

Inter-agency Task Force on Financing for Development
Financing for Sustainable Development Report 2019
Draft outline

Please note: This preliminary draft outline reflects the status of progress in preparations of the report chapters as of 23 October 2018. Chapter working groups are at different stages of preparation, and the outline is thus subject to change based on additional inputs and reflections by Task Force Members.

Chapter I. Global context

1. Introduction
2. Outlook and risks for the global economy
 - 2.1. Global growth outlook
 - 2.2. Risks are rising, including
 - 2.2.1. short-term financial risks (links to debt, systemic and trade chapters), especially high in developing countries:
 - Debt levels
 - Capital market volatility
 - Trade policy uncertainty
 - Developing countries more integrated and lower cushion than prior to the 2008-9 global crisis
 - 2.2.2. non-financial risks and medium-term challenges (links to technology chapter):
 - Climate and disasters
 - Technology, employment/wages, inequality (and migration),
3. Social and employment outlook (SDG 8)
 - 3.1. Employment and job growth trends
 - 3.2. Wages, profit shares (link to private chapter)
 - 3.3. Implications, including
 - The future of work (link to tech chapter)
 - and links to public finance (link to domestic public resources chapter)
4. Inequality outlook (SDG 10)
 - 4.1. Trends in global, international, and national inequality
 - 4.2. Decent work, wages and inequality
 - 4.3. Impacts of financial markets on inequality
5. Economic growth and climate action (SDG 13)
 - 5.1. Trends in carbon emissions, carbon intensity, energy usage
 - 5.2. Low-carbon investment and climate change mitigation pathways

5.3. Climate vulnerability and links to inequality

5.4. Climate action links to economic growth

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Thematic chapter: National financing frameworks for the SDGs

1. Introduction
2. National financing frameworks
 - 2.1. National development goals and plans
 - 2.2. Financing sources
 - 2.3. Financing strategies
3. Building blocks of financing strategies
 - 3.1. Assessment of financing flows, financing needs and costing
 - 3.2. Integrated planning and financing
 - 3.3. Financing policies across the action areas of the Addis Agenda
 - Public finance
 - Development cooperation
 - Private finance and investment
 - Macroeconomic policies, debt and systemic issues
 - Other means of implementation, trade, technology
 - 3.4. Data and monitoring progress
 - 3.5. Institutional settings
 - Governance and coordination
 - Accountability mechanisms
4. Sector/ cross-cutting case studies
 - 4.1. Climate finance and action
 - 4.2. Education financing
5. Support measures by the international community

Chapter III.A. – Domestic public finance

1. Introduction, key messages and recommendations
2. Domestic resource mobilization
 - 2.1. Trends in revenue systems
 - 2.2. Tax administration (SDG 16 – institutions)
 - 2.3. Tax avoidance and evasion
 - 2.4. Putting revenue and expenditure together for the SDGs (costing and MTRS) (SDG 16 – institutions)
3. Fiscal systems and inequality (SDG 10 – inequality)
 - 3.1. Tax system progressivity and growing the tax base
 - 3.2. Risk-informed budgets and social protection finance
 - 3.3. Gender responsive budgeting
4. Environment, climate change and fiscal policy (SDG 13 – climate)
 - 4.1. Environmental taxes
 - 4.2. Fossil fuel subsidies
 - 4.3. Budgeting for climate change & disasters
5. International tax cooperation
 - 5.1. Progress on tax transparency, BEPS, etc
 - 5.2. Digitalised economy taxation
 - 5.3. Capacity building
6. Illicit financial flows
 - 6.1. Volume estimate
 - 6.2. Policy advances
 - 6.3. Asset recovery and return
7. National development banks

Box: Platform for Collaboration on Tax

Possible box: Tertiary education and tax reform (SDG 4 – education)

