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

Summary by the President of the Economic and Social Council of the forum on financing for development follow-up, including the special high-level meeting with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development (New York, 22-25 May 2017)[1]

I. Introduction

1. The second forum on financing for development follow-up of the Economic and Social Council was held in New York from 22 to 25 May 2017. The forum was chaired by the President of the Council, 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 Executive Directors from the International Monetary Fund (IMF) and the World Bank Group (24), as well as senior officials from the United Nations system and other international organizations, including the major institutional stakeholders of the financing for development follow-up process, attended the forum. There was also strong representation from civil society organizations, the business sector and local authorities.

2. The first day of the ministerial segment featured a special high-level meeting with the World Bank Group, IMF, the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD). Its morning session provided an opportunity for the heads of the major institutional

* A/72/50.

[1] A more comprehensive summary of the forum on financing for development follow-up of 2017 is included in a publication available from www.un.org/esa/ffd.

stakeholders, as well as their intergovernmental organizations, to interact with their United Nations counterparts on issues of common interest in the follow-up to the financing for development 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 World Bank Group, IMF and UNCTAD on two themes: (a) fostering policy coherence in the implementation of the Addis Ababa Action Agenda; and (b) 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 the implementation of commitments contained in the Addis Ababa Action Agenda and other financing for development follow-up outcomes, followed by the general debate.

3. The expert segment consisted of 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 forums mandated by the Addis Ababa Action 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 entitled "Financing for development: progress and prospects" (E/FFDF/2017/2). The report of the Inter-Agency Task Force on Financing for Development of 2017 provided the major substantive input.

II. Opening of the forum on financing for development follow-up

5. The opening of the forum featured statements by the President of the Economic and Social Council; the Deputy Secretary-General of the United Nations (video message); the Managing Director of IMF, Christine Lagarde (video message); the Senior Vice-President for the 2030 Development Agenda, United Nations Relations and Partnerships of the World Bank Group, Mahmoud Mohieldin; and the Deputy Director General of WTO, Yonov Frederick Agah.

6. The President of the Economic and Social Council pointed out that the world was facing a host of economic, social, environmental and humanitarian challenges, and that realizing the Sustainable Development Goals in this difficult environment made the full and timely implementation of the Addis Ababa Action Agenda more important than ever. Reaching consensus on a substantive and comprehensive outcome document of the forum, reaffirming key elements of the Addis Ababa Action Agenda and creating 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 that regard, the President of the Council congratulated the two co-facilitators, the Permanent Representative of Belgium to the United Nations and the Permanent Representative of South Africa to the United Nations, on their impressive efforts to reach consensus on the outcome document of the forum, which would inform the high-level political forum on sustainable development.

7. The Deputy Secretary-General highlighted that the Addis Ababa Action Agenda, the 2030 Agenda for Sustainable Development and the Paris Agreement provided the framework for sustainable development. Referring to the challenging global environment, the Deputy Secretary-General emphasized the need for additional long-term high-quality investments to stimulate sustainable low-carbon growth and urgent measures to address the needs of the poor and vulnerable. The 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 Ababa Action Agenda: (a) strengthening the global financial architecture while also helping countries with external financing to support their development efforts; (b) supporting countries in strengthening domestic revenue mobilization; (c) evaluating the negative impact of illicit financial flows, including tax evasion and criminal activity with regard to development efforts, and supporting relevant reforms; (d) engaging with small States to help them build their macroeconomic and financial resilience to natural disasters and climate change; and (e) 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 needed to change the way they worked on development finance. The World Bank Group had made some progress, including through: (a) a record replenishment of $75 billion for the World Bank Group's International Development Association; (b) working closely with IMF and other multilateral development banks to increase the effectiveness of domestic resource mobilization, develop a tax policy assessment framework and increase the voice of developing countries in the global discussion on tax issues; and (c) crowding in the private sector, whenever possible.

10. Mr. Agah highlighted the importance of multilateral trade agreements in the implementation of the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda. In that regard, he emphasized that trade was a driver of economic growth. However, trade growth underperformed gross domestic product (GDP) growth after the financial crisis of 2008, and the right policy mix was needed to achieve the recovery of trade. The rules-based multilateral trading system was indispensable because it brought predictability, security and sustainability to international relations. The Deputy Director General drew the conclusion that priority should be given to strengthening the system and delivering new reforms in order to ensure that WTO delivered new outcomes for the achievement of the Sustainable Development Goals and the Addis Ababa Action 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 Joint World Bank/IMF Development Committee, Yvonne Tsikata; and the Deputy Secretary of the International Monetary and Financial Committee 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 Inter-Agency Task Force on Financing for Development); the Secretary-General of UNCTAD, Mukhisa Kituyi (video message); the Associate Administrator of the United Nations Development Programme (UNDP), Tegegnework Gettu (on behalf of the United Nations Development Group); and the Executive Secretary of the Economic and Social Commission for Asia and the Pacific, Shamshad Akhtar (on behalf of the 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 Ababa Action Agenda. He suggested that the forum consider: (a) how developing countries could mobilize domestic and international resources in the context of weak trade growth; (b) what reforms would be required to create inclusive international financial markets and investment regimes; (c) how to ensure participation by developing countries in

global economic governance; and (d) how developing countries could take advantage of new opportunities, including e-commerce.

