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Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development
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Item 5 of the provisional agenda

Implementation mechanisms of the Addis Ababa Action Agenda Global commitments versus Arab priorities in the field of financing for development

Summary

The present report reviews progress made in implementing the outcomes of the Third United Nations International Conference on Financing for Development, namely the Addis Ababa Action Agenda and related processes that serve to advance the implementation of the 2030 Agenda for Sustainable Development. It also highlights the global commitments versus Arab priorities in the area of financing for development, the contributions and positions of civil society, and the key messages emanating from the Inter-Agency Task Force on Financing for Development, covering the period since the ninth session of the Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development, which was held in Amman in April 2015.

Representatives of member States are invited to take note of these developments and provide guidance for further work by the secretariat of the Economic and Social Commission for Western Asia (ESCWA) in that regard.

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Introduction

1. The Addis Ababa Action Agenda (hereafter the Action Agenda), adopted at the Third United Nations International Conference on Financing for Development in July 2015, laid down a new global framework to finance sustainable development. It realigned all sources of financing and their delivery channels with global economic, social and environmental priorities, thereby serving as normative means of implementation (MoI) to realize the 2030 Agenda for Sustainable Development (hereafter the 2030 Agenda).

2. The Action Agenda stressed the need for dedicated follow-up, monitoring and review mechanisms at the global and regional levels. An annual follow-up forum was thus established by the United Nations Economic and Social Council to assess progress and identify obstacles to the implementation of financing for development (FfD) outcomes. These processes all feed into the High-Level Political Forum on Sustainable Development (HLPF), in the context of the broader follow-up and review of the implementation of the 2030 Agenda.

I. THE ECONOMIC AND SOCIAL COUNCIL FORUM ON FINANCING FOR DEVELOPMENT FOLLOW-UP

3. The establishment of the Economic and Social Council Forum on Financing for Development Follow-up represents a major milestone in strengthening the mandate of the United Nations on FfD. The Forum provides an annual venue for policy dialogue on FfD among governments, civil society organizations (CSOs), the private sector, national parliaments, academics, United Nations agencies and programmes, and other international institutions such as the International Monetary Fund, the World Bank and the World Trade Organization (WTO). It promotes the sharing of lessons learned and enables the provision of actionable recommendations that guide the implementation of the Action Agenda. The Forum adopts an evidence-based approach, with the report of the Inter-Agency Task Force on Financing for Development (IATF) serving as its major analytical input.

4. The Forum has held two sessions to date. At the inaugural session in May 2016, focus was placed on consolidating the organizational set-up and launching the processes mandated by the Action Agenda to monitor and assess the implementation of its 7 chapters and several hundred FfD outcomes, and follow up on the MoI of the 2030 Agenda. However, there was no consensus on upholding official financial commitments; reporting channels and mechanisms of the Global Infrastructure Facility; the policy space required to implement FfD outcomes; the need to combat illicit financial flows; nor on the need to conclude the WTO Doha Development Round. Participants agreed on a mere 4-paragraph outcome document that reaffirmed commitment towards the Action Agenda and the Sustainable Development Goals (SDGs), welcomed the first IATF report and wished for better structured dialogue in future sessions.

5. The second Forum session was held in New York in May 2017 and was more successful than the first. Emphasis was placed on fostering policy coherence in financing sustainable development and promoting long-term investments to reduce inequality, including gender gaps. Discussions underlined that many developing countries had inadequate fiscal space to tackle sustainable development challenges under the prevalent global conditions; yet participants stressed the need to avoid backtracking on commitments and reverting to protectionism. They also reviewed the 2017 IATF report.

6. Two issues of importance to the Arab region were highlighted during the session: the promotion of international cooperation in combatting illicit financial flows (IFFs) and the financing challenges faced by countries in special situations. Improving national tax frameworks to increase tax revenues and enhance information sharing on IFFs was deemed of utmost importance. Ensuring that international trade channels remained open and productive was also deemed vital to spur growth. Several measures were proposed to mobilize private financing for sustainable development, including catalyzing business activity in priority areas and promoting inclusive finance. It was finally highlighted that current debt levels posed considerable risks for sustainable development.

