

# FINANCING FOR DEVELOPMENT: PROGRESS AND PROSPECTS

Report of the Inter-agency Task Force  
on Financing for Development 2017



United Nations

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## Chapter IV.

# Data, monitoring and follow-up

## 1. Key messages and recommendations

The final chapter of the Addis Ababa Action Agenda emphasizes the importance of high-quality disaggregated data for policymaking and for accurately monitoring the progress of implementation of the Addis Agenda and the 2030 Agenda for Sustainable Development. The 2016 ECOSOC Forum on Financing for Development follow-up endorsed the Inter-agency Task Force on Financing for Development proposal to develop an online annex to compile and analyse all relevant data in a comprehensive manner. The creation of this annex has been a major undertaking of the Task Force in 2016-17. The annex contains the most up to date data across chapters, with an emphasis on tracking all flows for financing sustainable development. However its coverage remains uneven due to incomplete data.

While there is a rich variety of data sources available for monitoring the Financing for Development (FfD) outcomes, official data sources' coverage of commitments and actions is mixed. In some areas, there is robust tracking of financing flows with clear information on a from-whom-to-whom basis; in other areas, data may be missing, delayed, not comparable or not easily validated, at both national and international levels.

Compared to the Sustainable Development Goals (SDG) indicator process, the elaboration of the monitoring framework for the Addis Agenda and FfD outcomes has been agency driven. This has made the reporting less formalized, but has also meant that the closing of data gaps on FfD follow-up may not be sufficiently prioritized within the global agenda. In the Addis Agenda, Member States recognize the need for strengthening financing and related data, and request the United Nations Statistical Commission (UNSC), working with the relevant inter-

national statistical services and forums, to facilitate enhanced tracking of data on all cross-border financing and other economically relevant financial flows. Nonetheless, questions remain about the appropriate framework for dealing with the data challenges related to financing for development. The UNSC promulgates statistical standards and oversees the work of SDG indicator development. It often relies on related forums of experts to undertake the development of statistical standards and measures in specific statistical domains. For example, some of the information and data necessary for follow-up on the Addis Agenda are collected by central banks and other bodies, and not by the national statistical offices (NSOs) that are represented on the UNSC.

The online annex will include boxes on data gaps, which will be consolidated in the data section. ***Member States could consider strengthening support, including funding, to the Task Force to allow it to intensify its work on closing reporting gaps, as well as to provide additional analytical tools to present available data in more accessible or policy-relevant formats.*** To go beyond this inter-agency effort, which focuses on compiling and presenting existing data, ***Member States would need to indicate whether they want the framework for data collection and the data gaps related to financing for development to be presented to the UNSC in the near term, and, if so, what the preparatory mechanism would be.***

The Addis Agenda, like the 2030 Agenda for Sustainable Development, prioritizes the development of data and statistical capacity. The Cape Town Global Action Plan for Sustainable Development Data provides a framework for discussion on, and planning and implementation of statistical capacity-building necessary to achieve the scope and intent of the 2030 Agenda. ***Resources invested in data capacity-building and production should be***

*strategically allocated to benefit a large number of Member States. On their part, potential recipients of assistance that do not yet have them should develop national statistical plans.*

The Addis Agenda emphasises the interoperability of data and standards. *Countries should consider how to speed-up implementation of the Data Gap Initiatives' recommendations related to national and international sharing of granular data.*

## 2. Strengthening data and statistical capacities

In March 2016, at its forty-seventh session, the UNSC agreed to a global indicator framework for measuring achievement of the SDGs as a practical starting point, based to the greatest extent possible on comparable and standardized national official statistics.<sup>1</sup> At its forty-eighth session in 2017, the Commission agreed with the revised indicator framework, recognizing that building a robust and high-quality indicator framework will need to develop over time, and that all indicators are not necessarily applicable in all national contexts. Currently, the SDG indicators database, based on the framework developed by the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, includes data for 115 of the 230 SDG indicators agreed in 2016, with almost 500 data series and a total of more than 330,000 data records, disaggregated at country, regional and global levels. The database and reports based on it represent a comprehensive measure of progress.

