underscored that strengthening rules-based multilateral trading system would contribute to inclusive growth. Technological innovation and automatization would be additional challenges, since they will have major impacts on businesses, employment and the future of trade. These would have to be addressed by a cross-cutting policy mix.

79. Mr. Tiwari pointed out the need for efforts at all levels for the implementation of the FfD outcomes, especially sustainable infrastructure investments. Mr. Tiwari also referred to the ratio of tax revenues to GDP, which are below 15 per cent and thus inadequate for the provision of basic public services in many developing countries. Medium-term revenue strategies and stronger enforcement mechanisms can play critical roles in this regard.

80. Mr. Kozul-Wright stressed the need for a sustainable growth strategy to achieve the SDGs. Post-financial crisis growth has been too slow and not inclusive. Investment has also been insufficient because of the slowdown in global demand from developed economies, the short-term and rent-seeking behaviour of corporations and high debt levels. Developing countries therefore need to expand their fiscal space. In addition to strengthening domestic resource mobilisation, tax avoidance and tax evasion would also need to be addressed, as well as a debt workout mechanism.

81. Mr. Conceição stated that UNDP has been integrating the SDGs into strategies, plans and budgets. Partner countries would increasingly ask about how they should prioritize the SDGs and how they can be financed. UNDP would support countries with the implementation of integrated national financing frameworks, which could provide an integrated approach on how to mobilise and allocate resources with national sustainable development priorities. State-contingent financing instruments would be promising options that allow countries to address risks.

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82. Mr. Kuijper suggested that the biggest challenges remained in fragile states and countries under environmental stress, which were the home to 75 per cent of the poor. ODA and other international public finance would play a critical role in this regard. Efforts for better leveraging of ODA, as well as increasing effectiveness, should be taken to address fundamental issues such as governance, regulatory environments and capacity-building. In addition, one of the best recommendations to achieve progress would be to ensure gender equality.

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

### **Round table A: Domestic and international public resources**

84. The round table was chaired by the Vice President of ECOSOC, Marie Chatardova (Czech Republic) and moderated by the Policy Coordinator, Financial Transparency Coalition, Pooja Rangaprasad. Presentations were made by: the Mayor of Belize City, Darrell Bradley; the Commissioner General, Liberia Revenue Authority, Elfrieda Steward Tamba; the Director, Agence Française de Développement, Philippe Orliange; and the Director, Development Co-operation Directorate, OECD, Mr. Jorge Moreira da Silva.

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

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

87. Ms. Tamba described how Liberia had implemented effective public finance policies and tools that contributed to strong economic growth in 2006-2013. However, growth rates had declined significantly as a result of the Ebola crisis. International public funds, including grants, would remain a critical source of financing for Liberia. To strengthen use and management of public resources, Liberia utilizes several frameworks, tools and initiatives, such as the TADAT, PEFA assessments and Tax Inspectors Without Borders.

88. Mr. Orliange highlighted the role development banks played in long-term finance for sustainable development. In this context, he outlined the work of the International Development Finance Club (IDFC), which would provide a collaborative platform through which members could share experiences and combine financial resources. Specific focus areas are climate change, sustainable

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urban development, access to project preparation and financing and increasing cooperation among its members.

89. Mr. da Silva presented preliminary ODA data for 2016. International aid peaked in 2016, partly as the result of increased domestic spending on refugees. At the same time, the share of ODA to LDCs declined. Mr. da Silva provided an update on the status of the discussions on the modernization of the ODA measurement and the proposed measure of TOSSD. The OECD is also conducting research on linkages, synergies and trade-offs between different financing sources and instruments to understand their impacts, inform policy choices and reinforce accountability.

90. During the discussion, participants called to further promote domestic resource mobilisation through strengthening national tax systems and international cooperation on tax, for example through the Platform for Collaboration on Tax and the establishment of an intergovernmental body on international tax cooperation at the UN. Several participants agreed on the potential to support gender equality through tax reforms and gender responsive budgeting. Participants further urged countries to honour their ODA commitments and expressed their concern about the declining trend in ODA to LDCs. Many participants also highlighted the importance of capacity building at all levels, including for tax administration.

#### **Round table B: Domestic and international private business and finance**

91. The round table was chaired by the Vice President of ECOSOC, Nabeel Munir (Pakistan) and moderated by the Senior President, YES Institute, Preeti Sinha. Presentations were made by: the Permanent Representative of Jamaica to the UN, Courtenay Rattray; the Managing Director, Head of Corporate Social Responsibility & Sustainable Finance, Americas, BNP Paribas, Hervé Duteil; the Executive Managing Director, Japan Innovation Network, Naohiro Nishiguchi; the Chief, Competitive Intelligence, Banca de las Oportunidades, Colombia, Nidia Reyes; and the Lead Economist, Development Research Group, WBG, Leora Klapper.

