

## **A DESIGN FOR THE UN FOLLOW-UP AND REVIEW PROCESS ON FINANCING FOR DEVELOPMENT**

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The internationally agreed Addis Ababa Action Agenda (AAAA)<sup>2</sup> included an intergovernmental follow-up mechanism to monitor implementation of the Addis Agenda on Financing for Development (FfD) and the Means of Implementation (MoI) of the 2030 Agenda for Sustainable Development (General Assembly resolution 70/1). The agreement on FfD follow-up provides an opportunity to capitalize on the convening power of the United Nations to advance implementation of these important documents. However, it is also possible that the follow-up will further a perception of the UN as an empty talk shop not worth the time requested for participation of substantive policy officials of Member States and international institutions and organizations. In fact, it seems that some skepticism must be overcome about the UN and its underfinanced 2030 Agenda. This paper proposes how an effective follow-up process might be designed and implemented, in particular, through the new FfD Follow-up Forum under the Economic and Social Council (ECOSOC) of the UN, which is to begin its work in 2016.<sup>3</sup>

The paper begins by situating the post-Addis follow-up within the context of the intergovernmental Financing for Development process that led to the Monterrey Consensus. It then considers how the Addis mandate for the FfD Follow-up Forum might be implemented, followed by a proposal of a structure for the annual work program of FfD follow-up. This, in turn, is followed by a proposal for organizing the annual Follow-up Forum meetings per se, including the special case of the inaugural meeting in April 2016. Finally, suggestions are offered for the documentation to place before the FfD Follow-up Forum to monitor implementation of the Addis Agenda and the MoI.

### **From Monterrey Consensus to Addis Agenda**

A striking characteristic of the FfD discussion process at the UN is its serious effort from the start to build bridges and forge consensus across institutional and ministerial lines. It began in 1997 on the initiative of a group of Latin American countries in a time

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<sup>2</sup> Outcome document of the Third International Conference on Financing for Development, held at Addis Ababa, Ethiopia, 13-16 July 2015 and endorsed by the General Assembly in its resolution 69/313 (ensuing references to the document will be identified as AAAA).

<sup>3</sup> While the Addis Agenda also provided for a quadrennial High-level Dialogue on FfD in the General Assembly, the focus of this paper is on planning the more immediate Follow-up Forum in ECOSOC (however, see box 2 for some initial thoughts on the General Assembly process).

of some distrust and frustration with multilateralism. It led to an intentionally tentative General Assembly resolution that recognized the need for “systematic, comprehensive and integrated” consideration of FfD to which end it initiated a series of steps that could lead to the convening of a “summit, international conference, special session of the General Assembly or other appropriate high-level international intergovernmental forum on financing for development” (General Assembly resolution 52/179).

### **The Monterrey promise: coherent international action**

In 2002, after five years, that new FfD process delivered the Monterrey Consensus on Financing for Development, showing that the UN could indeed make it worthwhile for officials from financial, trade and development ministries and international institutions to exchange views with counterparts from other ministries, institutions and stakeholders, to be intellectually challenged, and to promote the ideas from their own ministries or institutions to a global audience. Monterrey also showed that 193 Member States of the UN could reach a usable consensus and generate a measure of political momentum—what people then called the spirit of Monterrey.

However, that enthusiastic engagement eroded over time, in part because of how the meetings to follow-up on implementation of the Monterrey Consensus were organized, but also, of course, owing to a number of frustrations alongside the successes in implementing the Monterrey commitments.<sup>4</sup> Disappointing implementation of commitments in more recent years in the more limited membership forums of the Group of 20 (G20) in the case of the Seoul Development Agenda and the Global Partnership for Effective Development Cooperation (GPEDC) in regard to the Busan Partnership have also challenged the spirit of international cooperation.<sup>5</sup>

This only underlines how useful it would be if the new FfD Follow-up Forum could help rebuild political momentum for appropriately sharing responsibilities for stepped up and coherent international *actions* for sustainable, inclusive and less volatile global development. The proposals made below to build a new FfD Forum with this aim draw upon the long FfD tradition of substantive exchanges at the UN among government representatives of the “major institutional stakeholders”, namely, the United Nations, the International Monetary Fund (IMF), the World Bank Group and the World Trade Organization (WTO).<sup>6</sup> FfD has also traditionally welcomed the other main stakeholders in financing for development, including civil society and business organizations, financial regulatory committees, regional development banks, and other international organizations. It should, in this spirit, welcome as well new institutions and partners. It should be an open forum that is driven by substantive global economic and financial policy concerns.