II. FINANCING FOR DEVELOPMENT: GLOBAL COMMITMENTS VERSUS ARAB PRIORITIES

7. The 2017 session of the Economic and Social Council Forum on Financing for Development Follow-up adopted a set of conclusions and recommendations[1] that fed into the overall follow-up and review of the implementation of the 2030 Agenda at the HLPF held in July 2017. In several instances, these conclusions supplemented the Action Agenda, for example in the call to analyse the trade financing gap and consider the role of State-contingent debt financing. In others, they fell short of existing commitments such as the elimination of safe havens that create incentives for the transfer of stolen assets abroad, as exposed by the Panama Papers.

8. Annex table A1 compares the commitments arising from the Action Agenda and the Economic and Social Council Forum with key Arab FfD positions adopted in May 2015 at the ninth session of the Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development. While attempts have been made in global processes to recognize the specific challenges of the Arab region, be they arising from conflict or associated with particular sustainable development imperatives, these processes seem mainly geared towards the needs of least developed countries, small islands developing States and landlocked countries in the African continent.

9. The position of Arab countries on domestic resource mobilization favours broadening the tax base while reducing the fiscal burden, whereas the Action Agenda and the Forum conclusions underline that these actions should be pursued distinctly. Another difference lies in the fact that, in the Arab FfD position, domestic and international investments are not of equal importance, whereas global processes perceive them as "vital complements". Arab FfD priorities seem to have toned down the importance of indirect foreign investment due to the inability of managing associated volatilities. The same type of divergence can be found in the positions on remittances. Arab FfD priorities tend to favour the development of financial products tailored to the needs of migrants, while the Action Agenda and the Forum conclusions focus on reducing the average transaction cost of migrant remittances by 2030 to less than 3 per cent of the amounts transferred, which in effect could generate substantial resources to serve and finance sustainable development.

10. Other examples of the asymmetries between global FfD commitments and conclusions and Arab priorities can be found in the area of international development cooperation. Attempts to commit all developed countries to increase the amounts of official development assistance to 1 per cent of their gross national income by 2020 did not materialize neither in the Action Agenda nor in the Forum conclusions. Both processes recognize that borrowing is an important tool to finance investment and called upon developing countries to work on achieving long-term debt sustainability. In contrast, Arab FfD priorities assign higher importance to debt relief and the allocation by the international community of additional resources for that purpose, rather than relying on debt administration or reviewing debtor practices and assessments of credit-rating agencies.

11. Finally, it is interesting to note that global FfD commitments in the field of international trade as an engine for growth are in accordance, to a large extent, with Arab FfD priorities, especially regarding the need to conclude the Doha Development Round, operationalize special and differential treatment, reduce trade barriers and provide meaningful market access opportunities to developing countries.

III. CIVIL SOCIETY POSITIONS ON FFD

12. The outcome document of the 2017 Economic and Social Council Forum on Financing for Development Follow-up was assessed by the Civil Society Organizations (CSO) Financing for Development Group,[2] a global

[1] E/FFDF/2017/3.

[2] See https://www.globalpolicywatch.org/wp-content/uploads/2017/05/Detailed-Civil-Society-Comments-on-FfD-Forum-Outcome-May-11-1.pdf.

platform of CSOs that participated in the global FfD processes. Annex table A2 summarizes the results of this assessment.

IV. THE INTER-AGENCY TASK FORCE ON FFD

13. The IATF on Financing for Development, which comprises 50 United Nations agencies, programmes and offices and other institutional stakeholders was established to monitor the progress made in implementing FfD outcomes and the MoI of the 2030 Agenda, advise on implementation gaps and provide recommendations for corrective action.

14. During 2016 and 2017, the IATF held several meetings on thematic priorities arising from the Action Agenda. The Economic and Social Commission for Western Asia (ESCWA) is part of the IATF, in which it relays the concerns of the Arab region as mandated by member States. It submitted an issue brief as a contribution to the work undertaken by the IATF under the first priority area of the Action Agenda, i.e. domestic resource mobilization,[3] which addressed trends in domestic public resources in the Arab countries. ESCWA also contributed to the 2017 IATF report[4] on regional integration as an engine for growth, based on its own report entitled “Arab Development Outlook: Vision 2030”, in which an Arab citizens common economic security space (ACCESS) is proposed as a new integration framework for the Arab region. Annex table A3 highlights the main findings of the 2017 IATF report, which constitutes the first formal assessment of progress made in implementing FfD outcomes at the global level. Finally, ESCWA participated in several expert group meetings organized by the Department of Economic and Social Affairs, which tackled topics including illicit financial flows and the adoption of the total official support for sustainable development measure proposed in the Action Agenda.