92. At the outset, Ms. Sinha drew attention to the potential of the 2030 Agenda to establish a link between the public and private sector for sustainable development. She also elaborated the potential of financial inclusion and impact investment to bridge the financing gap to achieve the SDGs.

93. H.E. Mr. Rattray presented the work of the “Group of Friends of SDG Financing”, which aims to identify how to mobilize the trillions of dollars required for the implementation of the SDGs. The group targets institutional stakeholders to instil a long-term orientation in global capital markets. The speaker underscored the need to build country capacity to develop projects that are viable for investments. Though some progress has been made, fiduciary responsibilities would still prevent the consideration of ESG criteria in many countries.

94. Mr. Duteil noted that BNP Paribas had set 13 quantified targets towards the achievement of the SDGs to be reached by 2018. He described how BNP Paribas would establish innovative tools for SDG financing that address critical issues of the private sector: yield, risks, liquidity and time horizon.



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He explained that impact investment would remain a niche and sustainability criteria would have to be included in products that meet traditional investment standards.

95. Mr. Nishiguchi introduced the SDG Holistic Innovation Platform (SHIP), promoting private sector innovation for the SDGs. The Platform aims to increase the pipeline of investable projects supporting the SDG implementation and to accelerate innovation progress. SHIP provides support to an advanced innovation process by combining design thinking and lean start-up approaches during the critical incubation stage. As of now, SHIP has supported the private sector in seven African countries on SDGs 3 and 7.

96. Ms. Reyes shared the experience of Colombia with its national financial inclusion strategy, which focuses on deepening financial inclusion in rural areas, promoting stronger use of financial services, financing schemes for SMEs and the development and implementation of a national financial and economic education strategy to promote financial literacy. As a result, more than 70 per cent of the adult population in Colombia now has a savings account, though a gap persists between urban and rural access rates.

97. Ms. Klapper pointed out that the discussion on financial inclusion should move beyond credit to include account ownership and opportunities to store money. She stated that account ownership rates had grown significantly in the last years, though gaps still remain. Adequate policies and regulations, and additional progress in consumer protection would be critical to advance financial inclusion. Ms. Klapper also presented several country cases to illustrate the link between financial inclusion and the SDGs.

98. During the discussion, speakers supported the proposal to strengthen the quality of investments, including long-term investment, and emphasised the need to prepare a pipeline of investment-ready projects. The demand for risk sharing mechanisms for investments in sustainable development was reiterated. Some participants urged to ensure that PPPs serve public interests and called for open and transparent discussions of guidelines at the UN. Speakers welcomed the discussion on financial inclusion and stressed the need for consumer protection.

### **Round table C: Debt and systemic issues**

99. The round table was chaired by the Vice President of ECOSOC, Nabeel Munir (Pakistan) and moderated by the Director, Strategy and Policy Review Department of IMF, Siddharth Tiwari. Presentations were made by: the Ambassador of Grenada to the US, Angus Friday; the Economist of the Federal Ministry of Finance of Germany, Camillo von Müller; the Executive Director of the G24 Secretariat, Marilou Uy; and the Senior Officer on Finance for Development, Latindadd-Fundación Jubileo of Bolivia, Patricia Miranda.

100. At the outset, Mr. Tiwari shared that IMF was committed to improve the international financial architecture and the global financial safety net, with strong quota-based IMF at the center. On debt sustainability, IMF was close to completion of its review of the debt sustainability framework with

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focus on prevention. There must be right frameworks for encouraging early engagement of debt creditors towards efficient and timely restructuring.

101. H.E. Mr. Friday shared Grenada's experience on debt restructuring. He referred to the linkages between exposure to extreme events and higher level of indebtedness especially in SIDs. Learning from the past, Grenada implemented a home-grown programme around fiscal and structural adjustments; and introduced a haircut on principle and interest payment, as well as a hurricane clause, which ensured pre-determined deferral in case of a hurricane.

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

103. Ms. Uy stressed that putting in the right mix of macroeconomic structural policies to manage global headwinds must be complemented by multilateral actions. She further reminded that the tightening of financial markets in the systemically important economies and the volatility of exchange rates could disrupt investment and growth. Therefore, better macroeconomic coordination was needed, where IMF and G20 play important roles. Furthermore, G24 called for comprehensive financial regulatory reforms.