<sup>4</sup> See Barry Herman, “The Politics of Inclusion in the Monterrey Process,” DESA Working Paper No. 23, United Nations (April 2006), available at [http://www.un.org/esa/desa/papers/2006/wp23\\_2006.pdf](http://www.un.org/esa/desa/papers/2006/wp23_2006.pdf), which concluded with a number of steps to revitalize the FfD process at mid-decade, each of which is still germane.

<sup>5</sup> On the gap between solemnly adopted targets and realized outcomes, especially in the two named initiatives, see Barry Herman, “Why We Urgently Need Clarity on the Post-2015 Development Agenda and Financing for Development,” in Mattieu Boussichas and Patrick Guillaumont, eds., *Financing Sustainable Development: Addressing Vulnerabilities* (Paris: Éditions Economica, 2015), pp. 149-167; available free online at <http://www.ferdi.fr/en/publication/ouv-financing-sustainable-development-addressing-vulnerabilities>; French version forthcoming).

<sup>6</sup> To be frank, WTO has rarely participated in FfD at intergovernmental level, although cooperation at secretariat level has been reliably consistent.

## Meeting the Addis coherence challenge

Achieving international policy coherence and adequate support for concerted policy action depend on the degree of national political leadership and the quality of interaction of the different responsible ministries in capitals and among the relevant multilateral institutions. Strong progress was made in developing that support and those interactions, breaking down the walls between ministerial and institutional silos in the run-up to Monterrey and for a time after.<sup>7</sup> In a number of cases, those gains remain. In others, they may need refreshing.

The point is that “silos” are natural outcomes in large government and international bureaucracies. Government officials serving as executive directors of multilateral financial institutions will be dedicated to their institutions and their home ministries. Government representatives negotiating international agreements at the UN and WTO, or national financial regulators and central bankers meeting at international regulatory forums, are even more centrally focused on advancing their national interest as defined by their home ministries or institutions. That is their responsibility.

However, they should also fully appreciate the promise of greater global development from implementing the holistic FfD agenda. Gaining this perspective seems to require some work. Indeed, some efforts were made in the run-up to Monterrey to promote *intra*-governmental cross-ministerial dialogue, including meetings of some groups of government representatives at the UN and Bretton Woods institutions in Philadelphia (roughly half way between New York and Washington).

Nevertheless, from the beginning of FfD in the late 1990s, the main approach to building coherence was informal, unfettered, international dialogue among representatives of different ministries and institutions meeting under a UN umbrella. Admittedly, a different approach was taken in 2000 by WTO delegates, who were unwilling to engage in informal dialogue with UN foreign ministry representatives; instead, the WTO Trade and Development Committee interacted on an official basis with the FfD Preparatory Committee for Monterrey by submitting a consensus statement that they negotiated. In the end, the choice of modality seems much less important than the fact of the interaction.

The need to work on coherence had, in fact, been recognized by WTO from its beginning in 1995, when effective collaboration with the IMF and World Bank was made a core part of its official mandate. Not only do these organizations have

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<sup>7</sup>While it would be difficult to mobilize systemic evidence of increased cross-ministerial engagement in all or the majority of Member States in the late 1990s and early 2000s, the FfD discussions in the General Assembly and within the informal “Friends of FfD” group of UN delegates repeatedly emphasized the need to bridge ministerial lines in capitals. Sometimes the point was made through jest, such as the quip heard from a Latin American representative to the effect that the FfD outcome document had to be concise because his foreign minister would not be able to get more than short meetings with his finance minister (it was also said that finance ministers have short attention spans). Moreover, it is doubtful that the cross-ministerial engagement would have happened without FfD, as the UN was a sideshow for actual policy making ministries (finance, trade, development). Indeed, delegates reported that there was usually little interaction between UN and trade negotiators even when both were located within their foreign ministry. It mattered as well that the Swedish co-chair of the FfD Preparatory Committee at the UN, Ambassador Ruth Jacoby, was a former World Bank Executive Director. She was apparently posted as Permanent Representative in New York in order to take up that FfD position, as she only arrived once the preparatory committee was created.