While much is being done to improve data availability and adequacy, gaps persist in the level and type of disaggregation captured by existing data. The Addis Agenda calls for disaggregation of data by sex, age, geography, income, race, ethnicity, migratory status, disability and other characteristics relevant in national circumstances. However, there remains a significant lack of financial resource allocation for conducting household-level surveys with adequate levels of disaggregation.

There is much work going on to improve the disaggregation of data, but challenges remain. The Evidence and Data for Gender Equality (EDGE) project is a joint initiative of the United Nations Statistics Division and UN Women that seeks to improve the integration of gender issues into the regular production of official statistics for better, evidence-based policies. EDGE has worked for several years to develop and test guidelines to measure asset ownership/control and entrepreneurship from a gender perspective, and is now preparing revised guidelines to be submitted to the next session of the UNSC. As another example, there is a notable lack of disaggregated statistics on persons with disabilities. In response, in 2015 the United Nations Statistics Division and the Washington Group on Disability Statistics<sup>2</sup> started a project aimed at developing international guidelines for the measurement of disability and enhancing the capacity of national statistical systems to collect and generate relevant, quality statistics on persons with disabilities based on those guidelines.<sup>3</sup> This project will be completed in March 2019.

Developing countries need support to improve the availability of high-quality and disaggregated data. The Addis Agenda stresses the importance of country needs assessments for improving their data capacities. The number of least developed countries (LDCs) and landlocked developing countries (LLDCs) with active national statistical plans increased from 21 to 31 and 16 to 21, respectively, between 2010 and 2015 (figure 1). However, many countries do not have national statistical plans, and others need to update their plans. The number of small island developing States (SIDS) with a statistical plan declined from nine to seven over this period, as the time period for some existing plans expired.

Figure 2 illustrates how international development cooperation, including official development assistance (ODA), can provide catalytic support to developing countries to enhance capacity-building in data and statistics. The share of ODA dedicated to statistical capacity-building was only 0.25 per cent in 2014, up just slightly from 0.24 per cent in 2013.

1 E/CN.3/2016/34, decision 47/101.

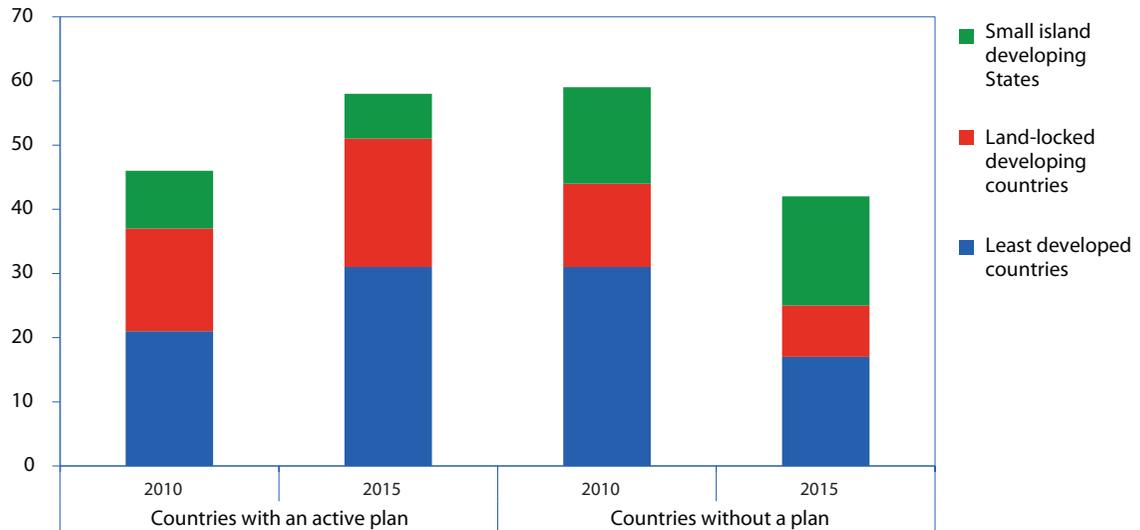
2 Available from <http://www.washingtongroup-disability.com/>.

