

IATF

2018 Report of the Inter-agency Task Force on Financing for Development

Draft Outline

Please note: This preliminary draft outline reflects the status of progress in preparations of the report chapters as of 26 October 2017. 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.

I. Global Context

The assessment of the global context will draw on the work of members of the Task Force, including the IMF's World Economic Outlook, the World Bank's Global Economic Prospects, UNCTAD's Trade and Development Report and UN-DESA's World Economic Situation and Prospects.

There is consensus amongst task force members that compared to last year, economic sentiment has improved, with forecasts suggesting acceleration of growth in 2018. Nonetheless, the growth outlook is not uniformly positive across countries, and insufficient to put vulnerable countries, such as LDCs, on track to achieving the SDGs. Global risks and policy uncertainty remain elevated, and a rising number of developing countries are at risk of debt distress. In the coming months, the Task Force will discuss different assessments of the extent of these risks and their potential impact and present a detailed discussion of the global context at its next briefing.

II. Thematic Chapter

Member States have mandated the Inter-agency Task Force on Financing for Development to include thematic analysis in its annual reports, in addition to the detailed reporting on progress in each of the action areas of the Addis Agenda. The thematic chapter of the 2018 report will be aligned with the theme of the 2018 High-level Political Forum (HLPF) and will explore financing challenges for the SDGs under in-depth review – SDGs 6 (water and sanitation), 7 (affordable and clean energy), 11 (sustainable cities and communities), 12 (sustainable production and consumption patterns) and 15 (terrestrial ecosystems).

This thematic focus responds to calls by Member States and other stakeholders to make analysis by the Task Force more relevant to the HLPF and SDG follow-up. It also addresses several of the mandates given to the Task Force in the intergovernmentally agreed conclusions and recommendations of the 2017 FfD Forum, including to 'examine the best practices that show a catalysing effect of ODA', 'map out the incentive structures of different actors in the financial system', and 'examine the business cases that promote SDG implementation.'

III.A Domestic Public Finance

1. Introduction, key messages and recommendations
2. Domestic resource mobilization and international tax cooperation
 - 2.1. Trends and revenue targets
 - 2.1.1. Medium-term revenue strategies
 - 2.2. Update on international tax cooperation
 - 2.2.1. New UN Tax Committee and work programme
 - 2.2.2. Progress on tax transparency and BEPS implementation
 - 2.2.3. Update on tax capacity building
 - 2.2.4. Platform on Tax toolkits
 - 2.3. Digital economy taxation
 - 2.4. Gender and tax
 - 2.5. Tax administration in the context of fragility
 - 2.6. Tax and health (non-communicable diseases)
3. Illicit financial flows
 - 3.1. Estimate updates and analysis
 - 3.2. Role of technology – abetting IFFs and helping with enforcement
 - 3.3. Return of stolen asset updates
4. Other issues in public finance
 - 4.1. Subnational development finance (TBD extent of coverage here or in the thematic chapter)
 - 4.2. TBD expenditure/budgeting issues
 - 4.3. Gender-responsive budgeting update – based on new data of countries doing this
5. Conclusions

III.B Domestic and international private business and finance

1. Introduction, key messages and recommendations
2. Trends in private finance
3. The private sector landscape and business opportunities from the SDGs
 - 3.1. The spectrum of private sector motivations (from profit-making to philanthropy)
 - 3.2. Businesses and the SDGs: opportunities and impediments
4. Incentivising productive private investment for 2030 Agenda
 - 4.1. Financial system incentives
 - 4.1.1. Institutional investor and capital market incentives
 - 4.1.2. Banking system incentives
 - 4.2. Corporate incentives and trends in profit/investment ratio
5. Enhancing the sustainable development impact of businesses Voluntary actions and policy solutions
6. Promoting inclusive finance for sustainable development
 - 6.1. Enhancing SME finance: needs, approaches and impact
 - 6.2. Supporting financial inclusion for women and youth
 - 6.3. Remittances and financial inclusion
7. Conclusions

III.C International development cooperation

1. Key messages and recommendations
2. Trends in international development cooperation
 - 2.1. Official Development Assistance
 - 2.2. Lending by Multilateral Development Banks
 - 2.3. South-South Cooperation
 - 2.4. Climate finance
 - 2.5. Humanitarian finance
3. Graduation issues
4. Catalytic aid and blended finance
5. Development effectiveness