13. Ms. Tsikata shared a brief overview of the ninety-fifth meeting of the Joint World Bank/IMF Development Committee held in Washington, D.C., on 22 April 2017. At the meeting, Governors had called on the World Bank Group and IMF to provide advice and support to advance inclusive and sustainable growth policies, deliver the 2030 Agenda for Sustainable Development 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 World Bank Group'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 the IMF strategy: structural, fiscal and monetary policies. IMF would continue to support its membership to deliver on its financing for development follow-up commitments by: (a) providing policy advice, financial support and capacity development; (b) facilitating multilateral solutions across countries to meet global challenges; and (c) 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 report of the Inter-Agency Task Force on Financing for Development for 2017 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 Sustainable Development Goals. In that regard, long-term and quality investments in sustainable development had to be increased. In that connection, the Task Force proposed measures to address impediments to private investments and enhance public investments in infrastructure and the Sustainable Development Goals.

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 partnerships with the private sector, including through more action-oriented initiatives, such as the sustainable stock exchange initiative. On the other hand, the risks of public-private partnerships must be jointly studied so that they did not increase the debt burdens of future generations. Mr. Kituyi reminded participants that there were no shortcuts to implementing the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda.

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 the development of integrated financing frameworks with a 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 the unanticipated tightening of monetary policy, compounding global uncertainty, which could lower 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 Ababa Action Agenda with a focus on four key areas: domestic resource mobilization, efficiency of public financial management, fostering infrastructure investment and financial inclusion.

IV. Interactive dialogue with intergovernmental bodies of major institutional stakeholders

19. The interactive dialogue was chaired by the President of the Economic and Social Council 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 the World Bank Group, Hervé de Villeroché; 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 the Economic and Social Council underscored that major institutional stakeholders in financing for development follow-up were aligning their workflows in an unprecedented manner with United Nations-led outcomes, including the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda and the Paris Agreement. Building on a strong foundation of growth, specific policies and approaches could both improve growth and reduce inequality. He highlighted that investment in inclusive and resilient infrastructure was an important way to address inequality in access to markets, finance and technology.

21. Mr. de Villeroché noted that the forum was a critical platform for monitoring financing commitments and financing initiatives to achieve the Sustainable Development Goals. He emphasized that ODA needed to be used strategically to catalyse additional private capital. The World Bank Group's International Development Association had reached a record replenishment of $75 billion. The International Finance Corporation had adopted a new long-term strategy to scale impact investing from the private sector and strengthen strategic engagement in key sectors in developing countries. The World Bank Group was fully committed to using its balance sheet to achieve the Sustainable Development Goals.

22. Mr. Beblawi noted close parallels between the global economic recovery and a sequence of actions by 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 IMF. He acknowledged the importance of continued cooperation with other major institutional stakeholders in accordance with their respective mandates to implement the Addis Ababa Action 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 least developed countries. It was also key to hold donors accountable for their ODA commitments to those countries. The speaker also called for more inclusive discussions on the working out of sovereign debt at the United Nations.

24. The dialogue addressed two themes: (a) fostering policy coherence in the implementation of the Addis Ababa Action Agenda; and (b) inequalities and inclusive growth. Under the first theme, the lead discussants were: Executive Director of the World Bank Group Frank Heemskerk; the Chair of the IMF Executive Board Committee for Liaison with the World Bank, the United Nations and other International Organizations, Daouda Sembene; and the Vice-President of the Economic and Social Council, Nabeel Munir (Pakistan).

25. Mr. Heemskerk commented that the United Nations could promote coherence by benchmarking the performance of Member States and putting peer pressure on the private sector. There was a need for a tool box for engaging smaller companies. The best leveraging machine continued to be a well-functioning State. In that

context, he mentioned that International Development Association resources should be spent effectively and target the poorest of the poor.

26. Mr. Sembene noted that growth prospects had weakened, particularly for low-income countries. IMF supported capacity-building with regard to disaster risk management and public financial management for fragile States and low-income countries. In addition, IMF had taken measures to support low-income countries through increasing concessional finance and debt relief. IMF had 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. Mr. Munir noted that, at the national level, countries continued to face challenges in formulating multisectoral, integrated and coherent policies and actions towards the achievement of the Sustainable Development Goals. More international support for developing those policies was required, particularly for countries in special situations. The existing regional mechanisms must continue to adapt their work programmes to the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development, 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 low-income countries and fragile States with regard to public financial management and domestic resource mobilization, financial inclusion and combating illicit financial flows. There was emphasis on the need to mainstream trade in the Sustainable Development Goals and build trade capacity. In that regard, three priorities were highlighted: (a) trade facilitation reforms; (b) establishing new global rules for e-commerce; and (c) improving the ability of small businesses to access finance.

29. Under the second theme, the lead discussants were: Executive Director of the World Bank Group Patience Bongiwe Kunene; Executive Director of IMF Nancy Gail Horsman; Executive Director of IMF Masaaki Kaizuka; and the Vice-President of the Economic and Social Council, Jürgen 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 that, there should be demand-led strategies to create evidence-based solutions that used data.