Chapter III.B. – Private business and finance

1. Key messages and recommendations
2. Strengthen the private sector’s contribution to sustainable development
 - 2.1. Sustainability reporting and disclosures
 - 2.2. The relationship between sustainable investing and returns
 - 2.3. Regulatory and policy implications for long-term and sustainable financial investment
3. Facilitate business development and investments
 - 3.1. Progress in building conducive investment climates
 - 3.2. Foreign investments trends + quality direct investments
Link with SDG 8 growth and decent work (e.g. FDI and employment)
4. Provide the financing people and business need
 - 4.1. Financial sector and capital market development
 - 4.1.1. The role of the financial sector: access, stability, sustainability
 - 4.1.2. Overview of institutions and instruments
 - 4.2. Financial sector development
 - 4.2.1. Trends in financial inclusion, with a focus on access to women¹
 - 4.2.2. The different financial sector institutions (trends + different roles/implications for access, depth stability (systemic risks and consumer protection), sustainability, and regulatory frameworks)
 - 4.2.3. The emergence of new instruments (e.g. fintech) with a link to remittances² + implications for access, stability (systemic risks and consumer protection), sustainability, and regulatory frameworks
 - 4.3. Local capital market development
 - 4.3.1. Building blocks
 - 4.3.2. Equity and fixed income
 - 4.3.3. Implications for access, stability (systemic risks and consumer protection), sustainability, and regulatory frameworks
 - 4.4. Bringing it all together: National strategies for sustainable financial sector and capital market development

Box: Financialization, growth and inequality [Link to SDGs 8 and 10]

Box: Financial literacy [Link with SDG 4 (quality education)]

¹ Target 8.3 “...including through access to financial services”

² Target 10.C: “By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent”

Chapter III.C – International development cooperation

1. Introduction/Executive Summary: key messages and recommendations
2. Trends in international development cooperation
 - 2.1. Trends in ODA flows *[brief overview; section 3 will contain a more detailed unpacking]*
 - 2.1.1. Headline figures of broad ODA flows
 - 2.1.2. ODA measurement issues
 - 2.1.3. Currency/exchange-rate risk of ODA flows
 - 2.2. Lending by MDBs
 - 2.2.1. Trends, including breakdown by regions
 - 2.2.2. Updates on recent developments
 - 2.3. South-South cooperation
 - 2.3.1. Trends in SS and triangular cooperation
 - 2.3.2. Preparatory work for BAPA+40 (March 2019)
 - 2.4. Humanitarian finance
 - 2.4.1. Trends and recent developments
 - 2.4.2. Updates on the Grand Bargain
3. The allocation of ODA in developing countries (SDG 4, SDG 10, SDG 16) [responding to request from Member States]
 - 3.1. Allocation of ODA
 - 3.1.1. By country groups (including LDCs and SIDS, ...)
 - 3.1.1.1. Graduation from LDC category
 - 3.1.2. Within countries and by population groups (subnational, gender, age, disability, ...)
 - 3.1.3. By modality (in-donor, cross-border, country-programmable, grant, loan, ...)
 - 3.1.4. By sectors in receiving countries (including ODA for strengthening enabling environments, education, other sectors, ...); *[cross-reference to ODA for DRM -> covered in domestic public resources chapter]*
 - 3.2. Is there a need for additional data on ODA breakdowns in-country for assessing sustainable development impacts?
 - 3.3. Absorptive capacity of LDCs and SIDS
4. Resource mobilization and blended finance
 - 4.1. Update on blended finance flows and landscape
 - 4.2. Blended finance for LDCs:
 - 4.2.1. Data trends
 - 4.2.2. Obstacles, opportunities, incentives, risks
 - 4.2.3. Innovative approaches: better understanding of impacts and better design?
5. Education partnerships: International cooperation for the achievement of SDG 4 *[could also be a box]*

- 5.1. ODA for education [*cross-reference to section 3.1*]
- 5.2. Innovative mechanisms for financing for education:
 - 5.2.1. Global Partnership for Education (GPE); International Finance Facility for Education (IFFEd); Education Cannot Wait (ECW) fund
- 6. Climate and disaster resilience in development financing: How to mainstream climate and disaster resilience in development cooperation? (SDG 13 – climate action) [responding to request from Member States]
 - 6.1. Disaster risk (hazard, exposure, vulnerability, and capacity)
 - 6.1.1. Addressing threats, climate change mitigation
 - 6.1.2. Addressing vulnerability, climate change adaptation, disaster resilience finance
 - 6.1.3. Capacity building
 - 6.2. Climate finance flows
 - 6.2.1. Trends and recent developments (including MDB climate finance)
 - 6.2.2. COP 24: new rules on accounting for climate finance under the Paris Agreement?
 - 6.2.3. Access to climate finance from the Green Climate Fund
 - 6.2.4. Effectiveness: mitigation vs. adaptation spending
 - 6.3. Disaster resilience financing
 - 6.3.1. Ex ante financing (resilient infrastructure, early warning systems, insurance mechanisms, pooled financing, social protection, etc.)
 - 6.3.2. Ex post financing (reference to quick-disbursing instruments in 2018 IATF Report, insurance mechanisms – ex post effects, “build back better” principles, etc.)
 - 6.3.3. Disaster resilience financing from OECD/DAC partners: existing categories in CRS data base, and new marker for “Disaster Risk Reduction” (from 2019)
 - 6.3.4. Non-traditional donor and South-South financing for disaster resilience
- 7. Quality, impact and effectiveness of development cooperation (all SDGs under in-depth review)
 - 7.1. Impact of development cooperation
 - 7.1.1. Results-orientation of development cooperation (including country examples)
 - 7.1.2. The role of country results frameworks and information systems
 - 7.1.3. South-led approaches to evaluation and impact assessment
 - 7.2. Country ownership, coordination and coherence
 - 7.2.1. Aligning development cooperation with national priorities
 - 7.2.2. Strengthening the use of country systems and programme-based approaches
 - 7.2.3. Enhancing mutual accountability and transparency