[3] Economic and Social Commission for Western Asia (ESCWA), “Domestic public resources in the Arab region”, Issue Brief Series (July 2016). Available from www.un.org/esa/ffd/wp-content/uploads/2016/01/Domestic-Public-Resources-in-the-Arab-Region_ESCWA_IATF-Issue-Brief.pdf.

[4] An advance unedited draft is available from www.un.org/esa/ffd/publications/advance-unedited-draft-of-2017-iatf-report.html.

Annex

TABLE A1. MAPPING GLOBAL COMMITMENTS AGAINST KEY ARAB FFD PRIORITIES

Addis Ababa Action Agenda (July 2015)	Conclusions and recommendations of the ECOSOC Forum (May 2017)	Key elements of the Arab Position on FfD (April 2015)
Cross-cutting issues Promote peaceful and inclusive societies and advance fully towards an equitable global economic system in which *no country or person is left behind*. Countries in conflict and post-conflict situations need special attention. Strengthen efforts to address financing gaps and low levels of direct investment faced by …countries in conflict and post-conflict situations. Development finance can ... enable countries to prevent or combat situations of chronic crisis related to conflicts or natural disasters. Recognize the major challenge to achieve durable peace and sustainable development in conflict and post-conflict situations, and recognize the peacebuilding financing gap … step up our efforts to assist countries in accessing financing for peacebuilding and development in the post-conflict context.	**Cross-cutting issues** Recommit to ensuring that no country or person is left behind and to focusing our efforts where the challenges are greatest, including by ensuring the ***inclusion and participation of those who are furthest behind***. Reaffirm the importance of addressing the diverse needs and challenges faced by countries in special situations, in particular African countries, least developed countries, landlocked developing countries and small-island developing States, ***countries in conflict and post-conflict situations, as well as the specific challenges faced by middle-income countries*** (para. 3)	**Cross-cutting issues** Although the Arab region shares the concerns of other developing regions on financing for development issues, it has ***its own additional challenges and priorities*** (para. 2). The increasing numbers of conflicts in the region are negatively affecting the ability of some Arab States to achieve the Millennium Development Goals, and huge financial requirements, estimated at 650 billion United States dollars, ***are needed to reconstruct conflict-affected*** countries (para. 4).
The need to … combat poverty in all its forms… end poverty in all its forms everywhere. Recognize the importance of delivering quality education. *Consider setting nationally appropriate spending targets for quality investments in essential public services for all, including health, education, energy, water and sanitation.* Enhance international coordination and enabling environments at all levels to strengthen national health systems and achieve universal health coverage. Provide fiscally sustainable and nationally appropriate social protection systems and measures for all.	***Eradicate poverty in all its forms and dimensions.*** Recognize that effective ***health, education, energy, water and sanitation systems*** can contribute directly to poverty eradication, sustained and inclusive economic growth and stability and that efficient and effective investment is needed in these areas, consistent with national sustainable development strategies, including to improve the quality of and access to education and thereby enable millions of people to acquire skills for decent work (para. 7).	The Arab region also faces many socioeconomic challenges, notably persisting poverty, high unemployment, particularly among women and young people, ***limited social protection coverage***, ***rising inequalities and increasing indebtedness***; as well as complex environmental challenges, such as water scarcity, air and water pollution, climate change, biodiversity erosion, aridity, land degradation, desertification and natural disasters, which impact development and threaten ***water, energy and food security*** (para. 3).