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

32. Mr. Kaizuka noted that IMF respected country specificities, such as the 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 the long term. He called for effective collaboration among institutions based on comparative advantages and mandates.

33. Mr. Schulz underscored that inequality had been at the core of the agenda of the Economic and Social Council. There was a need to address systemic issues and establish inclusive institutions at all levels. There was also a need for the right policies and regulations to ensure that everyone could benefit from the economic

gains of a society. Strengthening the quality and the 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. The World Bank Group and IMF also highlighted the important work they had done to address gender equality. In addition, social protection was discussed, including the IMF target for "social protection floors" in the formulation of budgets for social safeguards in most low-income countries. With regard to financing, enhanced engagement of the private sector to fill the financing gap was emphasized, 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 the implementation of commitments contained in the Addis Ababa Action Agenda and other financing for development follow-up outcomes

Ministerial round table 1

35. The round table was chaired by the President of the Economic and Social Council and moderated by the Deputy Managing Director of IMF, Tao Zhang. Presentations were made by: the Vice-President and Minister for Foreign Affairs 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 of the Department of Finance and Undersecretary for Privatization and Office of Special Concerns of the Philippines, Karen Singson; the Head of the Eurasian Development Bank, Dmitry Pankin; and Principal of the Abraaj Group Saqib Rashid.

36. Mr. Zhang noted that domestic resource mobilization was a core element of the Addis Ababa Action Agenda. Real progress had been made in increasing tax revenues over the past 15 years, especially in low-income countries. 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. Ms. de Alvarado highlighted that Panama had fully integrated the 2030 Agenda for Sustainable Development into its national sustainable development strategy, with the majority of public investments earmarked for Sustainable Development Goals. 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 Goals. The Vice-President called on the international community to explore ways in which foreign investments could promote the transfer of technology and know-how to developing countries.

38. Mr. Mimica noted that, in 2016-2017, the European Commission had allocated millions of euros in support of international tax cooperation. The Commission had stimulated greater public and private investment in the Sustainable Development Goals through a new European external investment plan. It had 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 European Union commitment on ODA (0.7 per cent of gross national income (GNI)) with a more ambitions commitment to least developed countries.

39. Mr. Nebebe outlined the road map of policy actions Ethiopia had developed for implementing the Addis Ababa Action Agenda. In 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 public-private partnerships to ensure the fair sharing of risks and rewards between the public and private sector.

40. Ms. Singson emphasized that the Philippines would implement the Addis Ababa Action 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 crackdown on tax evasion. It planned to lower personal income and corporate tax rates, while increasing value added tax 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 Eurasian Development Bank faced particular challenges in the implementation of the Addis Ababa Action Agenda in the areas of transport and trade facilitation. Landlocked developing countries had seen much lower growth than other developing countries. The solution lay not 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 how more investors were expanding their investing in environmental, social and governance issues by using the 2030 Agenda for Sustainable Development as a coherent road map for sustainable development, 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 such as health and education while ensuring a high standard of service delivery. He noted that large-scale investment in sectoral ecosystems was required to achieve the Sustainable Development Goals.

Ministerial round table 2

43. The round table was chaired by the President of the Economic and Social Council and moderated by the Senior Vice-President for the 2030 Development Agenda, United Nations Relations and Partnerships of the World Bank Group, Mahmoud Mohieldin. Presentations were made by the Minister for Industry of Nepal, Nabindra Raj Joshi; the Minister for Finance and National Planning of Tonga, Tevita Lavemaau; the Undersecretary of Economic and Development Affairs, Ministry of Foreign Affairs of Estonia, Väino Reinart; the Head of the Mexican Agency for International Development Cooperation, Agustín García-López; and the Executive 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. Multilateral development banks were well

positioned to leverage more investment into infrastructure at the national and subnational levels.

45. Mr. Joshi discussed the challenges to the implementation of the Addis Ababa Action Agenda in Nepal. Efforts were under way 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 that regard. The tax-to-GDP ratio of Nepal was at 23 per cent, up from 9 per cent 20 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. Mr. Lavemaau highlighted that the national development priorities of Tonga included a knowledge-based economy, good governance, infrastructure development, gender equality, environment protection and enhanced resilience to climate change. With regard to domestic resource mobilization, future reforms would aim at more progressive taxation, while more expenditure should target the combating of non-communicable diseases. The speaker stressed that ODA and other international support was also critical and further emphasized that multilateral development banks should factor the vulnerability of small island developing States into their lending decisions.

47. Mr. Reinart emphasized that the rule of law and good governance had been critical to enabling Estonia to become a high-income economy. Estonia had adopted a new development cooperation policy based on the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda. Its primary focus was on supporting democracy, advancing peace and stability, guaranteeing human rights and promoting economic growth. Estonia had also continually 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. 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 least developed countries and in Africa. It was also important to address the graduation concerns of low-income countries, including through methodologies for allocating resources that were not confined to per capita income. In that context, it was important to include the United Nations in the discussion on Total Official Support for Sustainable Development.