Possible box: Country experiences with climate and disaster resilience in development financing

Chapter III.D. – Trade as an engine for development

1. Key message and recommendation
2. Developments in international trade (SDG **8, 10, 17**)
 - 2.1. Trends in world trade (including development on tariffs / protectionism measures)
 - 2.2. LDCs' share in world exports in goods and services
3. The multilateral trading system (SDG **8, 17**)
 - 3.1. Progress on multilateral trade negotiations
 - 3.2. Trade restricting and facilitating measures
 - 3.3. Implementation of the Bali, Nairobi and Buenos Aires outcomes
 - 3.4. Strengthening the Multilateral Trade System in a time of rising trade tensions.
4. Promoting international trade that is consistent with the SDGs (SDG 5, **8, 10, 13, 17**)
 - 4.1. Market access conditions facing LDCs (Market access conditions, e.g. tariffs and NTMs facing LDCs' exports)
 - 4.2. Women empowerment through international trade (women in informal/small scale cross-border trade, gender mainstreaming in trade policy, and other new initiatives; upcoming study on trade and gender)
 - 4.3. Trade and inequality / Trade and the poor
 - 4.4. Making trade work for environment, prosperity and resilience (trade-related measures tackling deforestation and bio-energy)
 - 4.5. Trade and Climate Change (SDG 13)
 - 4.6. The effect of GVCs on the labour market and its relevance for achieving SDG 8
 - 4.7. Supporting Economic Diversification and Empowerment for Inclusive, Sustainable Development through Aid for Trade
5. Facilitating international trade (SDG **8, 10, 17**)
 - 5.1. Trade Finance (mandate in para. 22 of FFD Forum outcome document)
 - 5.2. Aid for trade
 - 5.3. Trade facilitation (implementation of the TFA; trade costs facing developing countries)
 - 5.4. E-commerce and MSMEs
6. Promoting policy coherence in trade (SDG **8, 16, 17**)
 - 6.1. Bilateral and regional trade and investment arrangements (impact of RTAs on women and on the trend to include trade & gender chapters in FTAs)

- 6.2. Domestic enabling environment for trade (improved transparency and efficacy in customs revenue collection via ASYCUDA, linking to SDG16 “build effective, accountable and inclusive institutions for all).

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Chapter III.E. – Debt and debt sustainability

1. Key messages and recommendations
2. Debt trends and growing debt risks
 - 2.1. Global debt trends and risks, linked to macroeconomic trends discussed in the Global Context chapter (including monetary tightening, dollar appreciation, capital flow volatility)
 - 2.2. Developing countries: aggregate levels and composition of debt, by type of debt (sovereign and corporate, local currency, proportion of foreign investors in local markets, and foreign currency debt), terms of debt, and by country groups (all developing, LDCs, SIDS, MICs and emerging markets)
 - 2.3. Development of risk assessments in low-income countries
3. Sustainable and responsible borrowing and lending for the SDGs
 - 3.1. SDG investment requirements and debt sustainability
 - 3.2. Update on review of MAC DSA, review of debt limits policy
 - 3.3. Public debt management and management of risk (including updates on capacity building, focus on debt management strategies to link to the thematic chapter)
 - 3.4. Debt transparency (including updates on discussions in G20, implementation of operational guidelines)
 - 3.5. Responsible lending
4. Innovative mechanisms to reduce risks to sovereign balance sheets (responds to mandate in Forum outcome)³
 - 4.1. Overview of available and proposed ‘innovative’ debt instruments, their characteristics and functions, lessons learned from or obstacles to implementation and scaling up, including in the context of rising risk-aversion
 - 4.1.1. Quick-disbursing loan facilities (based on 2018 FSDR inventory)
 - 4.1.2. Debt instruments that raise resources dedicated to SD (green bonds, blue bonds, SDG bonds)
 - 4.1.3. Impact bonds
 - 4.1.4. State-contingent debt instruments (GDP-linked bonds, commodity-linked bonds, extendibles, official lending with state-contingent elements)
 - 4.1.5. Debt swaps (debt for health/ nature/ climate/ education swaps)
 - 4.1.6. Regional/ thematic debt relief initiatives
 - 4.1.7. Other public risk-reducing tools and initiatives
5. Resolving unsustainable debt situations