Addis Ababa Action Agenda (July 2015)	Conclusions and recommendations of the ECOSOC Forum (May 2017)	Key elements of the Arab Position on FfD (April 2015)
Domestic public resources Commit to enhancing revenue administration through modernized, progressive tax systems, improved tax policy and more efficient tax collection. Support Strengthening of regional networks of tax administrators. Improve the fairness, transparency, efficiency and effectiveness of our tax systems, including by *broadening the tax base and continuing efforts to integrate the informal sector into the formal economy*. Reduce opportunities for tax avoidance, and consider inserting anti-abuse clauses in all tax treaties. Address excessive tax incentives related to foreign direct investments. Recognize the need for technical assistance through multilateral, regional, bilateral and South-South cooperation, based on different needs of countries.	**Domestic public resources** Recognize the challenges associated with a narrow tax base and low tax-to-GDP ratio experienced by some developing countries due to a small and ***underdeveloped private sector***. We note that ***tax administration and public financial management*** capacities have improved in many countries, and note that there is ***strengthened awareness of the link between taxation, expenditure, public resource management, accountability, and anti-corruption efforts***. We will also make greater use of tools to assess tax policy and ***administration capacity*** in our efforts to develop appropriate strategies to strengthen our tax systems (para. 9).	**Domestic public finance** Tax ***administration requires*** continuous reforms to enhance fairness and effectiveness; ***widening the tax base must be accompanied by pro-poor tax policies and measures to reduce the fiscal burden on the poor***; supporting institutional capacities and national judicial systems and strengthening law enforcement are required to effectively deal with ***tax evasion and tax avoidance; a transparent and effective communication system*** is needed to enhance trust and, subsequently, ensure compliance with procedures; and double taxation agreements should be reviewed (para. Ic).
Redouble efforts to substantially reduce illicit financial flows by 2030, with a view to eventually eliminating them, including by combating tax evasion and corruption. Invite appropriate international institutions and regional organizations to publish estimates of the volume and composition of illicit financial flows. Eliminate safe havens that create incentives for transfer abroad of stolen assets and illicit financial flows.	Greater international cooperation to ***combat illicit financial flows*** and pledge to deter, detect, prevent and counter corruption, and increase transparency and promote good governance for our citizens, which contribute to fostering sustainable development (para. 10).	There is a need to enhance the exchange of information between different government entities, both at the national and international levels, to ***fight tax evasion and illicit financial flows*** that continue to drain the economies of developing countries (para. Id).

Addis Ababa Action Agenda (July 2015)	Conclusions and recommendations of the ECOSOC Forum (May 2017)	Key elements of the Arab Position on FfD (April 2015)
Domestic and international private business and finance Private international capital flows, particularly foreign direct investment, along with a stable international financial system, *are vital complements* to national development efforts. Build transparent, stable and predictable investment climates, with proper contract *enforcement and respect for property rights,* embedded in sound macroeconomic policies and institutions. Government policies can strengthen *positive spillovers from foreign direct investment, such as know-how and technology*. Foreign investors now play a significant role in some developing countries' *capital markets, and the importance of managing volatility associated with these*. Least developed countries continue to be largely sidelined by foreign direct investment that could help to diversify their economies, despite improvements in their investment climates.	**Domestic and international private business and finance** Recognize that more can be done to create competitive business and ***investment climates*** in support of sustainable development that are well placed to attract private sector investment and participation. Note with concern that ***foreign direct investment*** flows to developing countries have registered lower levels in recent years. We encourage an increase in the volume and quality, in particular its alignment with the Sustainable Development Goals, diversification and long-term nature of foreign direct investment to all developing countries, including through strengthening investment promotion regimes, strategies and agencies, as well as addressing the ***problem of the scale of the market and the size of projects as obstacles to foreign direct investment*** (para. 11).	**Domestic and international private business and finance** Domestic and international finance ***should not be assigned equal importance***. Improving the ***investment climate*** by ***enhancing the business and regulatory*** environment is necessary for maximizing the role of the private sector, repatriating some of the Arab investments abroad and enhancing ***foreign direct investment*** that acts, not only as an external source of financing for development, but also as a conduit for the transfer of ***modern technology and sophisticated production and management methods***, and which significantly contributes to labour force training (para. IIc).
Ensure that our policy and regulatory environment supports financial market stability and promotes *financial inclusion in a balanced manner, and with appropriate consumer protection.* Review our financial inclusion strategies, *in consultation with relevant stakeholders*, and will consider including financial inclusion as a policy objective in financial regulation. *Exploit new technologies, promote financial literacy* and inclusion, and improve data collection. Commit to promoting appropriate, *affordable and stable access to credit to micro, small and medium-sized enterprises*, as well as adequate skills development training for all, particularly for youth and entrepreneurs.	Work towards full and ***equal access to formal financial services for all.*** More countries to adopt national financial inclusion and ***gender-responsive strategies and to end the structural barriers to women's equal access to economic resources.*** Recommit to promoting appropriate, affordable and stable ***access to credit and other financial services to micro, small and medium-sized enterprises***, in particular businesses and enterprises in the social and solidarity economy operating in both ***formal and informal sectors*** (para. 12).	Ensuring ***financial inclusion*** through innovative tools, such as digitized payments and mobile banking, ***eliminating gender-based financial discrimination*** and empowering small and medium enterprises, constitutes a strong base for generating employment and economic growth; promoting financial literacy, ***increasing microfinance, providing access to credit for all*** and granting technical assistance to small and medium enterprises is therefore essential.