3 E/CN.3/2016/22.

It is also important to note that the small volumes of ODA for statistical capacity-building are concentrated, with the top five recipient countries receiving, on average, 38 per cent of the total from 2011 to

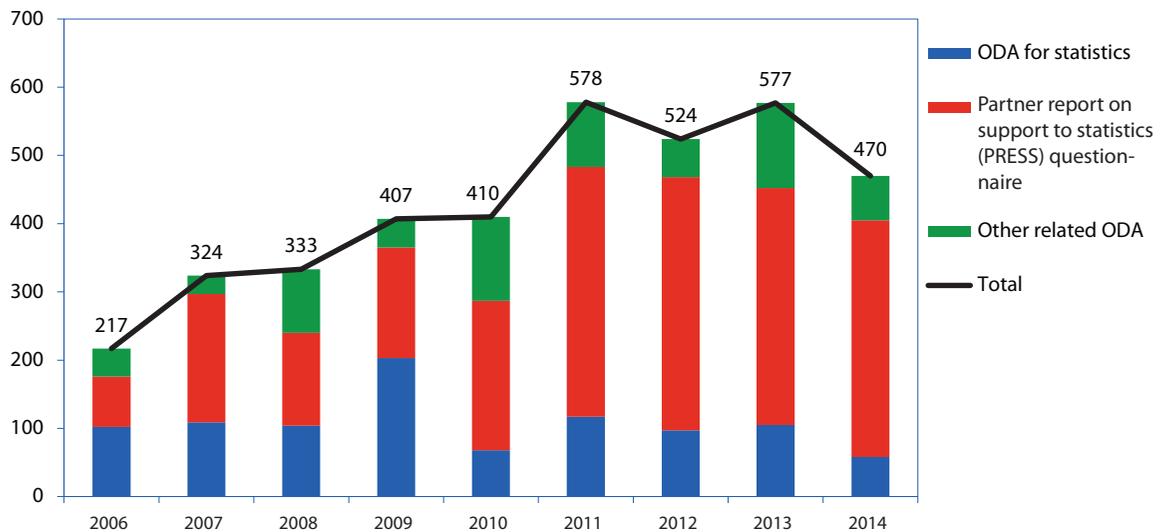
2015. Regional cooperation and South-South cooperation in statistics and monitoring and evaluation could provide capacity support that is relevant, as noted at the 2016 Development Cooperation Forum.

Figure 1  
Number of countries with a national statistical plan, 2010 and 2015



Source: United Nations Statistics Division database.

Figure 2  
Global funding commitments to statistics, by data source, 2006–2014 (Millions of United States dollars)



Source: Partner Report on Support to Statistics (PRESS), 2016.

The first United Nations World Data Forum took place in Cape Town, South Africa, on 15-18 January 2017, hosted by the Government of South Africa and Statistics South Africa, with support from the United Nations Statistics Division acting as secretariat. At its conclusion, the Global Action Plan for Sustainable Development Data was launched.<sup>4</sup> The Plan sets out a framework for member countries to assess, build and strengthen NSO capacity and identifies six strategic areas, with one of them referring to the need for innovation and the modernization of national statistical systems including the application of new technologies and data sources. This plan was adopted by the UNSC during its meeting in March 2017. Implementation of the plan will be evaluated at the second United Nations World Data Forum, which will convene in Dubai, United Arab Emirates, at the end of 2018 or early 2019.

### 3. Monitoring financial flows

The Addis Agenda includes commitments to improve data availability specifically on resource mobilization, spending and cross-border financing. The data on Goal 17 and the means of implementation of the SDGs are particularly relevant to the FfD follow-up, and are an integral part of the work of the Task Force. In March 2016, the UNSC agreed on indicators covering ODA, foreign direct investment, South-South cooperation, remittances, and the dollar value of financial and technical assistance committed to developing countries overall. However, data for the component of the indicator covering South-South cooperation (17.3.1) is not specified. The online annex of the Task Force clearly highlights relevant SDG indicators and links to the data, and much of this data is reported and included in the chapters of the 2017 Task Force report. Some flows are well covered, but not all relevant flows are being captured (box 1) and improved tracking remains a challenge.