overlapping country surveillance responsibilities, but also overlapping policy aims, leading to regular representation by senior management in each other's key intergovernmental committees.<sup>8</sup> Indeed, boosting coherence between the stability-and-growth oriented IMF and the development oriented World Bank has been on the agenda of their respective Executive Boards since 1966. And while the semi-annual meetings of the joint Bank/Fund Development Committee have regularly brought together Governors of both institutions since 1974, the need to devote more intensive policy attention to coherent collaboration has been recognized on both sides of Nineteenth Street in Washington, where the institutions are located.<sup>9</sup> Similarly at the UN, coherence and effective cooperation, especially in field operations, among UN funds and programs remains an ongoing concern of the General Assembly.<sup>10</sup>

In general, cooperation of staff directly working for different international institutions seems to function relatively smoothly. In part this may reflect the self-perception of staff as international civil servants rather than as national representatives. On the other hand, the institutions in which they work often advance different sets of policy views and priorities so there are issues to address in order to reach internationally coherent policy norms. In this regard, there has been a strong tradition of collaboration among the staff of the IMF, World Bank and WTO, but also, even if less intimately, with staff of the UN, the UN Development Program (UNDP) and the other UN funds and programs, as well as with the UN Conference on Trade and Development (UNCTAD) and the regional commissions. Regular collaboration occurs as well with the staff of the Organization for Economic Cooperation and Development (OECD) and other entities.

Many of these institutions collaborated with the UN Secretariat in preparing the annual *MDG Gap Task Force Reports* (2008-15), which monitored implementation of what was then defined as the Global Partnership for Development (Millennium Development Goal 8). They had collaborated as well since the late 1990s on the documentation for the Preparatory Committee for Monterrey and its follow-up. Thus, effective multilateral staff collaboration in monitoring implementation of AAAA and MoI has a foundation on which to build.

### **The stakeholder engagement challenge**

FfD also has a long tradition of deep involvement in its deliberations by civil society and business organizations. Practices have been enshrined in the three FfD conferences and over a decade of annual meetings in ECOSOC and the General Assembly. They include special accreditation to FfD meetings of non-governmental organizations (NGOs) not in consultative status with ECOSOC and representatives of businesses, and

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<sup>8</sup> This mandate also brought the heads of the Bretton Woods institutions to Geneva in 2003 and 2004 to participate in the discussion of coherence in the General Council, a year after they had gathered with Member States in Monterrey for FfD. The WTO coherence agenda broadened under its Doha Development Agenda, as in the program of "aid for trade", and subsequently broadened again in helping to monitor the G20 anti-protectionism pledge following the global financial and economic crisis.

<sup>9</sup> For a review up through creation of the Bank/Fund Joint Management Action Plan, see United States Treasury, "Report to Congress on IMF and World Bank Collaboration and IMF Accountability," July 2009 ([https://www.treasury.gov/resource-center/international/int-monetary-fund/Documents/\(2009-07-22\)%20Bank%20Fund%20collaboration%20report%20FINAL.pdf](https://www.treasury.gov/resource-center/international/int-monetary-fund/Documents/(2009-07-22)%20Bank%20Fund%20collaboration%20report%20FINAL.pdf)).

<sup>10</sup> See the range of activities and reports for the 2012-2016 Comprehensive Policy Review at <http://www.un.org/en/development/desa/oesc/qcpr.shtml>.

encouraging these stakeholders to actively participate in the debates. Also, there was a practice of holding hearings in which experts from various non-official communities might testify on their areas of expertise. Indeed, FfD has welcomed NGO and private sector initiatives in organizing “multistakeholder consultations” on FfD issues, which it will be noted below, can help prepare future discussions in the FfD Follow-up Forum.

