

## **Informal Public Dialogue on The Progress of The Inter-Agency Task Force on Financing for Development**

Thursday, 21 October 2021  
9:00 – 10:30 EDT, MS Teams

### **Event Summary**

On 21<sup>st</sup> October 2021, the United Nations Department of Economic and Social Affairs (UN DESA) hosted a virtual public dialogue on the progress of the Inter-agency Task Force on Financing for Development. The aim of the dialogue was to exchange views on financing for development issues, and to seek early feedback from Member States and external stakeholders on preparations for the 2022 Financing for Sustainable Development Report (FSDR). The event was attended by 222 participants, comprising Member States, UN and non-UN international institutions, researchers, private sector, and civil society.

In the opening remarks, Mr. Navid Hanif, Director of DESA's Financing for Sustainable Development Office (FSDO), briefed participants on the key messages of the 2022 FSDR. He expressed concerns over the fragmented global recovery and the mounting fiscal and debt sustainability challenges in many countries. He noted that the thematic chapter will be focused on exploring options for fiscally constrained developing countries to invest in sustainable development, with an emphasis on economic, social, and environmental interlinkages.

In their remarks, the representatives from the five major institutional stakeholders (World Bank Group, IMF, WTO, UNCTAD and UNDP) outlined their key priorities on financing for development. Some of the common issues that were highlighted by the representatives included the divergent global recovery, calls for more vaccine equity, the need to urgently address debt sustainability risks in many developing countries, and the growing risks associated with climate change.

During the dialogue, moderated by Ms. Sharon Spiegel, Chief of the Policy Analysis and Development Branch, FSDO, external stakeholders from civil society, academia, think tanks, and private firms, as well as several more Task Force members, shared their views on a range of financing for development issues and provided comments on the outline of the 2022 FSDR. Given growing fiscal pressures in many countries, a few participants warned that early fiscal austerity would damage progress on the SDGs. They encouraged the Task Force to look into prioritising health and social spending and social protection, and also highlighted the scope for fiscal adjustment and improving efficiency of spending.

Several participants spoke on the importance of tax policies and international tax cooperation. In particular, a few urged the Task Force to emphasize the need for universal tax cooperation that aligns with the needs, capacities, and priorities of developing countries. There were also calls for greater equity in taxation through more effective taxes on the wealthy and the removal of tax loopholes. The potential inequality implications of targeting tax avoidance in the informal sector were also highlighted.

A few speakers stressed the need to create an enabling environment for the private sector to align private investment with the Sustainable Development Goals. Several policy options to overcome challenges in this area were proposed, including global standardization on corporate sustainability disclosures, and clarifying the legal policy framework that guides investment decision making. There were also calls to scrutinize the composition of ESG flows and prevent greenwashing investment.

The need to look into the allocations of special drawing rights (SDRs) was also raised. Several potential areas that could be covered include options to re-channel SDRs to countries most in need without debt or conditionality, guidance on how to use SDRs for fiscal purposes and for development financing, as well as exploring the use of different allocation formulas.

Several participants also called for more emphasis on inequality issues throughout the report. In particular, participants called for an approach that can capture the many dimensions of inequality, beyond income inequality. This includes more gender mainstreaming and highlighting disability-based inequality. Other topics that were raised by participants included the use of artificial intelligence for analyzing data, the importance of development banks, and the need to combat illicit financial flows.