104. Ms. Miranda highlighted the changing composition of debt, including more issuers of sovereign bonds in international market and escalating domestic debt. She made two recommendations. First, to address current external debt, the GA resolution was a good start but there was a need to go beyond. Second, to address new debt, it was important to take into account aggregate debt when assessing debt sustainability and to agree on a new debt ratio that shows debt service to fiscal revenue. The social impact of debt sustainability should also be assessed.

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

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

106. The round table was chaired by the Vice President of ECOSOC, Cristián Barros Melet (Chile) and moderated by the Chief of the UNCTAD New York Office, Chantal Line Carpentier. Presentations were made by: the Executive Director, Enhanced Integrated Framework, Nepal, Ratnakar Adhikari; the Trade Negotiator, Directorate General for Trade, European Commission, Mark Henderson; the Chairperson, National Science Foundation, Sri Lanka, Sirimali Fernando; and the Head of Global Trade, BNY Mellon, Joon Kim.

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107. Ms. Carpentier set the stage by highlighting the importance of action areas D and G of the Addis Agenda and instead of focussing narrowly on trade rules, suggested promoting capacity building for custom agencies, facilitating economic diversification, strengthening regional integration and supporting MSMEs. She also pointed at the growing digital divide, including the low participation of developing countries in e-commerce.

108. Mr. Adhikari presented the work of the Enhanced Integrated Framework, a dedicated programme for LDCs to harness the benefits of trade. The main challenges for LDCs, especially those in the graduation process, would be the lack of adequate infrastructure, outdated technology, low productive capacities and insufficient trade financing. Mr. Adhikari argued that investments in Aid-for-Trade would have a high developmental impact. He also highlighted the importance of capacity-building, especially for national project oversight and implementation.

109. Mr. Henderson emphasized that trade had a positive impact on developing countries. The EU would provide support to initiatives such as Aid-for-Trade and Everything but Arms. Furthermore, the EU had 28 Economic Partnership Agreements in force and another 21 signed, which provided duty-free- quota-free market access and flexible rules of origin. The EU also adopted its trade strategy, which aimed to directly support the achievement of the SDGs. Finally, the EU would also aim to strengthen coherence of its trade policies with other aid activities through the new EU Consensus on Development.

110. Ms. Fernando highlighted that Sri Lanka's STI strategy focused on high-tech initiatives, techno-entrepreneurship and directed innovation to ensure contributions to economic, social and environmental development. As a result of the implementation of the strategy, there has been a shift towards experimental development and research commercialisation. Also, private investment in research and development increased significantly. High migration rates of skilled workers and risk-averse financing mechanisms pose constraints for the implementation of the STI strategy.

111. Mr. Kim elaborated on the trends, opportunities and challenges in trade finance in the last years, including changes to the regulatory landscape, lack of standardization of jurisdictions and technological changes. The raising of capital requirements in combination with increased regulatory cost would lead to some banks de-risking and reconsidering their activities in certain countries and regions. Mr. Kim also elaborated on BNY Mellon's explorations of technological solutions to labour and paper intensive trade finance, for example through blockchain technology and artificial intelligence.

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

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## **Expert discussion 1: Promoting international cooperation to combat IFFs in order to foster sustainable development**

113. The expert discussion was chaired by the Vice President of ECOSOC, Cristián Barros Melet (Chile) and moderated by the Director, UNODC, New York Office, Simone Monasebian. Presentations were made by: the Executive Director, International Operations, Internal Revenue Service – Criminal Investigations, US, Eric C. Hylton; the Deputy Director, Ministry of Foreign Affairs, Nigeria, S.O. Olaniyan; the Director, Macroeconomic Policy Division, ECA, Adam Elhiraika; and the Director, Tax Justice Network, Alex Cobham.

114. Ms. Monasebian stressed the need to better use existing normative frameworks and conventions, including UNCAC to deal with IFFs and stolen asset recovery. UNODC was advancing the discussion by developing the methodology on monitoring IFFs in the context of the SDG indicator framework.

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

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

117. Mr. Elhiraika underscored that the High Level Panel on IFFs from Africa had found that Africa lost \$80 billion a year due to trade mispricing, criminal activities and corruption. ECA and the African Union had formed a consortium to work with external stakeholders to help African countries curb IFFs. Capacity building was particularly critical for African governments, including in the area of tackling challenges related to trade mis-invoicing and mispricing.

