



Inter-Agency Task Force on  
Financing for Development

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*Monitoring development finance*

# The 2017 Report: *Outline and online annex*

Informal dialogue on the reporting of the Inter-agency Task Force on  
Financing for Development  
6 February 2017  
UN Headquarters, New York

# 2017 Report Outline

*(45.000 words)*

## ***Executive Summary***

### **I. Introduction**

### **II. Main Report Sections**

- 1. Global context and implications for the FfD follow-up process** *(3.000 words)*
- 2. Analysis of thematic issues** *(8 – 10.000 words)*
- 3. Analysis of progress in Action Areas** *(approx. 3.000 words each on average)*

## **ON-LINE ANNEX**



# Global Context

## *Agency perspectives on the global context:*



International Monetary Fund



World Trade Organisation



UNCTAD



UN DESA



# Thematic chapter

***How does the Addis Agenda address these global challenges?***

- Addressing near-term vulnerabilities
- Ensuring long-term sustainable Investment



# Analysis of progress in Action Areas

- Cross-cutting issues
- Action Areas
  - A. Domestic public resources
  - B. Domestic and international private business and finance
  - C. International development cooperation
  - D. International trade as an engine for development
  - E. Debt and debt sustainability
  - F. Addressing systemic issues
  - G. Science, technology, innovation and capacity-building
- Data monitoring





# Inter-Agency Task Force on Financing for Development

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## The On-line annex: Preview





- 1

Cross-cutting issues
- 2

Domestic public resources
- 3

Domestic and international private business and finance
- 4

International development cooperation
- 5

International trade as an engine for development
- 6

Debt and debt sustainability
- 7

Addressing systemic issues
- 8

Science, technology, innovation and capacity-building
- 9

Data, monitoring and follow-up
- \*

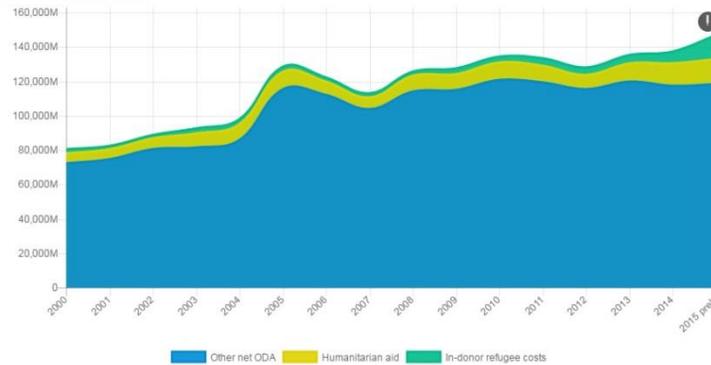
Regional view



## Featured Chart

### Net ODA by DAC donors, 2000–2015

(Constant 2014 US dollars)



Source: OECD/DAC data.

Development aid by members of the Development Assistance Committee (DAC) totalled USD 131.6 billion in 2015, representing a rise of 6.9 per cent from 2014 in real terms, as aid spent on refugees in host countries more than doubled in real terms to USD 12 billion. Stripping out funds spent on refugees, aid was still up 1.7 per cent in real terms, according to official data collected by the OECD. This continues a long-term rising trend in ODA, which has increased by 83 per cent in real terms since the adoption of the Millennium Declaration in 2000. However, since 2010, the increase in ODA has been due to humanitarian aid and in-donor refugee costs, with 'other net ODA' flat in real terms over the last five years.

## Inaugural 2016 Report



Inaugural 2016 Report of the Inter-Agency Task Force on Financing for Development - Addis Ababa Action Agenda: Monitoring commitments and actions

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[Home](#)

[Reports](#)

Inaugural 2016 Report  
 2017 Report

[News](#)

[Search](#)

[Action Areas](#)

Cross-cutting issues  
 Domestic public resources  
 Domestic and international private business and finance  
 International development cooperation  
 International trade as an engine for development  
 Debt and debt sustainability  
 Addressing systemic issues  
 Science, technology, innovation and capacity-building  
 Data, monitoring and follow-up  
 Regional view

[About the IATF](#)

Who we are  
 What we do  
 Terms of references  
[Contacts](#)

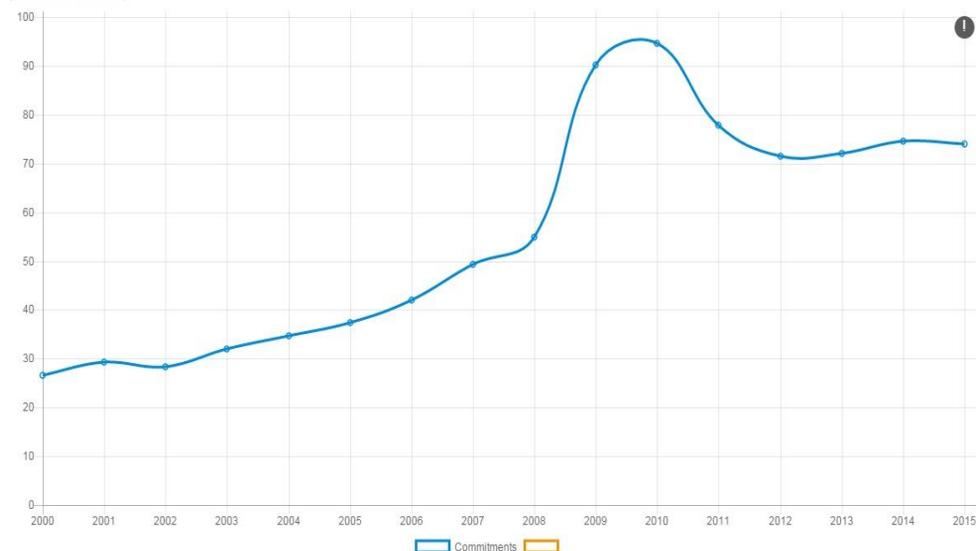


[Home](#) > [Action Areas](#) > [Multilateral development banks](#)

## Multilateral development banks

### Multilateral Development Bank financing, 2000–2015

(Billions of US dollars)



Source: UNDESA calculations based on annual reports from Multilateral Development Banks.

The Addis Ababa recognizes the significant potential contribution of MDBs and other international development banks to sustainable development including in countercyclical lending and providing both concessional and non-concessional stable, long-term development finance.

#### MDB lending

Total exposure of the seven multilateral development banks (MDBs) amounted to USD 377.4 billion in 2015, representing a 3 per cent increase over 2014 and a 85 per cent increase over 2000. Their annual commitments of non-grant subsidized finance reached \$74.1 billion in 2015, with disbursements at \$57.3 billion. Their lending was largest in the aftermath of the global economic and financial crisis, with new commitments reaching a high of USD 94.5 billion in 2010, underlining the important counter-cyclical role they have been playing. [read more](#)

#### Policies in support of the 2030 Agenda

MDBs support their member countries' efforts to translate the SDGs into meaningful country-level policies, programs, and projects. They do so through financing—either directly or by helping to catalyse additional public and private resources—and through policy advice and technical assistance supporting countries to build domestic capacity and to identify needed priority investments with the right standards.

In 2016, they have continued to enhance coordination and collaboration and have agreed on common actions to address critical issues of the 2030 Agenda in areas such as forced displacement, climate finance, infrastructure, private investment, and urbanization. This included the launch of the first Global Infrastructure Forum in April (see section 1.4.), and the launch of two new facilities to bridge the gap between humanitarian and development assistance by ensuring support to countries hosting large numbers of refugees – the World Bank's Global Concessional Financing Facility, part of its Global Crisis Response Platform, and the European Investment Bank's new Resilience Initiative for EU's Southern Neighborhood and Western Balkans.

