

2016 Inaugural Inter-agency Task Force (IATF) Report on Financing for Development Annotated outline

The Addis Ababa Action Agenda (AAAA) provides a comprehensive and integrated framework for financing sustainable development, while also supporting implementation of the SDGs. The Addis Ababa Action Agenda encouraged the Secretary-General to convene this inter-agency task force to (i) review progress in implementing the FfD outcomes and the means of implementation (Moi) of the Sustainable Development Goals (SDGs), and (ii) advise the intergovernmental follow-up process on implementation gaps and make recommendations for corrective action, while taking into consideration the national and regional dimensions.

Monitoring progress in implementation of this broad agreement will be challenging. The IATF will present a data-driven analytical report on Addis commitments and other action items, structured around the 7 chapters of the Agenda. It will build on the indicators for the Moi targets of the SDGs, which are contained in the Addis Agenda, but will have to go further to (i) cover additional commitments and action items in the Addis Agenda and made in conjunction with the Addis Conference, and (ii) assess progress in implementing commitments and action items related to policy processes, which may not be easily captured in quantitative indicators.

As a full review of progress in early 2016 would be premature, the inaugural 2016 IATF Report will be an abbreviated version. It will present options for the monitoring framework for the follow-up and review of the FfD outcomes. It will present the agreements in the Addis Agenda, including key principles and action items in each of its chapters as well as crosscutting actions. To avoid adding to the reporting burden of countries, it will identify existing data on these commitments and action items, including those indicators measuring progress on the SDG Moi targets, and key data and information gaps and options to close them. It will also discuss options for monitoring and follow-up in areas where data is lacking.

This analysis will serve to inform intergovernmental discussions on monitoring, follow-up and review of implementation of the Addis Agenda and the 2030 Agenda at the 2016 inaugural FfD Forum in April and the 2016 HLPF in July.

The outline presented in the following pages sets out action items and commitments made in Addis by action area (with the paragraph numbers listed in parentheses.) A separate chapter of the report on crosscutting issues will include commitments and action items from the introductory chapter of the Addis Agenda, including policy actions on those items from across the Agenda. For the sake of clarity, these issues are currently also included in the chapter outlines (as highlighted text). In the final report, however, repetitions can be deleted or paired back. Finally, the report will follow-up on commitments and action items addressed in the concluding chapter of the Addis Agenda, focusing on data and monitoring issues.

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Introductory Chapter – Monitoring the Addis Agenda

The introductory chapter will present the key elements of the Addis Agenda’s financing framework as well as its relation to the 2030 Agenda. It will lay out, in a schematic way, how the policies and actions in the seven action areas of the Addis Agenda map to the SDGs. The chapter will then present key characteristics of a suitable monitoring framework, drawing on lessons learned from monitoring the Monterrey Consensus, the Doha Declaration, the MDGs and MDG 8 on the global partnership in particular. These characteristics will guide more detailed analysis, assessments of available indicators and data gaps, and options for monitoring each of the action areas and crosscutting commitments and action items in the subsequent chapters of the report.

- 1. The evolving global situation**
- 2. From Monterrey to Addis Ababa and the means of implementation for the SDGs: Monitoring Financing for Development outcomes**
- 3. Task Force assistance to the Financing for Development Follow-up**

Crosscutting issues

The Addis Agenda identifies a range of crosscutting areas that seek to harness the considerable synergies in the SDG framework. They include social protection, hunger and malnutrition, infrastructure, inclusive and sustainable industrialization, full and productive employment, protecting ecosystems, peaceful and inclusive societies, gender equality, and the global partnership. These crosscutting areas are introduced in the framework chapter of the Addis Agenda, and in many cases complemented by additional policy actions and commitments across its different chapters.

To follow-up on these commitments and action items in a comprehensive manner that will highlight the complementarity of these actions, the IATF report will contain a chapter on these crosscutting issues. There will be some areas of overlap between these issues and the chapters in Part 2, which are noted. The goal is to rationalize and minimize these in the final report. The Addis Agenda also serves as a guide for further actions by Governments, international organizations, the business sector, civil society and philanthropists. In addition to the agreements reached in the outcome document, there are more than 65 initiatives launched and concrete announcements made at the Conference. Follow-up to the initiatives will be included in an annex.

- 1. Introduction**
- 2. Delivering social protection and essential social services**
- 3. Ending hunger and malnutrition**
- 4. Closing the infrastructure gap**
 - 4.1. Bridge the global infrastructure gap, including the \$1-1.5 trl gap in developing countries**
 - 4.2. As a key pillar to meet the sustainable development goals, establish a global infrastructure forum, led by the multilateral development banks, aiming to:**
 - 4.3. Domestic actions and international cooperation for infrastructure financing**
 - 4.4. Development banks and infrastructure financing**
 - 4.5. Private investment in infrastructure**
 - 4.6 Public and private blended finance for infrastructure financing**
- 5. Promoting inclusive and sustainable industrialization**
- 6. Generating full and productive employment for all**
- 7. Protecting ecosystems**
- 8. Promoting peaceful and inclusive societies**
 - 8.1. Peaceful and inclusive societies**
 - 8.2. Effective, accountable, transparent and inclusive institutions**
 - 8.3. Good governance**
 - 8.4. Combatting corruption**
- 9. Gender equality**
- 10. Investing in children and youth**
- 11. Addressing the diverse needs and challenges faced by countries in special situations**
- 12. Global partnership**