While these practices are good ones, the degree of inclusiveness in the monitoring that they entail has been limited by at least two factors. First is money: funds are rarely provided in adequate amounts, if at all, for a fully inclusive monitoring discussion. Additional funding could help bring civil society and country representatives to New York meetings and arrange opportunities for sustained dialogue, as in side events or hearings, and not just three-minute statements in plenary. Another approach is to fund regional or national meetings where dialogue can be fruitful. This involves adequate resources, but also opportunities that encourage participation, e.g., capitalizing on opportunities provided by other related meetings.<sup>11</sup>

The second factor holding back fuller participation of stakeholders is that they have sometimes been reluctant to come to the UN to testify to their experiences or to lobby governments when they believe the outcome is unlikely to make such a journey worthwhile. Their time and budgets are limited and if they need to choose whether to come to New York or Brussels or Washington or WTO in Geneva or to G20 meetings, they are more likely to go “where the money is”. This is true, not only for civil society, but also for corporate and financial interests, which typically host receptions on the periphery of financial policy meetings and seek to influence their outcomes. In other words, the challenge is to make it worthwhile for all stakeholder groups to come to the United Nations, which requires showing that the opportunity is real for governments to negotiate conclusions in the FfD Follow-up Forum that actually impact international policy.

In sum, governments at the UN that are interested in the new FfD Follow-up Forum need to set a new collaborative tone, involve the relevant ministries and institutions, and raise expectations that they actually want to recreate a consensus-building process leading to policy actions on which there would be a measure of serious political commitment. There is much that can be done and the UN can be the forum in which to reach agreements to do it. It does, however, require greater policy engagement than has been seen in recent years.

### **Mandate of the ECOSOC FfD Follow-up Forum**

It is not enough to celebrate that one of the most important parts of the Addis Ababa

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<sup>11</sup> A case in point was the FfD multistakeholder consultation on debt for low-income countries, held in Maputo in March 2005. It was held back-to-back with an IMF seminar, which was immediately followed by a meeting of the Commonwealth HIPC Ministerial Forum, which was followed in turn by the UN meeting. Those first meetings facilitated African finance ministry participation in the UN meeting as it only required some participants to extend their stay one day. Also, the UN meeting was co-sponsored by the Commonwealth Secretariat, which helped finance the additional day in Maputo for various participants. Moreover, holding the meeting in Africa reduced the time as well as financial cost of travel of African officials and civil society. In fact, the exercise produced a lively exchange, *inter alia*, exposing IMF staff to what was for them an unusually frank range of views, including from certain European aid ministries and African finance officials who seemed emboldened in speaking to IMF while NGOs from their countries listened (see <http://www.un.org/esa/ffd/msc/sovereigndebt/index.htm>).

Action Agenda is the acknowledgement of the need for “a dedicated follow-up and review...[of AAAA and MoI that could] provide policy recommendations for action by the international community” (AAAA, para. 131). The FfD Follow-up Forum that was created in Addis must be made into an actually effective intergovernmental process. The official mandate for the Forum is a start, although it needs to be fleshed out.

### **Specified guidelines for the Forum**

Although it will operate under the auspices of ECOSOC, the Addis Agenda specified that the Forum will be open to “universal, intergovernmental participation... [utilizing the meeting modalities] at the international conferences on financing for development.” The Agenda specified further that the Forum would meet annually and that it

“will consist of up to five days, one of which will be the special high-level meeting with the Bretton Woods institutions, WTO and UNCTAD, as well as additional institutional and other stakeholders, depending on the priorities and scope of the meeting...It’s intergovernmentally agreed conclusions and recommendations will be fed into...the high-level political forum on sustainable development [HLPF]. The deliberations of the Development Cooperation Forum, according to its mandate, will also be taken into account...” (AAAA, para. 132).

In addition, the Addis Agenda encouraged the Secretary-General of the United Nations to convene an inter-agency task force to “report annually on progress in implementing [the AAAA and MoI] and advise the intergovernmental follow-up thereto on progress, implementation gaps and recommendations for corrective action, while taking into consideration the national and regional dimensions” (AAAA, para. 133).<sup>12</sup> While the last section of this paper offers some observations on the prospective operations of the new task force, suffice it to say here that the Agenda implicitly envisages the task force as the primary mechanism—and indeed a highly credible one—for monitoring implementation of FfD and the MoI. This appears to be an important innovation in the FfD process.