[read more](#)

## Commitments

### Addis Ababa Action Agenda

- Invites multilateral development banks to provide concessional and non-concessional stable long-term finance
- Encourages MDBs to make optimal use of their resources and balance sheets, consistent with maintaining their financial integrity; (70) encourages MDBs to make use of all risk management tools, including through diversification (44)
- Encourages MDBs to update and develop policies in support of 2030 agenda and SDGs
- Encourages multilateral development finance institutions to establish a process to examine their own role, scale and functioning to enable them to adapt and be fully responsive to the sustainable development agenda

#### Home

#### Reports

[Inaugural 2016 Report](#)  
[2017 Report](#)

#### News

#### Search

#### Action Areas

[Cross-cutting issues](#)  
[Domestic public resources](#)  
[Domestic and international private business and finance](#)  
[International development cooperation](#)  
[International trade as an engine for development](#)  
[Debt and debt sustainability](#)  
[Addressing systemic issues](#)  
[Science, technology, innovation and capacity-building](#)

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[Who we are](#)  
[What we do](#)  
[Terms of references](#)

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[Home](#) > [Action Areas](#) > [Multilateral development banks](#) > [Policies in support of the 2030 Agenda](#)

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## Policies in support of the 2030 Agenda

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### Forced displacement

Forced displacement poses a significant challenge to progress on the SDGs, and MDBs have committed to work together on a new humanitarian-development partnership. Concessional financing and support for building institutional capacity for fragile and conflict-affected states are as important as ever. At the World Humanitarian Summit in May MDBs committed to tackle forced displacement. In a joint statement MDBs pledged to respond to the global forced displacement crisis and further strengthen their contributions to the development agenda within the context of the "One Humanity" agenda issued by the United Nations Secretary General. The MDB response to forced displacement was more fully articulated in a joint paper which outlines the specific contribution MDBs can make to address the specific vulnerabilities of people forcibly displaced as well as host communities which have to absorb the shock created by a sudden influx of forcibly displaced people.

To turn rhetoric into action, MDBs have implemented financial initiatives which represent the first steps in a broader effort to respond to the crisis and demonstrate concrete measures to translate commitments into effective action on the ground. The World Bank's Global Concessional Financing Facility, which began as a strictly MENA Facility launched by the WBG, the Islamic Development Bank and the UN with other MDBs participating as implementing partners, has become part of the WBG's Global Crisis Response Platform, an international initiative to address the impacts of the Syrian refugee crisis through financing to support refugees and host communities in Jordan and Lebanon. The CFF has itself been expanded to a global scale to ensure there is a coordinated international response to refugee crises in middle income countries and will aim to close the financing gap by providing a source of long term concessional financing for middle income countries worldwide hosting large numbers of refugees. The European Investment Bank's Resilience Initiative for EU's Southern Neighbourhood and Western Balkans complements this work by addressing the refugee crisis in Southern Mediterranean and Balkan countries. While the Inter-American Development Bank's Alliance for Prosperity Plan in the Northern Triangle tackles the protracted crisis of undocumented migrant children from Central America.

### Climate change

MDBs are deeply committed to the Paris climate agreement in which countries committed to make a leap forward towards achieving climate resilience and net-zero emissions from 2050 onwards. In support of this, MDBs are aligning their organizations and joint actions. Together MDBs are developing a joint climate action partnership aimed at developing a more collaborative and coherent approach, within respective institutional mandates, to working with countries to implement their NDCs and develop their adaptive capacities. MDBs will focus on scaling up low-carbon and climate-resilient investments for sustainable infrastructure, including in particular speeding the energy transition consistent with the Paris Agreement. They will do this by aligning their financial flows with countries' pathways to low-carbon and climate-resilient development, by increasing the predictability and ease of access to concessional resources, such as the Green Climate Fund, and by leveraging private finance for climate investments. In addition, the World Bank Group will provide technical assistance to countries seeking to implement carbon taxation as an efficient tool for containing emissions. See also section II.C.8 on climate finance.

### Infrastructure

On Infrastructure, in April, MDBs launched the first Global Infrastructure Forum, which was first established at the Financing for Development conference in Addis Ababa, and which brought together public and private partners to highlight opportunities for investment in order to bridge the infrastructure gap. MDBs have already begun working on preparing the second Forum to be held at the same time as the IMF-World Bank Group Spring Meetings in April 2017, and which will focus on inclusive, sustainable infrastructure. Through a special joint Task Force, MDBs also advanced on harmonizing methodologies and common metrics to quantify private finance catalyzed by their institutions. MDBs intend to start jointly reporting measures of private direct mobilization and private cofinancing in 2017, building on existing joint MDB reporting of private climate cofinancing. MDBs will encourage other Development Finance Institutions and OECD to adopt the same methodology, facilitating greater global transparency on the development community's efforts to catalyze private finance. See also section I.4. on infrastructure.

### Urbanization

Finally, in October in Quito at the Habitat III Conference, MDBs joined forces to mainstream and implement the UN New Urban Agenda to promote equitable, sustainable, and productive urbanization.

#### Home

#### Reports

[Inaugural 2016 Report](#)  
[2017 Report](#)

#### News

#### Search

#### Action Areas

[Cross-cutting issues](#)  
[Domestic public resources](#)  
[Domestic and international private business and finance](#)  
[International development cooperation](#)  
[International trade as an engine for development](#)  
[Debt and debt sustainability](#)  
[Addressing systemic issues](#)  
[Science, technology, innovation and capacity-building](#)  
[Data, monitoring and follow-up](#)  
[Regional view](#)

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[Terms of references](#)  
[Contacts](#)



# Inter-Agency Task Force on Financing for Development

Monitoring development finance



## MENU ✕

 Cross-cutting issues

 Domestic public resources

 Domestic and international private business and finance

 International development cooperation

 International trade as an engine for development

 Debt and debt sustainability

 Addressing systemic issues

 Science, technology, innovation and capacity-building

 Data, monitoring and follow-up

 Regional view

Home > Action Areas > International development cooperation

## International development cooperation

Debug:

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'Handler views_handler_field_taxonomy tried to add additional_field vocabulary_machine_name but taxonomy_vocabulary could not be found in views_handler_field->add_additional_fields()' (line 142 of /srv/www/html/drupal7-sites/developmentfinance.un.org/modules/views/handlers/vocabulary)
```

The Addis Agenda stresses and acknowledges the role of the global partnership to support country-driven priorities and strategies, and emphasizes the importance of development cooperation and partnerships in the education sector in particular.

## Clusters

Official development assistance

South-South and triangular cooperation

Multilateral development banks

Other official flows and catalysing additional resources

Country allocation, levels of concessionality and graduation issues

Development effectiveness



## Inter-Agency Task Force on Financing for Development

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Home > Action Areas > International development cooperation

# International development cooperation

Debug:

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'Handler views_handler_field_taxonomy tried to add additional_field vocabulary_mach  
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Official development assistance

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Multilateral development banks

Other official flows and catalysing additional resources

Country allocation, levels of concessionality and graduation issues

Development effectiveness

Climate finance, disaster risk and environmental resilience

Humanitarian finance and peacebuilding

Innovative development finance

Additional partnerships

International cooperation and capacity building

## MENU



Cross-cutting issues



Domestic public resources



Domestic and international private business and finance



International development cooperation



International trade as an engine for development



Debt and debt sustainability



Addressing systemic issues



Science, technology, innovation and capacity-building



Data, monitoring and follow-up



Regional view



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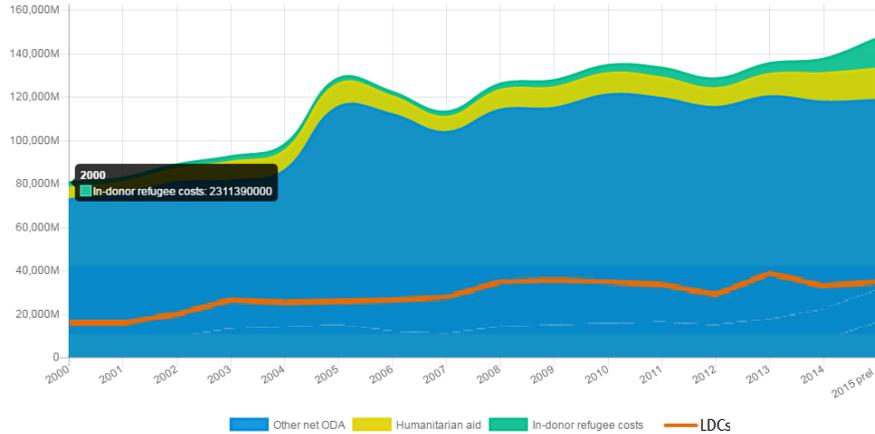
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**On-line Annex:**  
***Data dashboards***

# International development cooperation

## Net ODA by DAC donors, 2000–2015

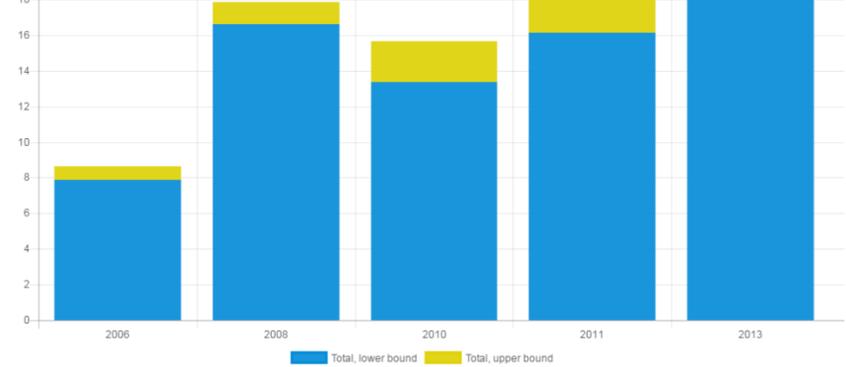
(Constant 2014 US dollar billions)



Source: [OECD-DAC](#)

## Concessional South-South cooperation, 2006–2013

(Billions of US dollars)



Source: [UN/DESA](#)

## Multilateral development bank financing, 2000–2015

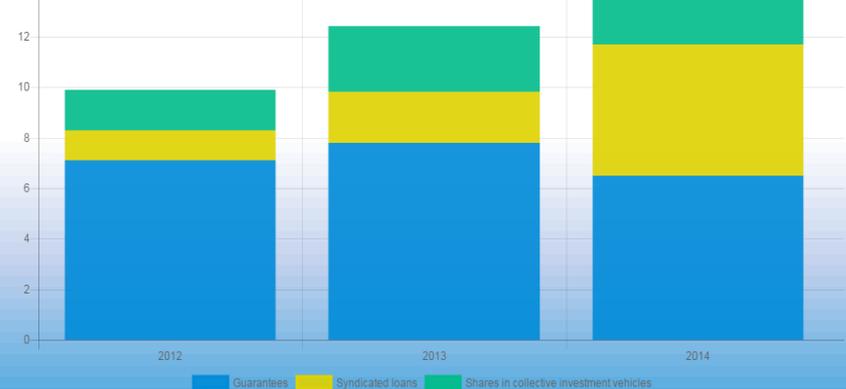
(Billions of US dollars)



Source: [UN/DESA](#)

## Amounts mobilized from private sector by official intervention, 2012–2014

(Billions of US dollars)

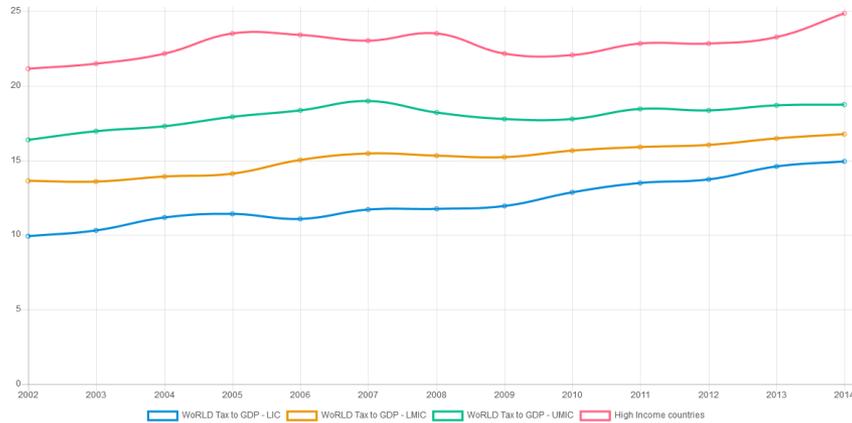


Source: [OECD](#)

# Domestic public resources

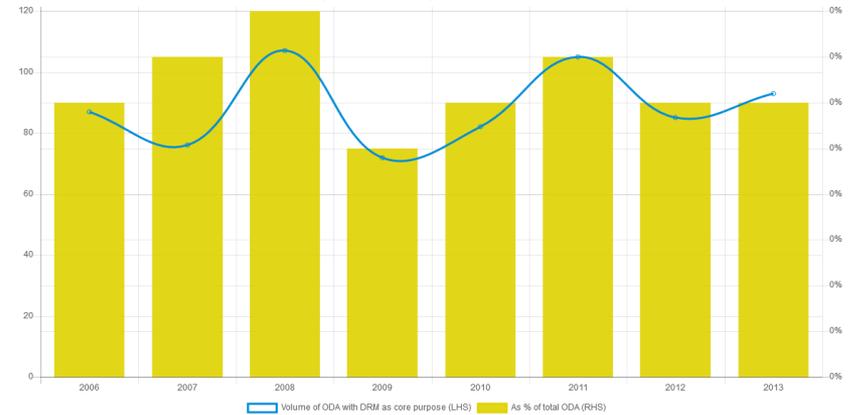