49. Mr. Khunou shared the perspective of local governments in the implementation of the Addis Ababa Action Agenda. He emphasized that investments in urban areas needed to be enhanced dramatically and that strengthening domestic resource mobilization could be achieved by diversifying local government resources and regulatory reform. Multilateral development banks 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 the Economic and Social Council and moderated by the Deputy Director-General of WTO, Yonov Frederick Agah. Presentations were made by: the Secretary of Planning of Guatemala, Miguel Ángel Estuardo Moir Sandoval; the Minister for Finance and Economic Development of Kiribati, Teuea Toatu; the Permanent Secretary of the Ministry of Foreign Affairs of Madagascar, Modeste Randrianarivony; the Undersecretary of

International Organizations, Ministry of Foreign Affairs of Ecuador, Carola Iñiguez Zambrano; the Deputy Head of the Global Agenda Department, Ministry of Foreign Affairs of Sweden, Inger Buxton; and the Executive Director of the African Forum and Network on Debt and Development (AFRODAD), Fanwell Kenala Bokosi.

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

52. Mr. Sandoval highlighted that the national development plan of Guatemala linked the priorities of the 2030 Agenda for Sustainable Development with public policies and its 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 illicit financial flows. The speaker also emphasized that ODA, South-South cooperation and market access remained crucial for developing countries.

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

54. Mr. Randrianarivony highlighted that the national implementation plan of Madagascar focused on: (a) ensuring the rule of law; (b) creating a stable and inclusive financial system; (c) improving the fiscal system; (d) promoting public-private partnerships and ensuring that private and public services were accountable, effective and efficient; (e) streamlining the use of capital; (f) creating a system for information on and monitoring of the mobilization of domestic resources; (g) updating sectoral policies and raising awareness through workshops on several Sustainable Development Goals; and (h) ensuring better coordination with development partners.

55. Ms. Zambrano highlighted that enhancement of domestic revenue collection was crucial to realizing the Sustainable Development Goals. She called for reforms of the international financial system to address tax evasion. In February 2017, Ecuador had held a national referendum and became the first country in the world to prevent individuals who had financial accounts in tax havens from being elected to office. The speaker also called for the upgrading of the Committee of Experts on International Cooperation in Tax Matters to an intergovernmental body.

56. Ms. Buxton mentioned that Sweden had produced a report on the implementation of the Addis Ababa Action Agenda which included illustrative examples, challenges to implementation, lessons learned and relevant conclusions. Sweden used a gender-based approach in its budget and provided step-by-step training on gender equality assessments to all actors involved in national budgeting. At the international level, the Swedish International Development Cooperation Agency had created an instrument to assist with leveraging private capital for development and managing 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 United Nations. The speaker also noted that the Global Infrastructure Forum should go beyond issues of blended finance and public-private partnerships and urged donor partners to fulfil their ODA commitments.

Interactive discussion

58. During the interactive discussion, speakers stressed that more work was needed to translate the commitments contained in the Addis Ababa Action Agenda to the national level. There were also calls to align the financing for development follow-up agenda more strongly with the 2030 Agenda for Sustainable Development, including with regard to 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 illicit financial flows. Several speakers expressed their appreciation for the work of the Committee of Experts on International Cooperation in Tax Matters and called for its upgrade to an intergovernmental body.

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

61. Speakers stressed the importance of meeting the 0.7 per cent commitment of ODA/GNI, as well as the need for a more nuanced approach to graduation that went beyond measures of per capita income. More progress was also needed in improving development effectiveness, especially in terms of country ownership.

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

63. Some speakers called for international action on the commitment in the Addis Ababa Action 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 Sustainable Development Goals.

VI. General debate

64. During the general debate, more than 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 United Nations agencies and civil society organizations. Joint statements were delivered by representatives from the Group of 77 and China, the European Union, the Group of African States, least developed countries, landlocked developing countries, the Community of Latin American and Caribbean States, the Alliance of Small Island

States, the Caribbean Community and a group of countries in support of middle-income countries.

65. Delegations welcomed the report of the Inter-Agency Task Force as important input to the 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 Ababa Action Agenda.

66. Countries acknowledged the significant impact of the challenging global environment on the implementation of the 2030 Agenda for Sustainable Development, 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 Sustainable Development Goals, Member States called for accelerated national and international efforts to implement the Addis Ababa Action Agenda.

67. Several countries outlined their efforts to develop national action plans to implement the Addis Ababa Action Agenda. It was highlighted that the forum should continue to provide a platform for sharing national experiences in mainstreaming the Addis Ababa Action 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.

69. Many delegations emphasized the need for greater investment in quality, reliable, sustainable and resilient infrastructure. National, regional and multilateral development banks should continue to leverage private investment. In that 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 Committee of Experts on International Cooperation in Tax Mattersto an intergovernmental body. Countries also reaffirmed the commitment to substantially reduce illicit financial flows by 2030.

71. To fully tap into 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 aligned those flows with sustainable development. Delegations underlined the importance of further expanding financial inclusion across all segments of society, particularly women and youth.

72. Several delegations expressed concern about a decrease in ODA to least developed countries and called on donors to meet their commitments and to set a target to provide at least 0.2 per cent ODA/GNI to least developed countries. Countries also highlighted the potential of catalysing additional finance from other sources and through appropriately designed risk-sharing instruments. A few delegations emphasized the importance of adhering to the 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 the 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 WTO.