Addis Ababa Action Agenda (July 2015)	Conclusions and recommendations of the ECOSOC Forum (May 2017)	Key elements of the Arab Position on FfD (April 2015)
To encourage increased lending to micro, small and medium-sized enterprises, financial regulations can permit the use of collateral substitutes, create appropriate exceptions to capital requirements, reduce entry and exit costs to encourage competition and allow microfinance institutions to mobilize savings by receiving deposits.		
Remittances cannot be equated to other international financial flows, such as foreign direct investment, ODA or other public sources of financing for development. Work towards reducing the average transaction cost of migrant remittances by 2030 to less than 3 per cent of the amount transferred. Promote conditions for cheaper, faster and safer transfer of remittances in both source and recipient countries, including by promoting competitive and transparent market conditions. We will exploit new technologies, promote financial literacy and inclusion, and improve data collection.	Ensure ***adequate and affordable financial services are available to migrants*** and their families in both host and home countries. Support national authorities to address the most significant obstacles to the continued flow of remittances, including abuse by illicit actors. ***Work towards reducing the average transaction cost of migrant remittances by 2030 to less than 3 per cent of the amount transferred.*** Recognize the ***positive contributions of migrants to sustainable development*** in countries of origin, transit and destination (para. 12).	Supporting ***remittances for development and enhancing coordination*** between different government entities dealing with migrants and their remittances is important for developing complementary alternatives to public finance, including ***financial products tailored to the needs and priorities of migrants***; furthermore, ***reducing the cost of remittances*** and eliminating all disguised charges is necessary to encourage the transfer of remittances through official channels, while respecting the confidentiality of such transfers and ***not considering them as a source for financing sustainable development*** without undertaking studies on the implications of the steady rise in food & fuel prices on the allocation of remittances and the amounts used for covering living expenses as opposed to those earmarked for investment (para. IIg).
International development cooperation Express our concern that many countries still fall short of their ODA commitments and reiterate that the fulfilment of all ODA commitments remains crucial. ODA providers reaffirm their respective ODA commitments, including the commitment by many developed countries to achieve the target of 0.7 per cent of ODA/GNI and 0.15 to 0.20 per cent of ODA/GNI to least developed countries.	**International development cooperation** Call on ODA providers to fulfil their respective commitments including the commitment by many developed countries to achieve the ***national target of 0.7 per cent of gross national income (GNI).*** Acknowledge that ODA and other concessional finance are still important for a number of middle-income countries and have a role to play for targeted results taking into account the specific needs of these countries.	**International public finance** Official development assistance will continue to play a central role in development financing for developing and least developed countries. All developed countries should ***increase their commitment to official development assistance to 1 per cent of their gross national income by 2020*** and should ***agree on timetables to meet official development assistance commitments*** needed to support sustainable development. developed