Action Area II.A. – Domestic public resources

Section II.A of the Addis Agenda includes principles, policies and commitments for both domestic resource mobilization and expenditure. This chapter of the report focuses not only on raising resources but also on their quality and alignment with sustainable development. Many commitments and action items are national in nature, but implementation needs to be supported by international actions in a number of areas. The chapter will assess key trends and follow up on commitments and action items, including: domestic resources and taxation, illicit flows and return of stolen assets and international tax cooperation on the resource mobilization side, and the social compact, subsidies, transparency and governance on the expenditure side. Extractive industries, development banks and subnational finance conclude the chapter, while gender and other inequality issues are addressed throughout.

- 1. Introduction**
- 2. Domestic resource mobilization and taxation**
 - 2.1. Resource mobilization and domestic targets**
 - 2.2. Tax policy effectiveness, transparency and administration**
- 3. Illicit financial flows**
- 4. Return of stolen assets**
- 5. International Tax Cooperation**
 - 5.1. Combatting money laundering/terrorist financing**
 - 5.2. International efforts to combat tax avoidance and evasion**
 - 5.3. Tax treaties and voluntary agreements**
 - 5.4. Capacity Building**
- 6. Expenditure**
 - 6.1. Fossil fuel subsidies**
 - 6.2. National control mechanisms, transparency, non-discrimination and procurement**
- 7. Additional topics**
 - 7.1. Extractives and resources sector**
 - 7.2. National development banks**
 - 7.3. Subnational urban development/planning, subnational financing**

Action Area II.B. – Domestic and international private business and finance

Private business and finance drive economic growth and the jobs essential for ending poverty. However, Section II.B. of the Addis Agenda points out that more must be done to ensure sufficient and quality finance and contains policy commitments and action items to this effect, including aligning business activities with sustainable development, offering financial services for all within a regulatory system that ensures financial stability, and incentivizing investment in under-financed countries and sectors and with a longer-term investment horizon. This chapter will assess main trends in private business and finance and then follow up on efforts to align business activities with sustainable development, policy and regulatory frameworks to align public policy with global goals, access to finance and financial inclusion, development of domestic markets, remittances, foreign direct and other investments in underfunded areas, philanthropy, infrastructure and gender.

- 1. Introduction**
- 2. The investment climate**
- 3. Private sector efforts and initiatives**
- 4. Policies and regulatory frameworks to better align business and finance with global goals**
- 5. Achieving financial inclusion**
 - 5.1 Financial services for all**
 - 5.2 Promoting lending to micro, small and medium-sized enterprises**
 - 5.3 Increasing and diversifying lending and financial tools for increased access**
 - 5.4 Capacity building on financial literacy and inclusion**
- 6. Developing domestic capital markets**
- 7. Facilitating the flow of remittances**
- 8. Encouraging quality direct investment/foreign direct investment, particularly in underfunded sectors and countries**
- 9. Incentivizing investment in underfunded areas, including clean and affordable energy**
- 10. Encouraging philanthropic engagement that is transparent and accountable**

Action Area II.C. – International development cooperation

Section II.C. of the Addis Agenda sets out principles and commitments to policy actions on mobilizing international public financing and using it effectively for sustainable development. This chapter of the IATF report will assess the state of global commitments on ODA and climate finance, resource mobilization from different sources of international public finance, and the allocation and effectiveness of resources in an integrated manner, from both recipient and donor perspectives. The chapter will also assess the catalytic role of international public finance, including through partnerships and capacity building.

- 1. Introduction**
- 2. Official development assistance**
- 3. South-South and triangular cooperation**
- 4. Multilateral development banks**
- 5. Other official flows and catalysing additional resources**
 - **Total Official Support for Sustainable Development**
- 6. Country Allocation, levels of concessionality and graduation issues**
- 7. Development effectiveness**
- 8. Climate finance, disaster risk and environmental resilience**
 - 8.1. Climate finance**
 - 8.2. Disaster risk and environmental resilience**
- 9. Humanitarian finance and peacebuilding**
- 10. Innovative development finance**
- 11. Additional Partnerships**
 - 11.1. Health**
 - 11.2. Education**
- 12. International cooperation and capacity building**

Action Area II.D. – International trade as an engine for development

The principles, policies and commitments in Section II.D of the Addis Agenda can be clustered broadly in three categories: the multilateral trade system, trade facilitation and policy coherence. Within these three clusters, measures can be broken down by international, regional and national levels, as well as those under or outside the WTO regime. Additional topics covered are subsidies, access to affordable medicines, gender and illegal trade.