Finally, in December, the General Assembly invited the President of ECOSOC, who is to chair the FfD Forum, to consider appointing two co-facilitators who would “prepare the draft conclusions and recommendations of the forum” and “facilitate consultations among Member States” on the draft with a view to reaching intergovernmental agreement. The Assembly also specified that the Forum would meet each spring in New York, beginning in 2016. Remaining organizational matters were left to be addressed by the President of ECOSOC and the Secretariat (resolution 70/192).

In short, the UN has devised a potentially effective structure for international policy discussion. Moreover, even though some governments have interpreted the Addis Agenda as only aspirational, the Member States of the UN specifically

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<sup>12</sup> All the MoI are included in one form or another in AAAA, according to a Secretariat mapping of the MoI on AAAA (see [http://www.un.org/esa/ffd/ffd3/wp-content/uploads/sites/2/2015/07/SDG-MoIs\\_AAAA.pdf](http://www.un.org/esa/ffd/ffd3/wp-content/uploads/sites/2/2015/07/SDG-MoIs_AAAA.pdf)). Thus, addressing the FfD agenda *ipso facto* addresses the MoI agenda, although not vice versa; e.g., AAAA includes a focus on a series of systemic issues that can undermine implicit economic growth and stability assumptions underlying the targets for attaining the sustainable development goals.



*committed* “to fully engaging nationally, regionally and internationally, in ensuring proper and effective follow-up of [FfD and MoI, to which end] it will be necessary to ensure the participation of relevant ministries, local authorities, national parliaments, central banks and financial regulators, as well as the major institutional stakeholders, other international development banks, and other relevant institutions, civil society, academia and the private sector” (AAAA, para. 130). UN regional commissions were also encouraged to cooperate with regional banks and organizations, “to mobilize their expertise and existing mechanisms, which could focus on thematic aspects of the present Action Agenda” (ibid). It only remains now to actually start to do it, to show the sceptics that the commitment is not empty words.

### **Fleshing out the guidelines**

Assuming the aforementioned General Assembly resolution establishes a precedent, the President of ECOSOC will continue to be responsible for organizing subsequent FfD Forum sessions in cooperation with the Secretariat. As part of that responsibility, once the substantive agenda of the meeting is set (see below on how that might be done), the President should invite informal groupings of stakeholders to propose qualified individuals to participate in each of the two main parts of the Forum session, as noted later, while retaining responsibility for ensuring relevant expertise and overall gender and geographical balance.

In addition to engaging the stakeholder groups listed in the Addis Agenda as quoted above, participation might also be invited from relevant standing or ad hoc UN system or independent committees as the topics of deliberation warranted. For example, chairs of the UN Committee of Experts on International Cooperation on Tax Matters and of the OECD Committee on Fiscal Affairs might be invited to join a discussion of ways to encourage cooperation at regional and international level to end harmful tax competition. Sometimes, as was noted above in the case of the WTO Committee on Trade and Development, there may be reluctance to participate physically, even if informally, but like that committee, such stakeholders might agree to provide a written contribution on specific issues within their competence. That too could be valuable.

In other words, discussions in the FfD Forum should be well prepared, inclusive, and should be given strong government and multilateral institution support so as to bring representatives of relevant policy makers together to forge agreement. As already noted, negotiated conclusions and recommendations of the FfD Forum will be “fed into” the HLPF, which was designated as the central body for overseeing follow-up and review of the 2030 agenda at the global level (General Assembly resolution 70/1, para. 47). In this regard, the HLPF should welcome the outcomes of the FfD Forum on AAAA and MoI matters, and offer political endorsement of the proposals as it forwards them to the General Assembly, which remains the most senior intergovernmental body of the United Nations.<sup>13</sup>

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<sup>13</sup> It is somewhat unclear to what extent each HLPF will conclude with an agreed outcome. Both the 2013 HLPF under the GA and the 2015 HLPF under ECOSOC concluded with Presidential summaries of the debates; the 2014 HLPF under ECOSOC had an agreed text that served as the conclusion of both the HLPF and the Annual Ministerial Review. Nevertheless, the HLPF under the GA (except in 2013) and under ECOSOC were mandated to conclude with negotiated declarations (General Assembly resolution 67/270, paras. 6d, 7g and 27). Presumably, the HLPF will revert to negotiated outcomes. Those of the FfD Forum that it endorses should be among its most consequential.