³ FfD Forum outcome, para 24: We request the IATF to advance the analysis of state-contingent debt instruments, GDP-linked bonds, insurance coverage and other innovative mechanisms, as a means of reducing risks to sovereign balance sheets, particularly in SIDS, LDCs, LLDCs, MICs and open economies more vulnerable to disasters.

- 5.1. Official creditor involvement in debt restructurings
- 5.2. Private creditor involvement in debt restructurings
- 5.3. Growing challenges to debt workouts

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Chapter III.F. – Addressing systemic issues

1. Introduction, key messages and recommendations
2. Macroeconomic stability & the international architecture (SDG 8 – decent jobs and economic growth)
 - 2.1. Rising interest rates, volatility of capital flows & increasing risks of debt distress (incl cross reference to global context and debt chapters)
 - 2.2. Multilateralism and macroeconomic coordination (incl. reference to international monetary system and SDRs)
 - 2.3. Global financial safety nets (incl. multilateral cooperation and regional arrangements)
3. Financial regulation & impacts on highlighted SDGs (SDG 8 – decent jobs and economic growth, SDG 10 – inequality)
 - 3.1. Regulatory reform & addressing systemic risks
 - 3.2. Cross border lending to developing countries, project finance, SMEs and infrastructure (incl cross reference to private chapter on inequality)
 - 3.3. ESG incorporation in risk disclosure, regulation, credit ratings (incl cross reference to private chapter on ESG) (SDG 13 – climate)
4. Correspondent banking linkages [mandated by FfDF outcome]
 - 4.1. Data & trends update (based on new SWIFT data report)
 - 4.2. Policy options
5. Institutional and policy coherence (SDG 16 – institutions)
 - 5.1. International institutional coherence (incl coherence across tax, trade, investment and competition policies; intra-MDB coherence and coordination; & reference to recommendations from the EPG)
 - 5.2. Mandates and roles of NDBs [mandated by FfDF outcome]
6. Global economic governance (SDG 10 – inequality, SDG 16 – institutions) (incl IFI shareholding reviews, and reference to global governance issues covered elsewhere such as tax and capital flows)

Box: Global compact on migration (including references to SDG 4 – education)

Box: G20 Eminent Persons Group report and recommendations

Chapter III.G. – Science, technology, innovation and capacity building

1. Key messages and recommendations
2. New and emerging technologies and the SDGs
3. New technologies and labour markets
4. Fintech and financial inclusion
5. Access to technologies and innovative solutions
6. Development cooperation and UN actions on STI

Box 1: Employment guarantees, basic income (related to labour markets)

Box 2: New technologies in the action areas of the Addis Agenda (briefly highlighting relevant technologies related to the analysis presented throughout the report)

Box 3: Initial TFM findings by the TFM on the impact of rapid technology change on the SDGs (GA resolution A/RES/72/242)

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Chapter IV. Data, monitoring and follow-up

1. Introduction/Executive Summary: key messages and recommendations
2. Big data for the Sustainable Development Goals
 - 2.1. The role of big data in the implementation of the 2030 Agenda
 - 2.1.1. General overview
 - 2.1.2. Opportunities and challenges
 - 2.2. Big Data for SDG initiatives (co-)sponsored by or in cooperation with IMF, UN, WB and other IATF members
 - 2.3. Big data projects for SDGs under in-depth review *[examples/case studies]*
 - 2.3.1. SDG 4 (education)
 - 2.3.2. SDG 10 (inequalities)
 - 2.3.3. SDG 13 (climate action) *[can be linked to the discussion of climate and disaster resilience in chapter III.C (internat. development cooperation)]*
 - 2.4. Lessons learned
3. Progress in strengthening data and capacities *[including consideration of big data]*
 - 3.1. Progress on the SDG indicator framework and on the Cape Town Global Action Plan
 - 3.2. Gender statistics
 - 3.3. Monitoring the financial sector
 - 3.4. Funding for statistical capacities