118. Mr. Cobham expressed the view that the central driver of IFFs was not corruption in poor countries but rather financial secrecy in the major financial centres of the world, opaque corporate accounting and the existence of anonymous shell companies. The speaker also expressed his concern over corporate lobbying to remove multinational tax avoidance from IFF estimates, including in SDG 16.4. Looking ahead, there was a need for greater availability and exchange of beneficial ownership information and enhanced public country-by-country reporting on IFFs.

119. During the discussion, speakers emphasized that the recent GA resolution on “Promoting international cooperation to combat IFFs in order to foster sustainable development” was an important

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first step to initiate intergovernmental discussions on IFFs at the UN. Some speakers called for the establishment of an intergovernmental body to deal with IFFs. Participants also highlighted the need for a better understanding on the compositions of IFFs. Speakers also stressed the need to step up capacity building efforts through greater cooperation among enforcing agencies.

## **Expert discussion 2: The specific challenges to finance sustainable development for countries in special situations**

120. The expert discussion was chaired by the Vice President of ECOSOC, Cristián Barros Melet (Chile) and moderated by the Assistant Administrator and Director, Bureau for Policy and Programme Support, UNDP, Magdy Martínez-Solimán. Presentations were made by: the Minister of Finance and National Planning, Tonga, Tevita Lavemaau; the Finance Secretary, Ministry of Finance, Bhutan, Nim Dorji; the Director of Multilateral Affairs, Ministry of External Relations, Angola, Margarida Rose da Silva Izata; and the Deputy Chief Negotiator for Climate Change and Sustainable Development Official, Costa Rica, William Jose Calvo Calvo.

121. Mr. Martínez-Solimán underscored that supporting countries in special situations was at the core of the work of UNDP and UNDG. He provided the example of the UNDP/OECD joint initiative Tax Inspectors Without Borders as a mechanism to support such countries in retaining domestic resources through strengthened taxation policies.

122. H.E.Mr. Lavemaau highlighted the considerable structural constraints faced by SIDS. To increase domestic revenue, Tonga had promoted good governance and introduced taxes on goods with negative externalities, including tobacco, fatty foods and sugary drinks. He noted the need for capacity building support to strengthen tax administration and policies, upgrade customs and revenue administration, and promote more effective public financial management. Additionally, the donor community should deliver on ODA commitments and ensure greater access to concessional finance for SIDS.

123. Mr. Dorji stressed that Bhutan faced particular challenges as both an LDC and LLDC including low productivity, the reliance on a few commodities and youth unemployment. Bhutan had placed strong focus on stability, the rule of law, increased institutional capacities, gross national happiness and cultural protection. More support was needed at the international level, in particular through the establishment of a global investment promotion regime. Finally, the speaker stressed the need to broaden eligibility criteria for accessing concessional finance, DFQF and increasing aid for trade.

124. Ms. da Silva Izata noted the important role of international public finance in complementing national efforts of domestic resource mobilization. The GEF, TFM and technology bank should be supported to ensure developing countries have access to capacity building initiatives. Angola was implementing a 10-step roadmap for smooth transition from LDC to MIC to ensure economic vulnerabilities were addressed.

125. Mr. Calvo Calvo raised concern that discussions on MICs and the graduation process did not capture the diversity and differences of MICs. He recommended that a UN system-wide strategy on

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MICs be developed to support MICs in implementation of Addis and 2030 Agendas. The strategy would take into account vulnerabilities, economic performance and level of achievement of internationally agreed goals.

126. During the discussion, speakers noted the importance of broadening the tax base in LLDCs. Creating an enabling environment for private sector growth, capacity building for bankable projects and public policy design were also addressed. The speakers emphasised the need for a multi-dimensional measurement of poverty, going beyond the per capita income, the importance of climate finance, meaningful market access and trade capacity building.

### **Stakeholder dialogue**

127. The stakeholder dialogue was chaired by President of ECOSOC and moderated by the Director of FfDO, UN-DESA, Alexander Trepelkov. Presentations were made by: the Managing Director, Society for International Development, Stefano Prato; the Program Director, Equidad de Genero, Emilia Reyes; the Vice President, Corporate Sustainability, Citigroup, Hui Chan; the Mayor of Blantyre, Malawi, Wild Ndipo; and the Mayor of Beira, Mozambique, Daviz Simango.

128. Mr. Trepelkov outlined the importance of the multi-stakeholder approach to the FfD follow-up process and introduced the stakeholder workstreams by FfDO, launched as a new mechanism for sustained and substantive engagement of civil society, the business sector and local authorities.