Median tax-to-GDP ratio, 2002–2014

(Per cent)



ODA for tax capacity building, 2006–2013

(Millions of US dollars, per cent)



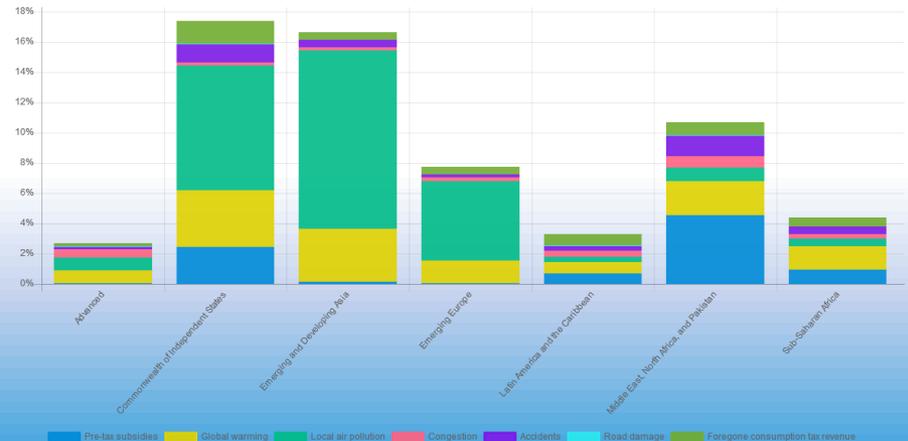
Goods trade mis-invoicing estimates, by region, 2000-2013

(Billions of US dollars)



Cost of pre- and post-tax fossil fuel subsidies, 2015

(Per cent of GDP)





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**On-line Annex:**  
***Sample section***

# On-Line Annex

**Within each Action Area, there will be sections with:**

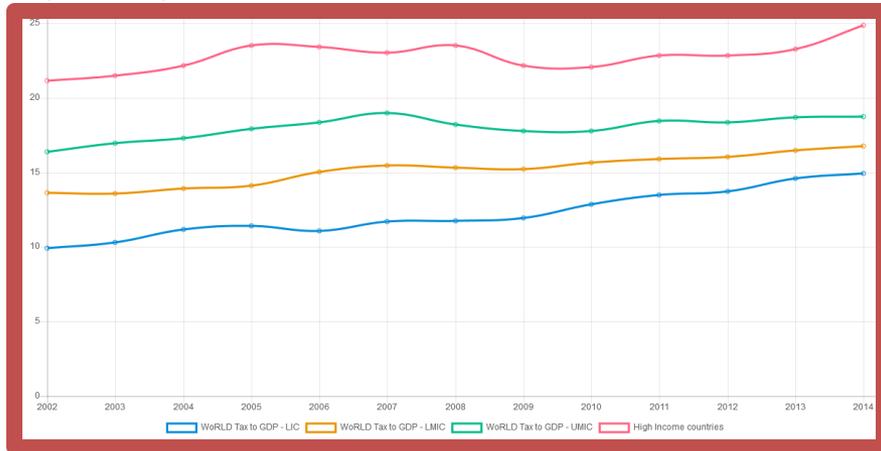
- Summary of commitments
- Links to relevant SDG indicators
- Contextual analysis and implications for implementation
- Notes on data gaps
- Links to IATF member work



# Domestic public resources

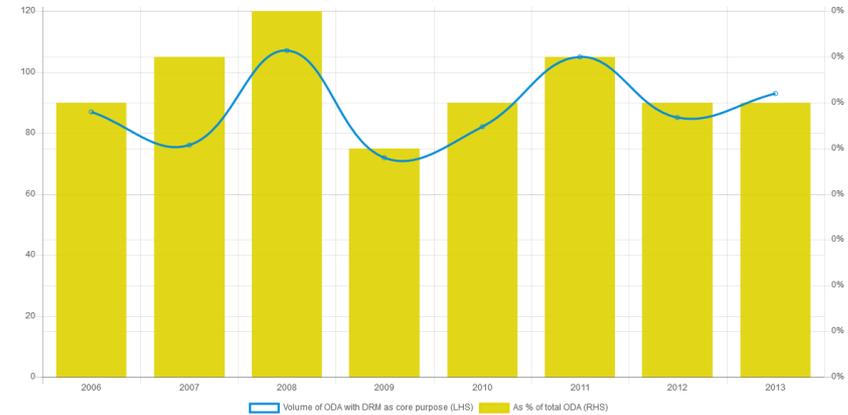
Median tax-to-GDP ratio, 2002–2014

(Per cent)



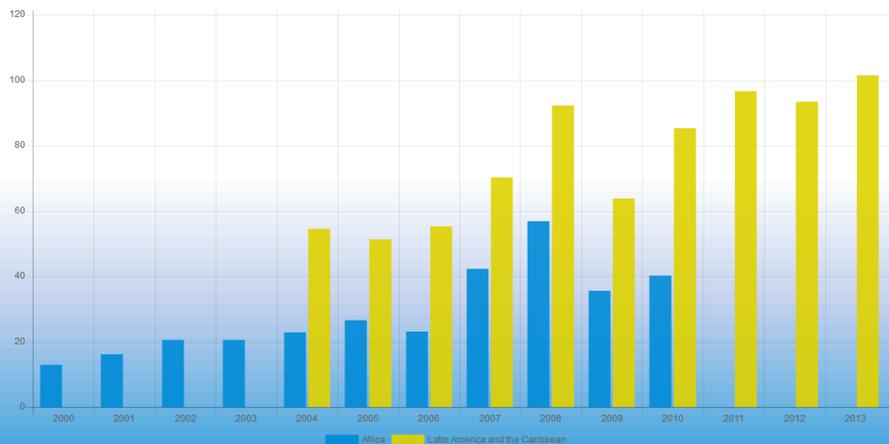
ODA for tax capacity building, 2006–2013

(Millions of US dollars, per cent)



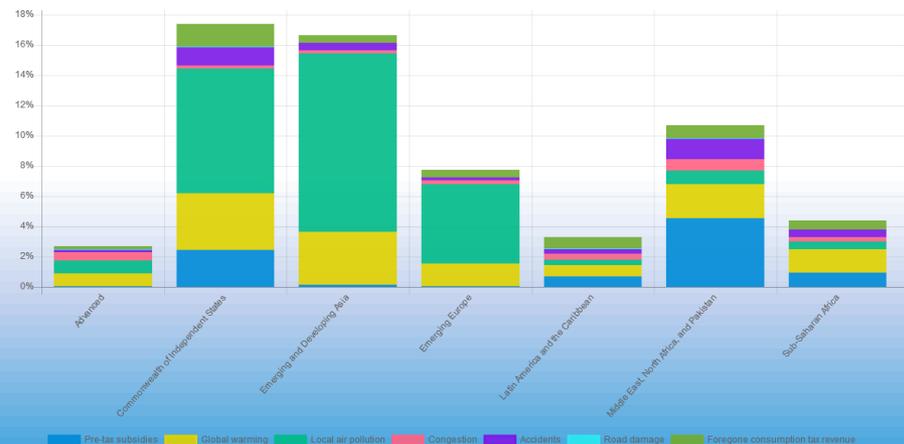
Goods trade mis-invoicing estimates, by region, 2000-2013

(Billions of US dollars)



Cost of pre- and post-tax fossil fuel subsidies, 2015

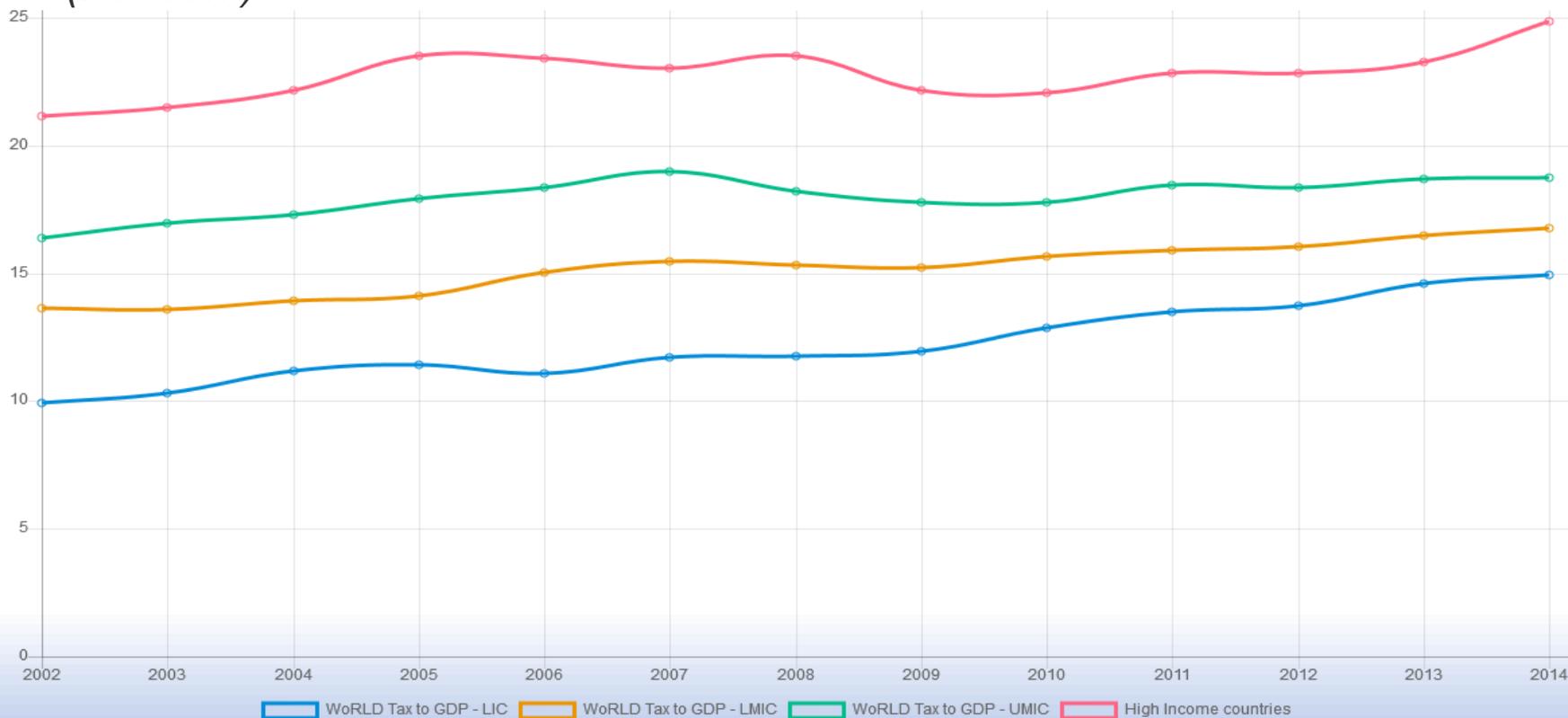
(Per cent of GDP)



# Median tax-to-GDP ratio, 2002–2014

*(Country groups to be adjusted for UN categories)*

*(Per cent)*

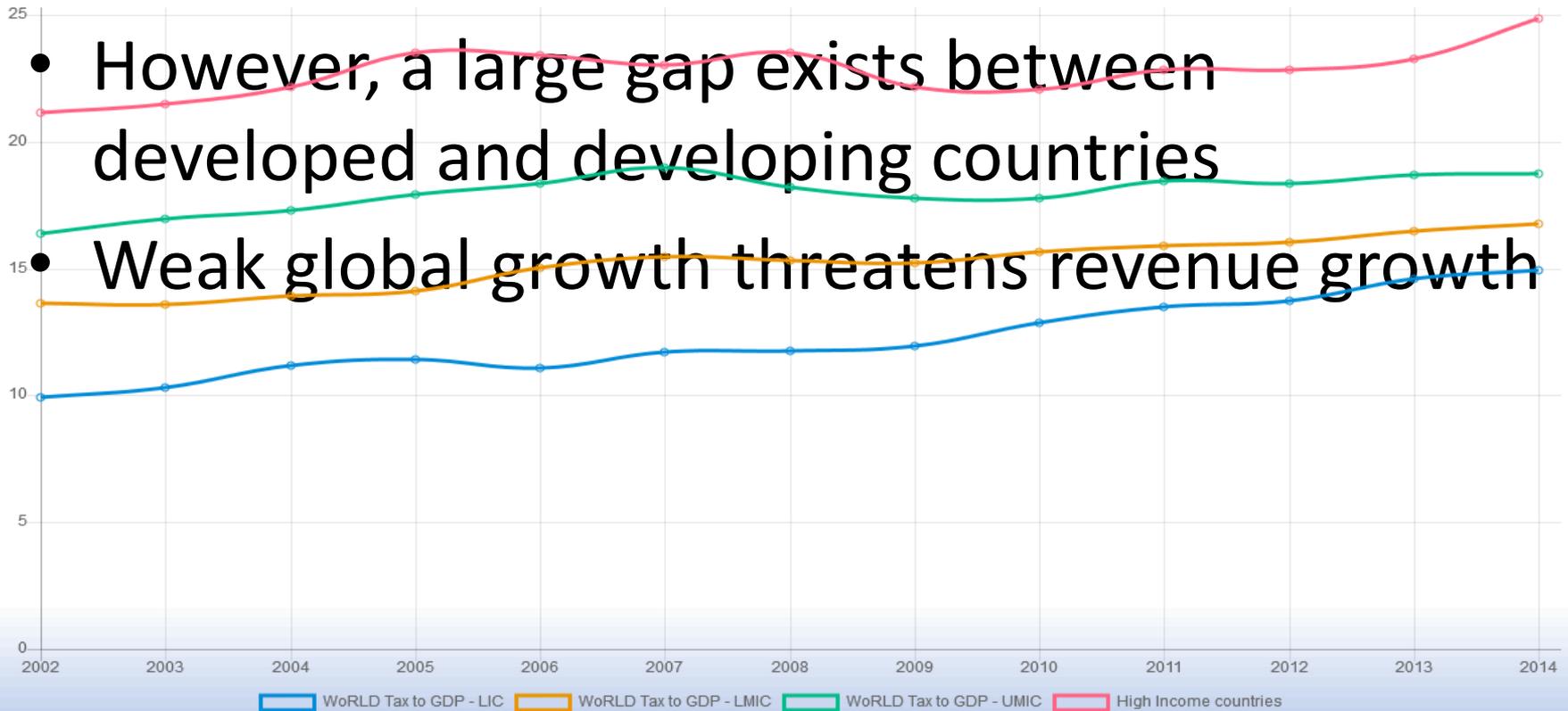


# Domestic resource mobilisation

- Increased since 2000

- However, a large gap exists between developed and developing countries