At the same time, it should remain clear that neither the FfD Forum nor the HLPF would seek to usurp the relevant official forums that are mandated to make policy decisions. In the language of the Monterrey Consensus and subsequently negotiated FfD outcomes, the relevant international decision-making bodies could be invited or encouraged to take or consider specific actions, which their own members could then decide to take up and negotiate. Such FfD commitments did not always lead to new agreements, but they embodied serious commitments to try. Examples include an impetus to reform of the governance of the Bretton Woods institutions, the expression of global support for developing the aid-effectiveness agenda, and strengthening of the political commitment for timely completion of negotiations on what became the UN Convention against Corruption. The basket of pending or recommended international FfD initiatives on which the world awaits action is quite full. The Forum should help them make progress.

In all, it is essential that government representatives and management of the major institutional stakeholders come to feel joint ownership of the FfD Forum along with UN delegations and the Secretariat. This will only happen if they feel they have a role in preparing its meetings (albeit not controlling them). There is a challenge here as both governments and institutions naturally want to advance their own visibility, mandates and agendas, so it will take leadership from key officials of the governments and international organizations to make it work.

At national level, one may envisage leadership of interested governments identifying a core set of officials in their capitals and who represent them in relevant international institutions who would help provide overall intellectual and policy guidance to the participation of their governments in the FfD process and who would invite colleagues from specialized ministries or representing them in other institutions pertinent to each specific topic to join them in preparing for specialized discussions in meetings of the FfD Follow-up Forum. By the same token, one may envisage that there would be a core group of staff of multilateral institutions who would not only work with the UN to lead the preparations of the reports of the inter-agency task force, but also work together to help facilitate preparation of specific topics on which the FfD Follow-up Forum might wish to focus its attention. As per the formal Addis mandate, the Secretary-General should invite additional specialized international institutions to contribute staff time to the effort to prepare the focused discussions as appropriate.

In sum, the FfD Follow-up Forum holds out the promise that it can be an effective intergovernmental and inter-institutional meeting place. The challenge is to capitalize on this opportunity and make it worthwhile for relevant ministries and institutions to participate, which requires addressing issues they care about and on which they might advance toward consensus.

### **A structure for the annual FfD intergovernmental work cycle**

The FfD follow-up process—and thus the Forum—was mandated to “assess progress, identify obstacles and challenges to the implementation of the financing for development outcomes, and the delivery of the means of implementation, promote the sharing of lessons learned from experiences at the national and regional levels, address new and emerging topics of relevance to the implementation of this agenda as the need arises, and provide policy recommendations for action by the international community”



(AAAA, para. 131). This might be rephrased as embodying two categories of policy discussion.

First is to monitor overall implementation of AAAA and MoI, reflecting on trends in quantitative indicators (which have yet to be selected) and narratives on AAAA policy developments, paying due attention to the coherence and effectiveness of implementation of the full set of FfD and MoI policies. This would be a standard part of each Forum session. The annual report of the interagency task force would be the main document for this discussion, potentially complemented by contributions from the regions and submissions by various stakeholders. This part of the Forum session could take up the role previously played by the special high-level meetings of ECOSOC with the Bretton Woods institutions, WTO and UNCTAD.

Second is to address individual measures identified in AAAA (or otherwise referred to the FfD Forum for its attention)<sup>14</sup> as warranting further international policy development. The objective would be, as the Addis Agenda states, to identify “obstacles and challenges” and reach agreed “policy recommendations for action by the international community.” The proposal here, in essence, is to move away from standard, broad and inconclusive UN debates toward facilitating global consensus building on specific pending and emerging global policy concerns. This type of intergovernmental consideration could warrant up to the four additional days allocated to the annual Forum meetings. As the second category of discussion is the more innovative one, it may be considered here in more detail.