Addis Ababa Action Agenda (July 2015)	Conclusions and recommendations of the ECOSOC Forum (May 2017)	Key elements of the Arab Position on FfD (April 2015)
Hold open, *inclusive and transparent discussions on the modernization of the ODA measurement* and on the proposed measure of "total official support for sustainable development" and we *affirm that any such measure will not dilute commitments already made.*	Hold open, inclusive and transparent discussions on the modernization of the ODA measurement and on the proposed measure of "total official support for sustainable development" and we ***affirm that any such measure will not dilute commitments already made*** (para. 13)	countries should allocate more official development assistance, in addition to humanitarian aid, to Arab conflict-affected countries. Any effort to redefine official development assistance should be done in an ***open and transparent manner, allowing for an exchange of views between donor and recipient countries*** (paras. IIIb, d, f).
International trade as an engine for development Continue to promote a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system under the World Trade Organization (WTO), as well as meaningful trade liberalization. As a means of fostering growth in global trade, we call on WTO members to redouble their efforts to promptly conclude the negotiations on the Doha Development Agenda and reiterate that development concerns form an integral part of the Doha Development Agenda, which places the needs and interests of developing countries, including least developed countries, at the heart of the Doha Work Programme. *Reduce trade barriers,* implement policy reforms and enable companies, including micro, small and medium-sized enterprises, to integrate into regional and global value chains. Continue to *implement the provisions of special and differential treatment for developing countries*, in particular least developed countries, in accordance with WTO agreements. Aid for Trade can play a major role. We will focus Aid for Trade on developing countries, in particular least developed countries. strive to allocate an increasing proportion of Aid for Trade going to least developed countries.	**International trade as an engine for development** Note that ***trade growth was subdued*** over the past year. Make trade more free and fair, we recognize the importance of ***strengthening the international trading system*** and increasing the contribution of trade to our economies. Welcome ***all ongoing market access initiatives*** for least developed countries. Many micro, small and medium-sized enterprises are not benefiting sufficiently from the international trading system, and have difficulties integrating into global value chains. Promote policies that encourage access by micro, small and medium-sized enterprises to adequate and affordable trade finance at all levels. Invite the Inter-Agency Task Force to ***review the trade financing gap*** (paras. 13 and 14).	**International trade for sustainable development** ***Trade barriers, trade subsidies*** and other trade distorting measures (domestic production subsidies) and their repercussions, particularly in sectors of special interest to Arab countries, including agriculture, affect Arab countries' capacity to benefit from their commercial potential to support development; and ***implementing the principles of differential treatment*** towards developing countries, including Arab countries, is vital. There is a need for ***capacity-building for trade mechanism reviews with the World Trade Organization and free trade agreement assessments*** at the national level. Regional cooperation in trade is a fundamental tool for achieving sustainable development; multilateral and regional agreements should be promoted, including the ***establishment of an Arab customs union*** (section IV).

Addis Ababa Action Agenda (July 2015)	Conclusions and recommendations of the ECOSOC Forum (May 2017)	Key elements of the Arab Position on FfD (April 2015)
Debt and debt sustainability *Borrowing is an important tool for financing investment* critical to achieving sustainable development, including the sustainable development goals. Assist developing countries in *attaining long-term debt sustainability* through coordinated policies aimed at fostering debt financing, debt relief, debt restructuring and sound debt management. Debtors and creditors must work together to prevent and resolve unsustainable debt situations. *Maintaining sustainable debt levels is the responsibility of the borrowing countries*; however, we acknowledge that lenders also have a responsibility to lend in a way that does not undermine a country's debt sustainability. *Encourage consideration of further debt relief steps, where appropriate, and/or other measures for countries affected in this regard, as feasible.* Timely, orderly and fair resolution of sovereign debt crises. Reduce mechanistic reliance on credit-rating agency assessments, including in regulations.	**Debt and debt sustainability** ***Borrowing is an important tool for financing investment critical to achieving sustainable development.*** Reiterate that debtors and creditors must work together to prevent and resolve unsustainable debt situations. Recognize the need to assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at ***fostering debt financing, debt relief, debt restructuring and sound debt management, as appropriate***. Recognize that rising levels of debt call for effective public debt sustainability assessments, which require improved ***comprehensiveness, reliability, and timeliness of external and domestic debt data***, as well as data on government assets and contingent liabilities. welcome the ongoing review of the International Monetary Fund/World Bank debt sustainability framework for low-income countries. Consider the role that ***state-contingent debt financing*** instruments can play (paras. 17 and 18).	**Debt and debt sustainability** ***Call for debt relief and cancellation*** for countries in economic and political transition and for ***debt-to-investment swaps*** to fund investments in infrastructure and development; debt continues to prevent some countries, including some Arab countries, from investing in development, given that debt servicing consumes financial resources that could have been allocated to investment projects. There is a need to establish an ***international debt resolution mechanism*** to guarantee fair and equivalent treatment for both creditors and debtors, in line with the principle of shared responsibility for both debtors and creditors. Developed countries are called upon to ***commit themselves to allocating additional resources for debt relief,*** other than those allocated for official development assistance budgets (section V).