- Weak global growth threatens revenue growth



# Policy options in the Addis Agenda

- Strengthening national tax administrations
- Capacity development
- Tackle illicit financial flows and return stolen assets
- International tax cooperation



# National tax administrations and capacity development

Strengthening the global partnership for tax administration

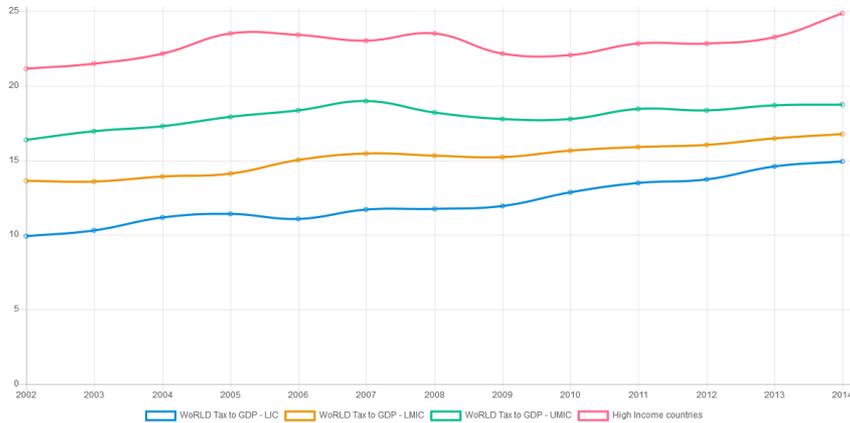
- Whole of government approaches, medium-term revenue strategies, enforcement budget increases, participation in TADAT/ISORA
- More coordinated financial support from donors, c.f. the Platform for Collaboration on Tax G20
- Peer learning (e.g. regional tax organisations, Platform international conferences, FfD Forum)



# Domestic public resources

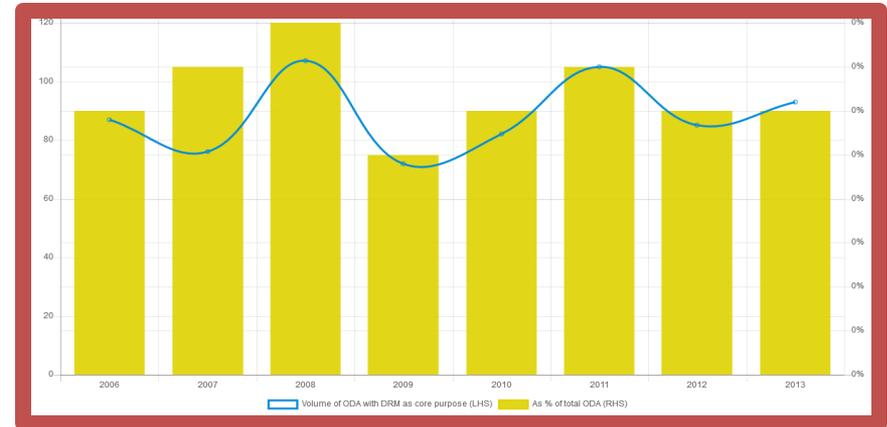
Median tax-to-GDP ratio, 2002–2014

(Per cent)



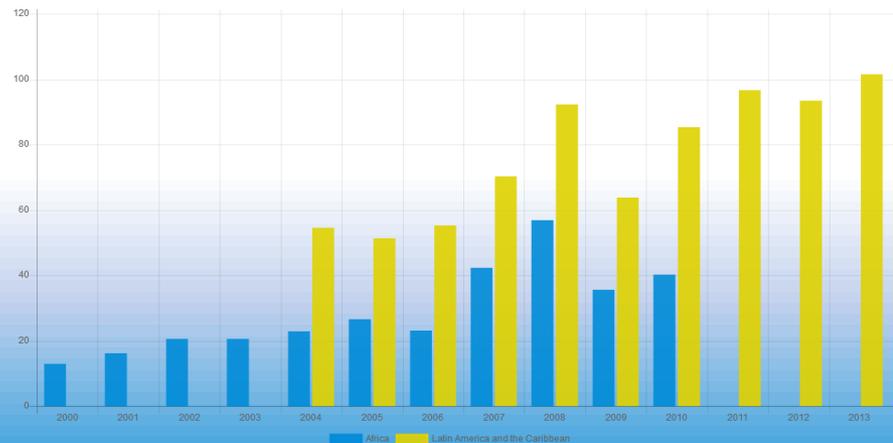
ODA for tax capacity building, 2006–2013

(Millions of US dollars, per cent)



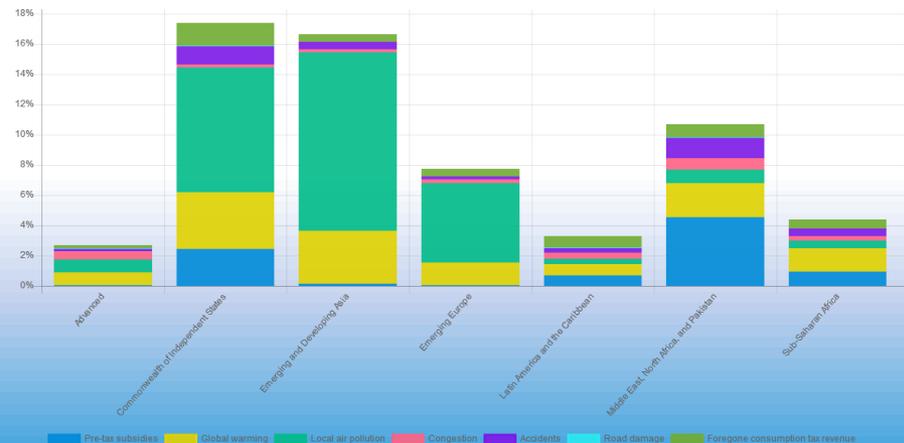
Goods trade mis-invoicing estimates, by region, 2000-2013

(Billions of US dollars)



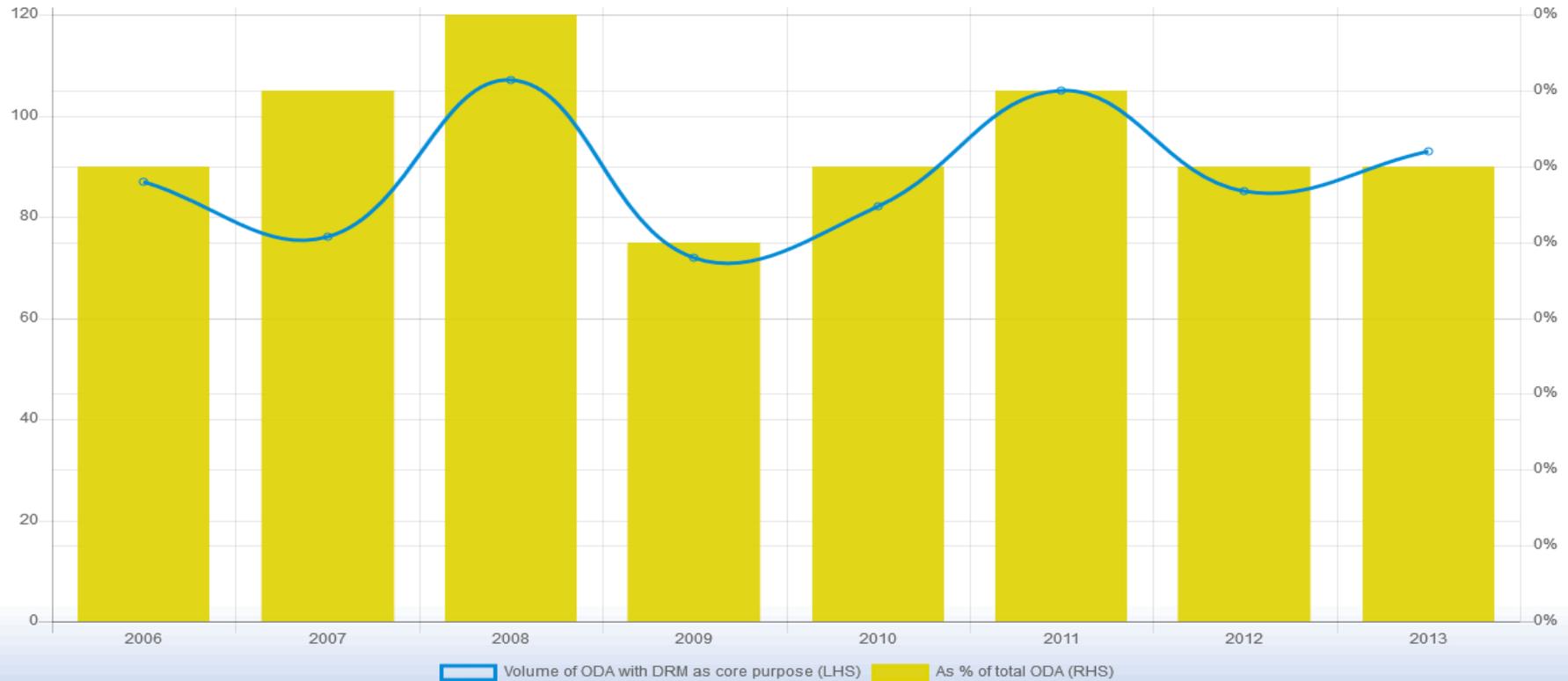
Cost of pre- and post-tax fossil fuel subsidies, 2015

(Per cent of GDP)



# ODA for tax capacity building, 2005-2013

(Millions of US dollars, percent)



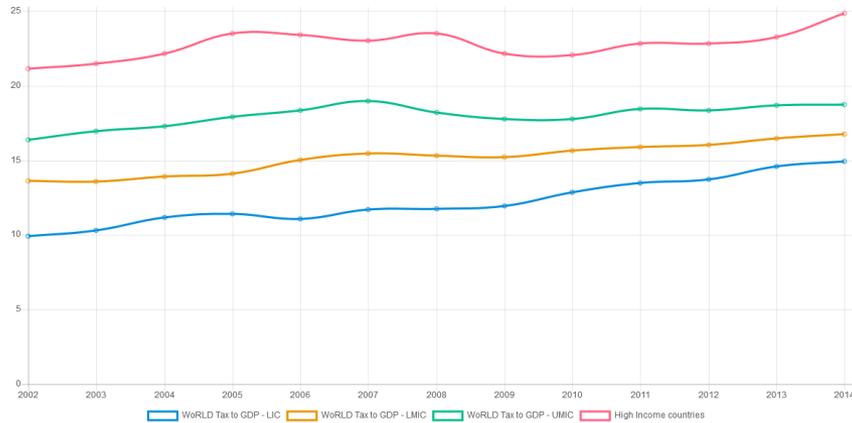
- Source: [WESP/Development Initiatives](#)



# Domestic public resources

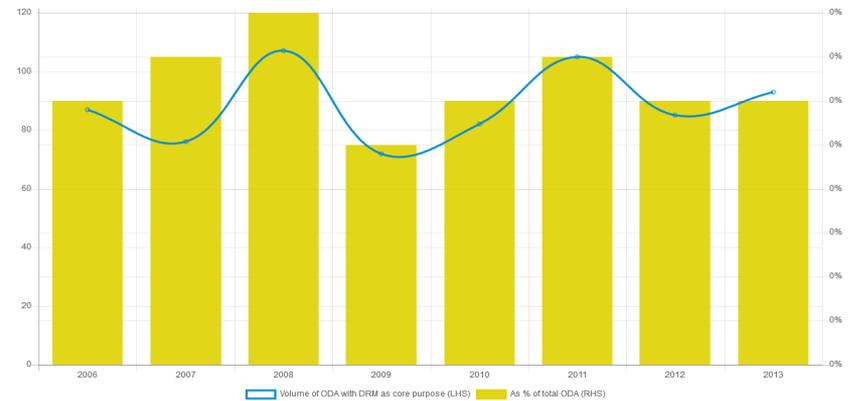
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(Per cent)