129. Mr. Prato outlined the civil society workstream on “Exploring public-private interfaces (PPIs)”. The concept was inspired by the concern of civil society regarding the overreliance on the private sector in the implementation of the public development agenda. The workstream focused on areas where private sector was sought to support the provision of public goods, beyond the traditional form of PPPs. In addition to a PPI concept paper, next steps will include a workshop and survey. The CSO FfD Group would report on progress at the 2018 FfD forum.

130. Ms. Reyes emphasized the need to address gender in a cross-cutting way. Her intervention focused on structural transformations that arise through the pursuit of gender equality. She noted that long-term structural issues should be addressed and proposed that the IATF report include a comprehensive mapping of policy interventions on how to mainstream women’s rights in the FfD Agenda.

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

132. Mr. Ndipo, a participant in the workstream on “Strengthening Municipal Finance in LDCs” in collaboration with UNCDF, called for local governments to be included as partners in developing urban and regional strategies for infrastructure investment. There was a need for financial

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decentralization and the mobilization of indigenous resources at the local level. He called for sound legal frameworks, sufficient resources and technical capacities to fulfil local potentials.

133. Mr. Simango highlighted the need for governments to take into account local realities in their decision making. Guarantee systems, banking and access to resources were necessary at the local level. Cities should also be able to borrow and improve their credit to plan in the long-term. DFIs and MDBs should have a role to play in supporting access to credit, including to adaptation and mitigation funds.

134. During the interactive dialogue, speakers encouraged further discussion on how local authorities can address inequalities through risk mitigation and blended finance. Participants called for a dedicated session on financing gender equality in the 2018 FfD Forum and stronger reference to youth issues. Prudence in the use of PPPs and blended finance mechanisms was also called for.

### **Outcomes of the fora mandated by the Addis Agenda and updates on key voluntary initiatives launched at the Third International Conference on Financing for Development**

135. The dialogue was chaired by President of ECOSOC and moderated by the Director of FfDO. Presentations were made by: the Manager of the Office of Strategic Planning and Development Effectiveness, IADB, Luis Miguel Castilla; the Acting Representative, EIB, Carlota Cenalmor; the President of ECOSOC; and the Chief, Policy Analysis Branch, DSD, UN-DESA, Shantanu Mukherjee.

136. Mr. Castilla highlighted the following lessons from the 2017 Global Infrastructure Forum: (i) the gap between projects and investors must be bridged through good project preparation; (ii) adaptability is an increasingly important aspect of a successful infrastructure project; (iii) Government long-term engagement is essential; (iv) LDCs face the greatest challenge, but also present the best opportunities; and (v) diversity can lead to better policy outcomes.

137. Ms. Cenalmor underscored the steps taken since the 2016 GIF including the substantial increase in the number of joint initiatives, participation by national development banks and the recognition of important role of the private sector. The 2018 GIF would be hosted by the ADB in Bali, Indonesia in October 2018.

138. The President of ECOSOC outlined four recommendations from the 2016 DCF: (i) development cooperation should continue supporting the poorest and most vulnerable; (ii) the DCF should advance learning on how to strengthen incentives for the private sector to rethink its approach to sustainable value creation; (iii) the potential of South-South cooperation should be fully tapped; and (iv) the need to improve multi-layered monitoring and review for effective development cooperation.

139. Mr. Mukherjee provided an overview of the 2<sup>nd</sup> annual STI Forum noting the following key takeaways: (i) given the cross-cutting nature of STI on all the SDGs, the STI Forum could be a good place to discuss the pursuit of an integrated agenda; (ii) multi-stakeholder approaches are essential to use STI to achieve the SDGs; (iii) the STI Forum should play a convening role to harness dynamism

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across different fora; and (iv) STI advances should be bolstered to enhance access and ensure that rapid developments do not build further divides.

140. During the interactive dialogue, the Netherlands provided updates on the Addis Tax Initiative and the GPEDC. Australia also provided an update on a number of its voluntary initiatives focusing on the private sector.

### **Closing of the forum on financing for development follow-up**

141. The forum adopted its procedural report (E/FFDF/2017/L.2) which contained the intergovernmentally agreed conclusions and recommendations and aspects of the organizational arrangements of the forum.

142. In his closing remarks, the President of ECOSOC thanked all participants noting the fruitful debates during the interactive dialogue with major institutional stakeholders, the importance of the ministerial round tables in sharing country experiences on mainstreaming the Addis Agenda and the rich discussions in the expert segment.