TABLE A2. SELECTED ISSUES OF CONCERN TO CIVIL SOCIETY GROUPS REGARDING FFD PROCESSES

Theme	Concern
FfD follow-up	Negotiations continue to suffer from the lack of shared understanding and adequate planning of the FfD follow-up process, which still requires the adoption of a consensual normative agenda and continued contextualization in the evolving socioeconomic and political conjuncture.
Private sector biases	The conventional approach to growth and ***the overreliance on the private sector*** continue to permeate FfD processes and related outcome documents, despite increasing evidence of the unsustainable social and environmental implications of the current business model. The 2017 Economic and Social Council Forum outcome document focuses on promoting an "enabling environment for private sector business and investment" ***without emphasizing the need for strong policy measures to regulate private sector activities and realign corporate practices to the imperatives of sustainable development.***
Underestimation of the systematic risk	There is no recognition that the migration crisis poses systemic risks that can hinder the implementation of the development agenda.
FfD and SDGs	The Forum outcome document reduced the importance of the role of FfD as one of the central pillars for the implementation of the 2030 Agenda. ***The 2030 Agenda pushes for national implementation of development objectives but FfD processes do not secure the policy and fiscal space needed to advance the realization of the SDGs.***
Domestic public resources	The capacities of developing countries to generate revenue is impeded by lack of international ***cooperation on illicit financial flows and tax competition***. Tax avoidance by multinational corporations remains another important impediment.
Domestic and international private business and finance	Questions remain on the practices of multilateral development banks and development finance institutions and their ***policy advice, which compromises the right of States to act in the public interest and realize human rights.***
International development cooperation	Explicitly mention should have been made to the 0.7% ODA (official development assistance)/GNI (gross national income) target. There is a need for urgent action to ***scale up ODA to meet the 0.7% commitment as many countries are failing to meet it***.
International trade as an engine for development	Multilateral trading rules ***can act as a barrier to the attainment of sustainable development***. CSOs recognized the limitations of the WTO Trade Facilitation Agreement. The conclusion of the of the Doha Development Agenda as mentioned under SDG 17.10 and para 83 of the Action Agenda remains essential.
Debt and debt sustainability	Consideration of State-contingent debt instruments is insufficient. Public development finance institutions should be called to consider options for using these instruments and report on this at the next session of the Forum. ***Regional debt relief initiatives should be encouraged***.

TABLE A3. KEY FFD MESSAGES FROM THE 2017 IATF REPORT

Systemic Issues	The report finds that the challenging global environment had significant impacts on national implementation efforts. Current trajectories of low commodity prices, slow trade growth, volatile capital flows, conflicts and humanitarian crises are impeding the realization of the SDGs. National actions and international cooperation can help to redirect the trajectory towards the SDGs. Increases in long-term and high-quality investments can lead to sustainable economic growth.
Private Finance	Long-term investments remain subdued. Measures to address impediments to private and public investments are needed, alongside amelioration of living conditions (namely through social protection floors). Global mapping of priority investment areas, contained within national development strategies, should be considered to guide private investors for investment opportunities linked to the SDGs. National, regional and multilateral development banks can play an important role in that regard by channeling savings into development investments, mobilizing private capital for specific projects and promoting best practices to achieve sustainable development.
Domestic Resource Mobilization	Domestic resources and international support should be effectively mobilized to bridge SDG financing gaps. Governments should improve revenue collection strategies through stronger tax administration, enforcement and coverage. Given the extremely challenging task of measuring and tracking IFFS, the Task Force provided a mapping of some of the components of illicit flows. It recommended a component-by-component and channel-by-channel analysis and estimation, allowing further methodological work and proposals for relevant policy tools and options. The Task Force also recommended conducting risk and vulnerability assessments to help countries to focus their monitoring and implementation efforts on the channels most relevant to their national contexts.
International Development Cooperation	ODA providers should work to fulfill Monterrey commitments and discount humanitarian financing and spending on refugees from ODA commitments. As development cooperation providers work to increase their contributions, they should protect and increase concessional development financing, focusing on long-term investments in sustainable development. South-South cooperation should be further leveraged to strengthen the means of implementation of the 2030 Agenda.
International trade	It is important that trade becomes more inclusive and beneficial to all, and creates wealth and decent jobs, especially for the poor. Governments should resist protectionist attitudes and ensure that the benefits of trade are spread widely and equitably. International institutions should also work to address the distributional effects of international trade and trade agreements, and to promote trade as an engine for growth and sustainable development. Reducing regulatory measures in the areas of food, health, environment and labour policies is pivotal since they act as non-tariff barriers to exports from developing countries.
Debt Sustainability	Changes in the composition of debt, including elevated levels of corporate debt in a large number of economies, pose additional risks to an already fragile global economy. There is thus a need to explore the use of State-contingent instruments, building on existing experiences by some donors. The rising levels of domestic debt also highlight the importance of public debt sustainability assessments. To carry out such assessments, it is important to improve the comprehensiveness, reliability and timeliness of domestic and external debt data, as well as data on government assets and contingent liabilities.