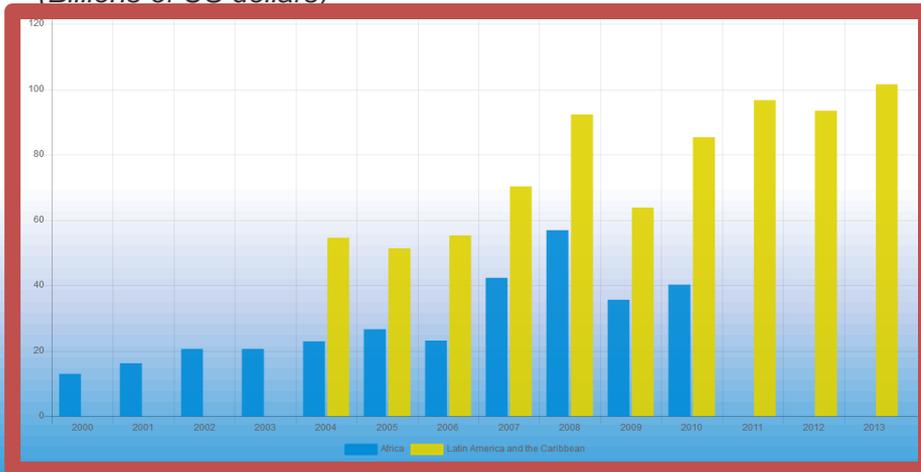
ODA for tax capacity building, 2006–2013

(Millions of US dollars, per cent)



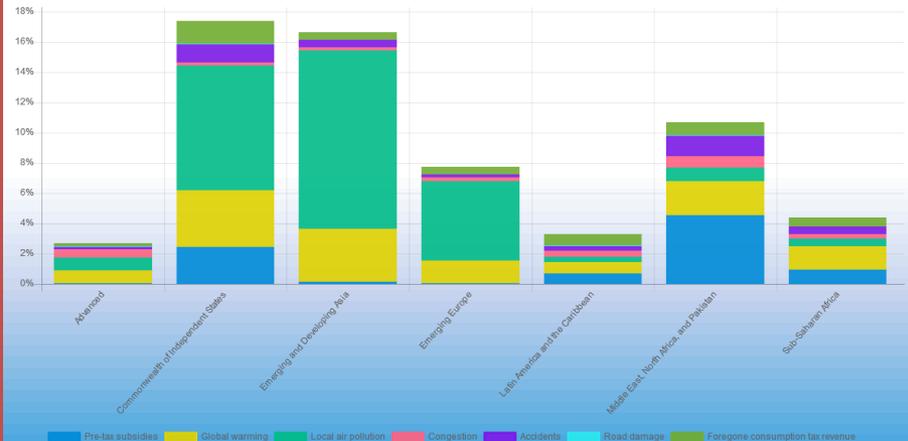
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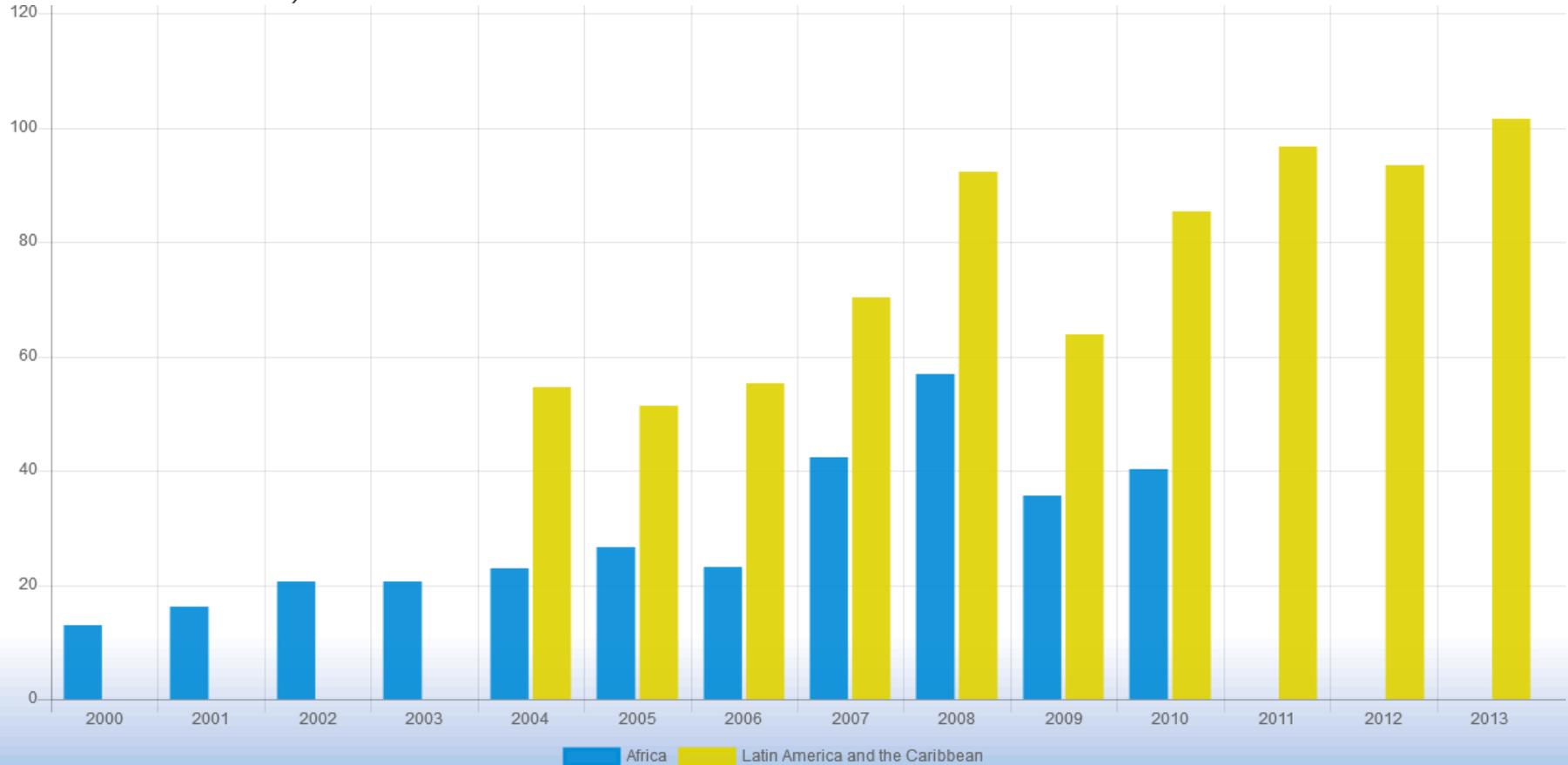
(Per cent of GDP)



# Illicit financial flows

## Goods trade mis-invoicing estimates, by region, 2000-2013

(Billions of US dollars)



Source: ECA/ CEPAL



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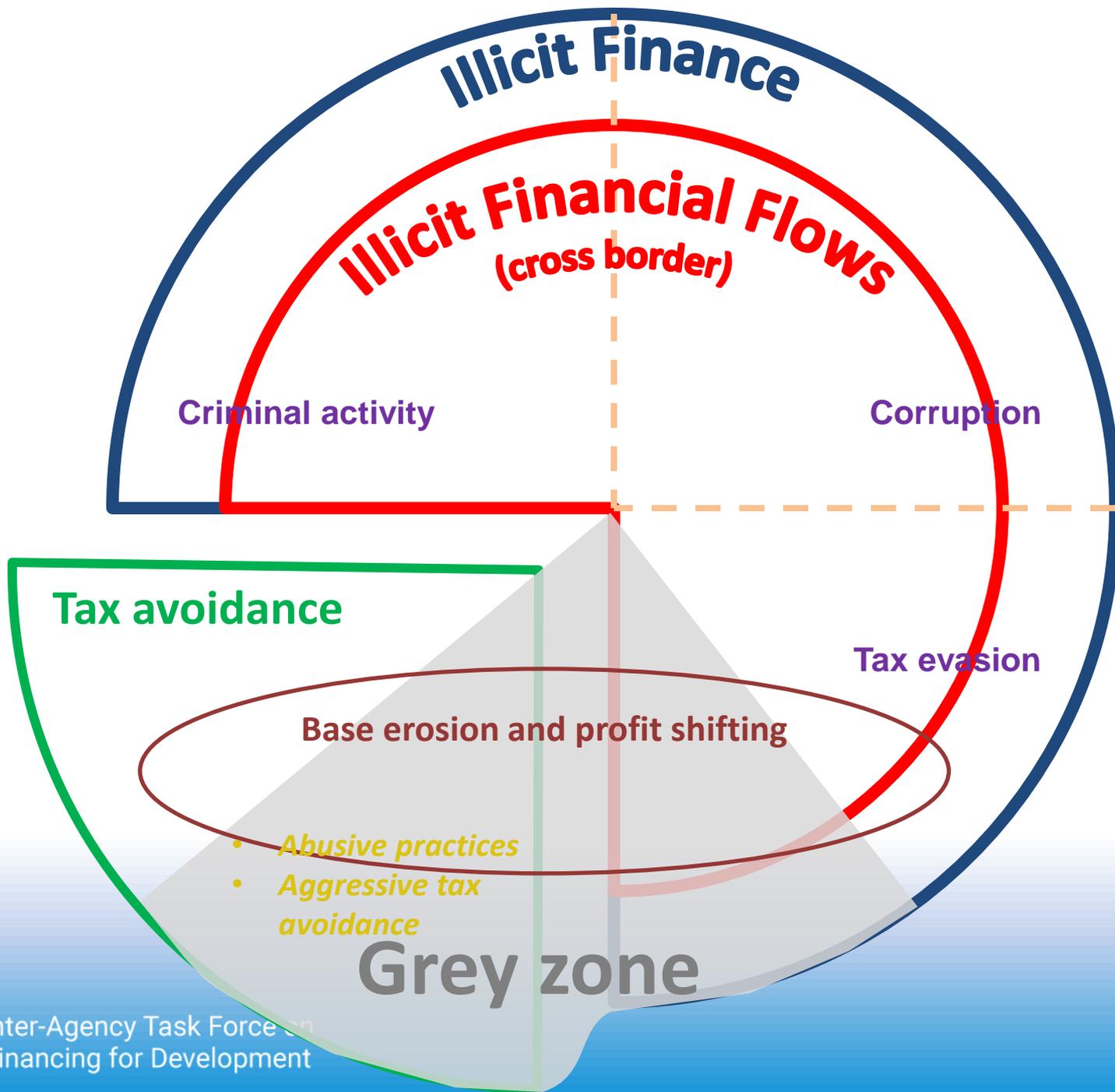
# Illicit financial flows

- What are illicit financial flows?

*No agreed definition*

- Most common definition: “money that is illegally earned, transferred or used that crosses borders.”

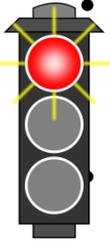




# Estimates of illicit financial flows

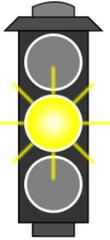
## Transnational organised crime

- Lead being taken by UNODC with much work being done by the World Bank and the IMF
- Estimates of volume will be very difficult



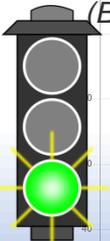
## Corruption

- UNCAC peer reviews are important mechanism for Member States
- Work of the Stolen Asset Recovery Initiative (StAR)
- Efforts by UNODC to convene countries on stolen asset recovery practices



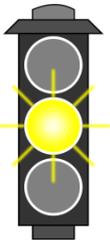
## Goods trade mis-invoicing estimates, by region, 2000-2013

(Billions of US dollars)



## Other tax-related flows

- Offshore wealth
- Transfer mis-pricing
- Profit shifting/transfer pricing - covered separately under international tax cooperation



# IATF members' work on IFFs

- Working practices – component by component
  - Compilation, not aggregation, of component estimates
  - Efforts to fill data gaps
- Policy options by component
  - With links to relevant clusters within report
- Pilot risk, vulnerability, and impact assessments



# Data gaps and monitoring challenges

- Domestic public resources examples
  - Component-by-component data on illicit financial flows and stolen assets
  - Data on ODA for domestic revenue mobilisation capacity will come on-stream shortly
  - Aggregated data on national development bank financing
  - Aggregated data on practices in international tax cooperation
  - Continuous coverage of fossil fuel subsidy values (only 2 points in time currently)
  - Real-time government spending data





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## IATF Report

### ***Analysis of progress in Cross-cutting and Action Areas***

How the on-line annex translates into  
chapters in the published report

# IATF Report

## Analysis of progress in Action Areas

### Chapters will include the following elements:

- Analysis of most recent data trends (highlights from the comprehensive online annex)
  - Emphasizing areas relevant to global challenges
  - Notes on data gaps
- Risks and challenges to implementation
- Policy options and recommendations





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**Thank you!**