74. Several delegations urged international financial institutions to consider the impact of indebtedness and called for further action 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 had 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, least developed countries, landlocked developing countries and small island developing States, as well as middle-income countries and countries in conflict and post-conflict situations.

VII. Expert segment

Panel discussion: report of the Inter-Agency Task Force on Financing for Development for 2017

76. The panel discussion was chaired by the Vice-President of the Economic and Social Council, Marie Chatardova (Czechia). Opening remarks were delivered by the Director of the Financing for Development Office in the Department of Economic and Social Affairs of the Secretariat, Alexander Trepelkov (on behalf of the Under-Secretary-General for Economic and Social Affairs). The Chief of the Policy Analysis and Development Branch in the Financing for Development Office of the Department of Economic and Social Affairs, Shari Spiegel, moderated the discussion. The panellists were representatives of the five major institutional stakeholders of the financing for development follow-up process: the Deputy Director-General of WTO, Yonov Frederick Agah; the Director of the Strategy Policy and Review Department at IMF, Siddharth Tiwari; the Director of the Division on Globalization and Development Strategies for UNCTAD, Richard Kozul-Wright; the Director of Strategic Policy of the Bureau for Policy and Programme Support at UNDP, Pedro Conceição; and the Adviser on Financing for Development at the World Bank Group, David Kuijper.

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

78. Mr. Agah emphasized the importance of multilateralism in resisting protectionism, which would hurt the poor, and the role of policies in ensuring that the benefits of trade were shared widely and equitably. He underscored that strengthening rules-based multilateral trading systems would contribute to inclusive growth. Technological innovation and automation would be additional challenges, since they would have major impacts on businesses, employment and the future of trade. Those would have to be addressed by a cross-cutting policy mix.

79. Mr. Tiwari pointed out the need for efforts at all levels to implement the financing for development follow-up outcomes, especially sustainable infrastructure investments. Mr. Tiwari also referred to the ratio of tax revenues to GDP, which were below 15 per cent and were therefore inadequate for the provision of basic public services in many developing countries. Medium-term revenue strategies and stronger enforcement mechanisms could play critical roles in that regard.

80. Mr. Kozul-Wright stressed the need for a sustainable growth strategy to achieve the Sustainable Development Goals. Post-financial crisis growth had been too slow and was not inclusive. Investment had 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 needed to expand their fiscal spaces. In addition to strengthening domestic resource mobilization, tax avoidance and tax evasion would also need to be addressed, as well as a mechanism to work out debt.

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

82. Mr. Kuijper suggested that the biggest challenges remained in fragile States and in 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 that regard. Efforts to better leverage ODA, as well as increase its effectiveness, should be taken to address fundamental issues such as governance, regulatory environments and capacity-building. In addition, one of the best ways to achieve progress would be to ensure gender equality.

83. During the interactive discussion, speakers addressed a variety of issues for consideration by the Inter-Agency Task Force, including the role of illicit financial flows, the potential of tobacco taxation for domestic resource mobilization 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 the Economic and Social Council, Marie Chatardova, and moderated by the Policy Coordinator of the Financial Transparency Coalition, Pooja Rangaprasad. Presentations were made by the Mayor of Belize City, Darrell Bradley; the Commissioner General of the Liberia Revenue Authority, Elfrieda Stewart Tamba; the Director of Strategy, Partnerships and Development at the Agence Française de Développement, Philippe Orliange; and the Director of the Development Cooperation Directorate of the Organization for Economic Cooperation and Development (OECD), Jorge Moreira da Silva.

85. At the outset, Ms. Rangaprasad emphasized the critical role of domestic and international public resources and highlighted the importance of gender as a cross-cutting issue in that 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 mobilization and the achievement of the Sustainable Development Goals. He pointed out the insufficient central government transfers, which increased the pressure for revenue mobilization from taxes, fees and other sources at the 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 from 2006 to 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 the use and management of public resources, Liberia utilized several frameworks, tools and initiatives, such as the Tax Administration Diagnostic Assessment Tool (TADAT), Public Expenditure and Financial Accountability (PEFA) assessments and Tax Inspectors Without Borders.

88. Mr. Orliange highlighted the role development banks played in long-term financing for sustainable development. In that context, he outlined the work of the International Development Finance Club, which provided a collaborative platform through which members shared experiences and combined financial resources. Specific areas of focus were climate change, sustainable 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 least developed countries 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 Total Official Support for Sustainable Development. OECD was also conducting research on linkages, synergies and trade-offs among different financing sources and instruments to understand their impacts, inform policy choices and reinforce accountability.

90. During the discussion, participants called for the further promotion of domestic resource mobilization through the strengthening of 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 United Nations. Several participants agreed on the potential to support gender equality though tax reforms and gender-responsive budgeting. Participants urged countries to honour their ODA commitments and expressed their concern about the declining trend in ODA to least developed countries. 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 the Economic and Social Council, Nabeel Munir, and moderated by the Senior President of YES Institute, Preeti Sinha. Presentations were made by the Permanent Representative of Jamaica to the United Nations, Courtenay Rattray; the Managing Director and Head of Corporate Social Responsibility and Sustainable Finance, Americas, at BNP Paribas, Hervé Duteil; the Executive Managing Director of the Japan Innovation Network, Hiro Nishiguchi; the Chief of Competitive Intelligence at Banca de las Oportunidades, Colombia, Nidia Reyes; and the Lead Economist of the Development Research Group of the World Bank Group, Leora Klapper.