National level macroeconomic, financial and external sector statistics are for the most part

compiled by central banks and finance ministries. The International Monetary Fund (IMF) has been a major player in global efforts to assist developing countries in improving their statistics in these areas. In the year to end-April 2016, it sent 563 missions to countries around the world and organized 120 training events reaching thousands of country participants. About half of the technical assistance on statistical issues benefits low-income countries.

In a related effort, the IMF and the Financial Stability Board have been leading the Data Gaps Initiative (DGI)<sup>5</sup> to address gaps in economic and financial data identified after the 2008 world financial and economic crisis. In 2015, the Group of Twenty Finance Ministers and Central Bank Governors endorsed the completion of the first phase and the launch of the second phase of the DGI. In this context, a thematic workshop on data sharing, emphasising economic and financial data, was held during January 31-February 1, 2017. The key outcomes included agreement on a common terminology on data sharing, the identification of main barriers preventing the sharing of disaggregated data and micro data (including cross-border disaggregated data), and discussion on possible approaches to overcome such barriers. The workshop concluded with seven recommendations aimed at providing guidance to national and international authorities and encouraging increased accessibility and sharing of granular data. Such sharing has many important uses relevant to the Addis Agenda. Information sharing on financial market activity is crucial for effective supervision of financial institutions and resolution of failed institutions. National sharing of granular data can better enable law enforcement, including crackdowns on tax avoidance, tax evasion, fraud and other illicit financial flows. Better availability of financial transaction data on a from-whom-to-whom basis would enable much better disaggregated data to be made available on the means of implementation for the 2030 Agenda for Sustainable Development.

<sup>4</sup> See <https://unstats.un.org/sdgs/hlg/Cape-Town-Global-Action-Plan/>.

<sup>5</sup> The Inter-Agency Group on Economic and Financial Statistics, chaired by the International Monetary Fund (IMF), has been facilitating the work at the global level.

## Box 1

**Data gaps and challenges**

In addition to the overarching challenges of data availability, disaggregation and timeliness, below are some of the main data gaps identified in each chapter or action area of the Addis Agenda. Data gaps in each action area are also enumerated in the online annex and consolidated in the data section.

**Domestic public resources**

- Data on illicit financial flows and stolen assets
- Historical data on ODA for domestic revenue mobilization capacity
- Aggregated data on national development bank financing
- Aggregated data on practices in international tax cooperation
- Continuous coverage of fossil fuel subsidy estimates
- Real-time government spending data, with disaggregation by sex and other relevant areas

**Private business and finance**

- Private cross-border capital flows, on both gross and net bases, for each flow type
- Consistency of FDI data across institutions
- Domestic private investment figures, including sectoral and gender disaggregation
- MDB private investment catalysation
- Unrecorded remittances through informal channels
- Comprehensive coverage of philanthropic flows, including disaggregation

**International development cooperation**

- Data inconsistencies on lending by multilateral development banks and leveraging of private finance
- Crisis prevention financing and alternative funding mechanisms
- Comparable data and information on South-South cooperation and its contributions to sustainable development

- Capacity gaps in monitoring and review of development cooperation at country level
- Limited tracking of gender-disaggregated expenditures in development cooperation information systems

**International trade**

- Global agricultural producer support estimates
- Comprehensive information about the distributional implications of trade within countries, for example gender-impact
- Qualitative assessment of coherence questions

**Debt and debt sustainability**

- Limited data on domestic and private debt as well as contingent liabilities
- Discrepancies in debtor and creditor records
- Different data series on external debt remain difficult to compare

**Addressing systemic issues**

- Quantitative measurements— as well as, at the least, clear indicators— for policy coherence
- Consistent and aggregated data on migration and transnational crime
- Disagreement about the effectiveness of financial regulatory reforms

**Science, technology, innovation and capacity-building**

- Data on ICT skills and accessible technology for people with disabilities (disaggregated by gender)
- Data on social innovation and promoting entrepreneurship (national strategies, social entrepreneurship)
- Data on contributions from traditional knowledge, innovations and practices of indigenous peoples and local communities
- Data on public funding to enable critical projects to remain in the public domain and strive for open access to research for publicly funded projects.