

2016 ECOSOC Forum on Financing for Development follow-up

**Round Table B**

**Domestic and international public resources**

Tuesday, 19 April 2016, 11 AM-1 PM, Trusteeship Council Chamber, United Nations, New York

**Tentative Program**

**Chair:** Ms. Gina Casar, Executive Director, Mexican Agency for International Development

**Moderator:** Mr. Amar Bhattacharya, Senior Fellow, Brookings Institution

*Domestic public resources*

**Panellists:** Mr. Armando Lara Yaffar, Chair, United Nations Committee of Experts on International Cooperation in Tax Matters  
Mr. Peter Mullins, Deputy Division Chief, Fiscal Affairs Department, International Monetary Fund (IMF)

**Lead Discussant:** Ms. Khady Dia, Program Director, Dakar Municipal Finance Program, Senegal

*International development cooperation*

**Panellists:** Mr. Mario Pezzini, Director, Development Centre; and Acting Director, Development Co-operation Directorate, Organisation for Economic Co-operation and Development (OECD)  
Mr. Subhash Chandra Garg, Executive Director for Bangladesh, Bhutan, India, and Sri Lanka, World Bank Group

**Lead Discussant:** Ms. Smita Nakhoda, Senior Research Fellow, Overseas Development Institute

(followed by informal exchange of views among participants)

**Background Note**

The objective of the Round Table is to: (1) take stock of commitments and actions contained in *Action Areas A (Domestic public resources) and C (International development cooperation)* of the Addis Ababa Action Agenda (the Addis Agenda) and the related means of implementation (Mols) of the Sustainable Development Goals (SDGs); (2) review early actions taken towards implementation of the relevant provisions, as well as voluntary initiatives put forward at the Third International Conference on Financing for Development (Addis Ababa, Ethiopia, 13-16 July 2015); (3) identify obstacles and bottlenecks that impede policy action; and (4) discuss the monitoring and assessment framework, building on the report of the Inter-agency Task Force (IATF) on Financing for Development.

**Action Area A: Domestic public resources**

Domestic public finance is essential to providing public goods and services, increasing equity, and helping manage macroeconomic stability. It is a central component of financing across the SDGs, as well as for the social compact of the Addis Agenda. While on average countries have increased their tax revenue over the last 15 years, room remains for further improvement, especially in light of the public investment needed to achieve sustainable development and the SDGs. Illicit financial flows are increasingly recognized as a serious impediment to raising domestic resources. There are, however, limits on what countries can do on their own

through domestic policies in a globalized world. Strengthening international tax cooperation will be needed. At the same time, quality and alignment of expenditures with sustainable development are critical.

### **Action Area C: International development cooperation**

The 2030 Agenda for Sustainable Development will place significant demands on public budgets and capacities, which require scaled up and more effective international support, including both concessional and non-concessional financing. ODA remains crucial, particularly for those countries with greatest needs and least ability to mobilize other resources. ODA has reached an all-time high in 2014, though aid to Least Developed Countries (LDCs) and other priority groups has recently fallen. South-South cooperation, which serves as a complement to ODA, has also increased since the turn of the century, and plays an increasingly important role. The Addis Agenda also stresses the contribution that development banks can make in the provision of international public finance. Additional sources – including climate finance, humanitarian finance, and innovative sources of finance – further add to the international public financing landscape for sustainable development.

The Addis Agenda contains a range of policy commitments for action in the above areas. Chapters 2A and 2C of the IATF report (<http://www.un.org/esa/ffd/wp-content/uploads/2016/03/2016-IATF-Chapter2A.pdf> and <http://www.un.org/esa/ffd/wp-content/uploads/2016/03/2016-IATF-Chapter2C.pdf>), respectively, organize these commitments by thematic clusters and present proposals for monitoring their implementation in the future years. The main findings of the report are highlighted in the Note by the Secretary-General on Monitoring commitments and actions in the Addis Ababa Action Agenda on Financing for Development (E/FFDF/2016/1).

#### **Guiding questions**

##### *Domestic public resources:*

- 1. What concrete measures have countries taken to write coherent national sustainable development strategies that integrate fiscal policy in line with the Addis Agenda, for example setting domestic revenue targets? How are they monitoring the impact of these measures? How can countries best report on these efforts within the financing for development process? How can IATF track country efforts? How can donors and partners best direct increase in assistance for such efforts?*
- 2. How can Member States best increase international cooperation in tax matters to ensure that taxes are paid to the Governments of countries where economic activity occurs? What further tracking and monitoring efforts would be most helpful in assisting Member States in their efforts to eliminate illicit financial flows?*
- 3. What successes have national and regional development banks had in expanding their contributions to sustainable development and developing effective safeguards? What are concrete examples of effective structures and deals? What market segments are most conducive for national bank investment? How best can the international community support the establishment of well-functioning institutions?*

##### *International development cooperation:*

- 1. How can we ensure that ODA commitments toward long-term sustainable development in the most vulnerable countries are met in the face of urgent geopolitical challenges?*
- 2. Under which circumstances and in which areas is it opportune to use ODA to leverage private finance?*

*How can such efforts be monitored in a transparent manner, identifying accurately public effort and the amount of private financing leveraged? What contribution can the proposed measure of total official support for sustainable development (TOSSD) make in this regard? How best to meet the Addis Ababa commitment to hold open, inclusive and transparent discussions on the TOSSD? What role can the Forum on Financing for Development play?*

- 3. Which areas of the 2030 Agenda can South-South cooperation support most effectively, and how can Southern partners and the international community further strengthen their dialogue to enhance common understanding and promote knowledge sharing?*
- 4. How can new and existing multilateral development banks (MDBs) more effectively support countries in financing their sustainable development strategies?*