BOX: ODA allocation case study

BOX: Monitoring international public finance – ODA reform, TOSSD, blended finance

III.D International trade as an engine for development

1. Key messages and recommendations
2. The multilateral trading system
 - 2.1. Progress on trade negotiations
 - 2.2. Trade facilitating and restrictive measures
 - 2.3. Implementation of the Bali and Nairobi outcomes
3. Facilitating international trade
 - 3.1. Promoting trade growth that is consistent with the SDGs
 - 3.2. Trade facilitation
 - 3.3. Aid for trade
 - 3.4. Digital economy and e-commerce
 - 3.5. Trade finance
4. Promoting policy coherence in trade
 - 4.1. Domestic enabling environment for trade
 - 4.2. Women in international trade
 - 4.3. Regional trade agreements
 - 4.4. Trade and investment agreements
 - 4.5. Agriculture, fisheries and illegal wildlife trade
 - 4.6. Trade, technology, innovation and jobs
 - 4.7. Circular economy

III.E Debt and debt sustainability

1. Key messages and recommendations
2. Debt trends
3. SDG investments and debt vulnerabilities
4. Debt crisis prevention
 - 4.1. Public debt management (including subnational focus)
 - 4.2. Update on LIC DSF reform
 - 4.3. Transparency of debt reporting
5. Resolving unsustainable debt situations
 - 5.1. Measures for countries affected by severe natural disasters and social or economic shocks
 - 5.2. Actions by official creditors (including coordination actions among official creditors; update on the debt restructuring database)
 - 5.3. Involving private creditors in debt restructurings, and proposed improvements in the market-based approach
 - 5.4. Debt financing principles/ soft law approaches

BOX: State-contingent debt instruments/ innovative instruments

III.F Addressing systematic issues

1. Key messages and recommendations
2. Macroeconomic stability
 - 2.1. Shocks financing instruments/Global financial safety net
 - 2.1.1. Analysis of inventory of quick-disbursing instruments, incl. IDA crisis response window update
 - 2.1.2. Updates on global financial safety net reforms at IMF (PCI)
 - 2.1.3. Regional financial arrangements – IMF links
 - 2.2. Early warning system, financial spillover prevention and capital account management
3. Financial regulation
 - 3.1. Update on financial regulatory reform implementation, including action plan on correspondent banking
 - 3.2. Inequality and financial vulnerability
 - 3.3. Gender and the financial sector
 - 3.4. Improving the sustainability of the financial system
4. Institutional and policy coherence, global governance
 - 4.1. UN System reforms, relevant to FfD, including the SG's proposals as well as the intergovernmental expert group on FfD
 - 4.2. Policy coherence at international institutions
 - 4.3. Policy coherence in migration (possible box)
 - 4.4. Update on global economic governance reforms

Possible Box: The impact of technology on systemic issues

III.G Science, technology, innovation and capacity-building

1. Key Messages and Recommendations
2. National and international trends in STI
 - 2.1. New technologies and STI and ICT trends
 - 2.2. National innovation strategies
 - 2.3. Development cooperation for STI and capacity building, and actions by the UN system and others
 - 2.4. Technology Facilitation Mechanism and the Technology Bank
3. Impact of new technologies on labour markets
 - 3.1. Labour market trends
 - 3.2. Technology and institutional change
 - 3.3. Effects of globalisation
 - 3.4. Structural and gender considerations
4. New technologies and Financing for Development – opportunities and risks in the action areas of the Addis Agenda (*complementing technology-specific analysis in the other chapters*)
 - 4.1. Domestic public finance
 - 4.2. Private finance
 - 4.3. Development cooperation
 - 4.4. Trade, debt and systemic issues

BOX: Pro-poor innovation – inclusive innovation for and by the poor

IV. Data, monitoring and follow-up

1. Key messages and recommendations
2. Strengthening data and statistical capacities
 - 2.1. SDG indicator framework
 - 2.2. Funding for statistical capacities
 - 2.3. Gender data, incl. data on unpaid care work and time use
3. Monitoring financial flows
 - 3.1. Data Gaps Initiative
 - 3.2. TBD

BOX: Data gaps and challenges