92. At the outset, Ms. Sinha drew attention to the potential of the 2030 Agenda for Sustainable Development 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 Sustainable Development Goals.

93. Mr. Rattray presented the work of the “Group of Friends of SDG Financing”, which aimed to identify ways to mobilize the trillions of dollars required for the implementation of the Sustainable Development Goals. The group targeted 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 were viable for investments. Though some progress had been made, fiduciary responsibilities were still preventing the consideration of environmental, social and governance criteria in many countries.

94. Mr. Duteil noted that BNP Paribas had set 13 quantified targets towards the achievement of the Sustainable Development Goals to be reached by 2018. He described how BNP Paribas would establish innovative tools for Sustainable Development Goal financing that addressed issues of critical importance to the private sector: yield, risks, liquidity and time horizon. He explained that impact investment would remain a niche and sustainability criteria would have to be included in products that met traditional investment standards.

95. Mr. Nishiguchi introduced the Sustainable Development Goal Holistic Innovation Platform (SHIP), promoting private sector innovation for the Sustainable Development Goals. The programme aimed to increase the pipeline of investable projects supporting Goal implementation and to accelerate progress in innovation. The programme provided support to an advanced innovation process by combining design thinking and lean start-up approaches during the critical incubation stage. As of the date of writing, the programme had supported the private sector in seven African countries with regard to Goals 3 and 7.

96. Ms. Reyes shared the experience of Colombia with regard to its national financial inclusion strategy, which focused on deepening financial inclusion in rural areas and promoting stronger use of financial services, the promotion of financing schemes for small and medium-sized enterprises 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 had a savings account, though a gap persisted 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 past years, though gaps still remained. Adequate policies and regulations and additional progress in consumer protection would be critical to the advancement of financial inclusion. Ms. Klapper also presented several country cases to illustrate the link between financial inclusion and the Sustainable Development Goals.

98. During the discussion, speakers supported the proposal to strengthen the quality of investments, including long-term investment, and emphasized 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 stressed the need to ensure that public-private partnerships served public interests and called for open and transparent discussions of guidelines at the United Nations. 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 the Economic and Social Council, Nabeel Munir, and moderated by the Director of the Strategy Policy and Review Department at IMF, Siddharth Tiwari. Presentations were made by the Ambassador of Grenada to the United States of America, Angus Friday; an

economist of the Federal Ministry of Finance of Germany, Camillo von Müller; the Executive Director of the secretariat of the Intergovernmental Group of Twenty-four on International Monetary Affairs and Development, Marilou Uy; and the Senior Officer on Finance for Development, Latindadd-Fundación Jubileo of Bolivia (Plurinational State of), Patricia Miranda.

100. At the outset, Mr. Tiwari shared that IMF was committed to improving the international financial architecture and the global financial safety net, with a strong, quota-based IMF at the centre. With regard to debt sustainability, IMF was close to the completion of its review of the debt sustainability framework, with a focus on prevention. There must be proper frameworks to encourage the early engagement of debt creditors towards efficient and timely restructuring.

101. Mr. Friday shared the experience of Grenada with regard to debt restructuring. He referred to the linkages between exposure to extreme events and higher levels of indebtedness, especially in small island developing States. Learning from the past, Grenada had implemented a home-grown programme focused on fiscal and structural adjustments; and introduced a "haircut" on principal and interest payments, as well as a hurricane clause, which ensured predetermined deferrals in case of a hurricane.

102. Mr. Müller presented relevant Group of 20 work on debt, undertaken under the German presidency of the Group of 20. 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, he felt that one should be aware that GDP-linked bonds could deliver very different results, depending on the design. For markets 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 the round table that the tightening of financial markets in systemically important economies and the volatility of exchange rates could disrupt investment and growth. Therefore, better macroeconomic coordination was needed, and IMF and the Group of 20 could play important roles. Furthermore, her organization, the Intergovernmental Group of Twenty-four on International Monetary Affairs and Development, called for comprehensive financial regulatory reforms.

104. Ms. Miranda highlighted the changing composition of debt, including the fact that there were more issuers of sovereign bonds in international markets and domestic debt was escalating. She made two recommendations. First, to address current external debt, the resolution of the General Assembly 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 showed debt service to fiscal revenue. The social impact of debt sustainability should also be assessed.

105. During the discussion, several participants warned of the risks of increasing debt burdens for the public sector through public-private partnerships. It was also stated that the promise to provide for the sound regulation of financial markets had not been delivered. In response, panellists explained that progress was being made and further action was pending the results of the evaluation conducted by the Financial Stability Board in that 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 the Economic and Social Council, 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 of the Enhanced Integrated Framework, Ratnakar Adhikari; a trade negotiator for the Directorate General for Trade of the European Commission, Mark Henderson; the Chair of the National Science Foundation of Sri Lanka, Sirimali Fernando; and the Head of Global Trade of BNY Mellon, Joon Kim.