1. Introduction

2. Strengthening the multilateral trading system

2.1 Special and differential treatment/least developed countries

2.2 Agriculture and fisheries

2.3 Access to affordable medicines

2.4 Progress on implementation of the Bali and Nairobi outcomes

2.5 Trade negotiations, WTO accessions, trade policy reviews and trade monitoring reports

3. Facilitating international trade

3.1 Promoting world trade growth that is consistent with the SDGs

3.2 Trade Finance

3.3 Aid for trade

3.4 Trade facilitation

4. Promoting policy coherence in trade

4.1 Development at the local level: the domestic enabling environment for trade

4.2 Coherence among bilateral and regional trade and investment agreements

4.3 Trade and investment agreements

4.4 Gender/Women as producers and traders

4.5 Strengthen the important role of the United Nations Conference on Trade and Development

4.6 United Nations Commission on International Trade Law

4.7 Illegal wildlife trade/fishing/logging/mining

Action Area II.E. – Debt and debt sustainability

Section II.E of the Addis Agenda re-emphasizes the agreements reached in Monterrey for debt management and prevention, including ensuring prudent borrowing and lending, addressing debt overhangs, and ensuring that the architecture and policies for debt crisis prevention and resolution are in place to ensure debt sustainability. This chapter will map the debt situation in countries, including emerging risks and vulnerabilities that threaten debt sustainability, and report on the progress on the commitments and action items on debt crisis prevention and debt crisis resolution.

- 1. Introduction: Role of debt and importance of ensuring debt sustainability**
- 2. Debt crisis prevention**
 - 2.1. Maintaining debt sustainability and improving debt sustainability assessments**
 - 2.2. Improving public debt management**
 - 2.3. Towards responsible sovereign borrowing and lending**
 - 2.4. Innovative instruments for managing debt burdens**
 - 2.5. Improving debt data and reporting**
- 3. Debt crisis resolution**
 - 3.1. Actions by official creditors**
 - 3.2. Additional mechanisms, including involving private creditors**
 - 3.3. Legislative efforts to address non-cooperative minority creditors**
 - 3.4. Strengthening national legislation to address domestic sovereign debt**

Action Area II.F – Addressing systemic issues

Section II.F of the Addis Agenda reiterates Monterrey’s emphasis on global economic governance and the importance of coherence and consistency of the international financial, monetary and trading systems in support of development, but also brings environmental and social issues into the coherence agenda. The IATF chapter follows up on commitments and action items in these areas, in particular on increasing multilateral policy coherence and promoting global economic governance, improving global stability without compromising broader efforts towards sustainable development, financial crisis prevention, addressing regulatory gaps and misaligned incentives in the international financial system, migration and transnational crime.

- 1. Introduction**
- 2. Strengthening global governance**
- 3. Improving cooperation, coordination and policy coherence**
- 4. Enhancing global macroeconomic stability with sustainable development**
- 5. Shaping financial market regulation for sustainable development**
- 6. Promoting safe migration**
- 7. Combating transnational crime**

Action Area II.G - Science, technology, innovation and capacity-building

Section II.G of the Addis Agenda covers two broad topics: capacity building in all sectors and science, technology and innovation. Following the action items commitments contained in the section, this chapter will report on progress in science, technology, and innovation (STI) in specific groups of countries and for specific SDGs, will address national policies and strategies for STI, the domestic and international enabling environments for STI, the role of financing and partnerships, technology transfer, and efforts by the UN system to promote STI for sustainable development. The chapter will conclude with a section on capacity building.

- 1. Introduction**
- 2. Promoting information and communication technology, access to technology for all and social innovation**
- 3. Developing national policy frameworks for science, technology and innovation**
- 4. Creating a more enabling environment for science, technology and innovation**
- 5. Institutions and mechanisms to strengthen science, technology and innovation**
 - 5.1. National level**
 - 5.2. International level**
- 6. Technology transfer**
- 7. Actions within the United Nations or by the United Nations system Enhanced coherence of STI support measures in the UN system**
 - 7.1. Implementation of the Technology Facilitation Mechanism**
 - 7.2. Enhanced coherence of science, technology and innovation support measures in the United Nations system**
 - 7.3. Establishment of the Technology Bank**
- 8. Capacity building**

III. Data, monitoring and follow-up

The final section III of the Addis Agenda considers how the international community should monitor implementation of the agreed actions. It emphasizes the importance of high quality disaggregated data for policy making and monitoring progress of implementation of the Addis Agenda and the 2030 Agenda and prioritizes capacity building in this area. This chapter will follow up on commitments and action items on data quality, disaggregation and availability, and on capacity building efforts in this context.

- 1. Introduction**
- 2. Data availability, adequacy and standardisation**
 - 2.1 Availability (including disaggregation) and adequacy**
 - 2.2 Standardization of data**
 - 2.3 Data on specific issues, in particular resource mobilization**
- 3. Development of specific measures and tools**
- 4. Transparency and needs assessment**
- 5. Efforts to strengthen statistical capacities**