107. Ms. Carpentier set the stage by highlighting the importance of action areas D and G of the Addis Ababa Action Agenda and suggested that, instead of focusing narrowly on trade rules, action should be taken to promote capacity-building for custom agencies, facilitate economic diversification, strengthen regional integration and support micro, small and medium-sized enterprises. She also pointed to 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 aimed at helping least developed countries harness the benefits of trade. The main challenges for least developed countries, especially those in the process of graduating, were the lack of adequate infrastructure, outdated technology, low productive capacities and insufficient trade financing. Mr. Adhikari argued that investments in the Aid for Trade initiative would have a high developmental impact. He also highlighted the importance of capacity-building, especially with regard to the oversight and implementation of national projects.

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

110. Ms. Fernando highlighted that the science, technology and innovation strategy of Sri Lanka 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 had been a shift towards experimental development and the commercialization of research. In addition, private investment in research and development had increased significantly. However, high migration rates of skilled workers and risk-averse financing mechanisms posed constraints to the implementation of the strategy.

111. Mr. Kim elaborated on the trends, opportunities and challenges in trade finance in past years, including changes to the regulatory landscape, the 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. During the discussion, speakers emphasized the importance of inclusive trade in relation to sustainable development. Some speakers pointed to the implications of trade deficits for developing countries, especially least developed countries that

were in the process of graduating. Others raised the importance of ensuring that micro, small and medium-sized enterprises were able to participate and benefit from global markets, since they were the biggest creators of employment. In the discussion on science, technology and innovation, speakers highlighted the vital role of human capacity-building. The need for financing mechanisms for the early stages of the innovation process and for small and medium-sized enterprises was underscored. Furthermore, one speaker pointed out the need for impact assessments of technology to ensure its contribution to sustainable development.

Expert discussion 1: promoting international cooperation to combat illicit financial flows in order to foster sustainable development

113. The expert discussion was chaired by the Vice-President of the Economic and Social Council, Cristián Barros Melet, and moderated by the Director of the New York Office of the United Nations Office on Drugs and Crime (UNODC), New York Office, Simone Monasebian. Presentations were made by the Executive Director of International Operations for the Internal Revenue Service's Criminal Investigations in the United States, Eric C. Hylton; the Deputy Director of the Ministry of Foreign Affairs of Nigeria, S. O. Olaniyan; the Director of the Macroeconomic Policy Division of the Economic Commission for Africa (ECA), Adam Elhiraika; and the Chief Executive of the Tax Justice Network, Alex Cobham.

114. Ms. Monasebian stressed the need to better use existing normative frameworks and conventions, including the United Nations Convention against Corruption, to deal with illicit financial flows and stolen asset recovery. UNODC was advancing the discussion by developing the methodology on monitoring illicit financial flows in the context of the Sustainable Development Goal indicator framework.

115. Mr. Hylton highlighted that the United States 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 illicit financial flows were the result of immoral practices and impunity. Criminal activities, commercial tax evasion and corruption were the three major reasons for those flows. Reversing that trend could generate desperately needed domestic revenues to implement the 2030 Agenda for Sustainable Development. Nigeria had introduced measures to reduce corruption and curb illicit financial flows, 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 Illicit Financial Flows from Africa had found that Africa lost $80 billion each year owing 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 illicit financial flows. Capacity-building was particularly critical for African governments, including in the area of tackling challenges related to trade misinvoicing and mispricing.

118. Mr. Cobham expressed the view that the central driver of illicit financial flows 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 estimates of illicit financial flows, including in Sustainable Development Goal 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 illicit financial flows.

119. During the discussion, speakers emphasized that the recently adopted resolution of the General Assembly, resolution 71/213, on the promotion of international cooperation to combat illicit financial flows in order to foster sustainable development, was an important first step in initiating intergovernmental discussions on illicit financial flows at the United Nations. Some speakers called for the establishment of an intergovernmental body to deal with illicit financial flows. Participants also highlighted the need for a better understanding of the compositions of such flows. Speakers also stressed the need to step up capacity-building efforts through greater cooperation among enforcing agencies.

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

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

121. Mr. Martínez-Solimán underscored that supporting countries in special situations was at the core of the work of UNDP and the United Nations Development Group. 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. Mr. Lavemaau highlighted the considerable structural constraints faced by small island developing States. 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. In addition, the donor community should deliver on ODA commitments and ensure greater access to concessional finance for small island developing States.

123. Mr. Dorji stressed that Bhutan faced particular challenges as both a least developed country and a landlocked developing country, including low productivity, reliance on a few commodities and youth unemployment. Bhutan had placed a 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, duty-free and quota-free trade and increasing Aid for Trade.

124. Ms. da Silva Izata noted the important role of international public finance in complementing national efforts to mobilize domestic resources. The Global Environment Facility, the Transitional Funding Mechanism and the Technology Bank for the Least Developed Countries should be supported to ensure that developing countries had access to capacity-building initiatives. Angola was

implementing a 10-step road map for a smooth transition from least developed country to middle-income country to ensure that economic vulnerabilities were addressed.

125. Mr. Calvo Calvo raised concern that discussions on middle-income countries and the graduation process did not capture the diversity and differences of middle-income countries. He recommended that a United Nations system-wide strategy on such countries be developed to support them in the implementation of the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development. The strategy would take into account vulnerabilities, economic performance and levels of achievement of internationally agreed goals.

126. During the discussion, speakers noted the importance of broadening the tax base in landlocked developing countries. Issues related to creating an enabling environment for private sector growth, capacity-building for bankable projects and public policy design were also addressed. The speakers emphasized the need for a multidimensional measurement of poverty that went beyond per capita income, the importance of climate finance and the importance of meaningful market access and capacity-building in trade.

Stakeholder dialogue

127. The stakeholder dialogue was chaired by the President of the Economic and Social Council and moderated by the Director of the Financing for Development Office in the Department of Economic and Social Affairs, Alexander Trepelkov. Presentations were made by the Managing Director of the Society for International Development, Stefano Prato; the Programme Director of Equidad de Género, Emilia Reyes; the Vice-President of Corporate Sustainability at 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 financing for development follow-up process and introduced the stakeholder workstreams by the Financing for Development Office, 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. The concept was inspired by the concerns of civil society regarding the overreliance on the private sector in the implementation of the public development agenda. The workstream focused on areas where the private sector was asked to support the provision of public goods beyond the traditional form of public-private partnerships. In addition to a concept paper on public-private interfaces, next steps would include a workshop and survey. The group would report on progress at the meeting of the forum on financing development follow-up in 2018.

130. Ms. Reyes emphasized the need to address gender in a cross-cutting way. Her intervention focused on structural transformations that arose through the pursuit of gender equality. She noted that long-term structural issues should be addressed and proposed that the Inter-Agency Task Force’s next report include a comprehensive mapping of policy interventions on ways to mainstream women’s rights within the financing for development follow-up agenda.

131. Ms. Chan, an active participant in the workstream on Sustainable Development Goal investing, highlighted ways that innovative financing structures could enable the achievement of sustainable objectives. She noted that, in order to meet the financing needs of the Sustainable Development Goals, 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 up front in structuring deals.

132. Mr. Ndipo, a participant in the workstream on strengthening municipal finance in least developed countries, in collaboration with the United Nations Capital Development Fund, called for local governments to be included as partners in developing urban and regional strategies for infrastructure investment. There was a need for financial 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 in order to plan in the long term. Development finance institutions and multilateral development banks should have a role to play in supporting access to credit, including adaptation and mitigation funds.

134. During the interactive dialogue, speakers encouraged further discussion on ways local authorities could address inequalities through risk mitigation and blended finance. Participants called for a dedicated session on financing gender equality during the 2018 forum and stronger reference to youth issues. Prudence in the use of public-private partnerships and blended finance mechanisms was also called for.

Outcomes of the forums mandated by the Addis Ababa Action Agenda and updates on key voluntary initiatives launched at the third International Conference on Financing for Development

135. The dialogue was chaired by the President of the Economic and Social Council and moderated by the Director of the Financing for Development Office in the Department of Economic and Social Affairs, Alexander Trepelkov. Presentations were made by the Manager of the Office of Strategic Planning and Development Effectiveness at the Inter-American Development Bank, Luis Miguel Castilla; the Acting Representative of the European Investment Bank, Carlota Cenalmor; the President of the Economic and Social Council; and the Chief of the Policy Analysis Branch of the Division for Sustainable Development of the Department of Economic and Social Affairs, Shantanu Mukherjee.

136. Mr. Castilla highlighted the following lessons from the Global Infrastructure Forum held in 2017: (a) the gap between projects and investors must be bridged through good project preparation; (b) adaptability was an increasingly important aspect of a successful infrastructure project; (c) long-term engagement by governments was essential; (d) least developed countries faced the greatest challenge, but also presented the best opportunities; and (e) diversity could lead to better policy outcomes.

137. Ms. Cenalmor underscored the steps taken since the Global Infrastructure Forum of 2016, including the substantial increase in the number of joint initiatives, participation by national development banks and the recognition of the important role of the private sector. The next meeting of the Forum would be hosted by the Asian Development Bank in Bali, Indonesia, in October 2018.

138. The President of the Economic and Social Council outlined four recommendations from the Development Cooperation Forum held in 2016: (a) development cooperation should continue supporting the poorest and most vulnerable; (b) the Forum should advance learning on ways to strengthen incentives for the private sector to rethink its approach to sustainable value creation; (c) the

potential of South-South cooperation should be fully tapped; and (d) multilayered monitoring and review for effective development cooperation should be improved.

139. Mr. Mukherjee provided an overview of the second annual forum on science, technology and innovation, noting the following key takeaways: (a) given the cross-cutting nature of science, technology and innovation with regard to all the Sustainable Development Goals, the forum could be a good place to discuss the pursuit of an integrated agenda; (b) multi-stakeholder approaches were essential to using science, technology and innovation to achieve the Goals; (c) the forum should play a convening role to harness dynamism across different forums; and (d) advances in science, technology and innovation should be bolstered to enhance access and ensure that rapid developments did not build further divides.

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

VIII. Closing of the forum on financing for development follow-up

141. The forum adopted its procedural report (E/FFDF/2017/3), 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 the Economic and Social Council 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 Ababa Action Agenda and the rich discussions in the expert segment.