### **Criteria and illustrations of potential focus topics**

The individual policy issues on which it is proposed that the Forum focuses attention would need to be adequately prepared and would need to be welcomed by the membership ahead of time. That is, there should be shared interest, even enthusiasm, in tackling the topics. In part, that would mean that delegations deem the topics to be ripe for consideration, which is to say that discussion should aim to advance *international* cooperation on the issue. This is not meant to diminish the importance of national policies but to emphasize that the Forum’s role should be about how the international community can usefully support country efforts.

In other words, the outcome of an FfD Forum deliberation should not be to preach about the policies that are anyway already specified in AAAA, but seek to advance specification and implementation of the agreed policies through enhanced deliberation and cooperation. For example, agreement at the Forum could aim to a) recommend or invite intergovernmental discussion or negotiation to start in a standing or ad hoc expert or decision-making body, b) take stock and give a political impulse to in-process negotiations, or c) give political endorsement to work largely completed in a more technical forum. An indicative listing of potential topics and their source in the text of the Addis Agenda are given in box 1.

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<sup>14</sup> As per the example of the recent General Assembly resolution on “External debt sustainability and development”, which encouraged the FfD Forum “to consider how to improve sovereign debt restructuring, taking into account...the mandate of the forum set out in [the Addis Agenda]” (resolution 70/190, para. 3).

**Box 1. Topics that might be the focus of discussion at one or more annual FfD Follow-up Forum Meetings in ECOSOC**

The Addis Ababa Action Agenda contains numerous expressions of intention to work further on specific policy imperatives that bear on the financing of sustainable development. Examples of such focus topics follow, accompanied by reference to the paragraph of AAAA in which they are posited (in order of AAAA paragraphs, not necessarily in order of priority, which would be for ECOSOC and the FfD Forum planning process to decide):

- Taking stock of and advancing proposals for international cooperation to promote and fund social protection, including social protection floors [para. 12]
- Taking stock of work to establish a new infrastructure forum [para. 14]
- Deciding how to monitor (with a view to shrinking) illicit financial flows [para. 24]
- Agreeing how to encourage cooperation at regional and international level to end harmful tax competition [para. 27]
- Strengthening and harmonizing social, economic and environmental principles for adoption by companies and incentives for compliance [para. 37]
- Developing mechanisms for corporate/sovereign dispute resolution in bilateral investment treaties and free trade areas [para. 46 on advisory support in dispute resolution plus para. 91 on design of investment agreements]
- Evaluating the OECD proposed measure of total official support for sustainable development or TOSSD [para. 55]
- Drawing on discussions in the DCF and GPEDC, reaching an agreed global assessment of the effectiveness of development cooperation and steps to further enhance it [paras. 58 and 132]\*
- Assessing how to carry forward into practice the conclusions of the World Humanitarian Summit (May 26-27, 2016), especially as regards enhancing the coherence of development and humanitarian financing [para. 66]
- Developing globally agreed guidelines on creditor and debtor responsibilities in loans to sovereigns [para. 97]
- Developing consensus guidelines on workouts from sovereign debt crises [paras. 98, 99 and General Assembly resolution 70/190]
- Taking stock of “regulatory gaps and misaligned incentives” [para. 105] in the international financial system and accelerating progress in reducing specified systemic risks [para. 109]
- Taking stock of implementation of the Technology Facilitation Mechanism [para. 123]

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\* The DCF sessions conclude with an official summary (<http://www.un.org/en/ecosoc/DCF/>) and the first meeting of GPEDC concluded with a communiqué ([http://effectivecooperation.org/wordpress/wp-content/uploads/2014/07/ENG\\_Final-ConsensusMexicoHLMCommunique.pdf](http://effectivecooperation.org/wordpress/wp-content/uploads/2014/07/ENG_Final-ConsensusMexicoHLMCommunique.pdf)), although not all Member States joined in it. The FfD Forum could strengthen these discussion tracks with a globally agreed text, assuming global agreement was within reach.

It may be added that the topics should be selected independently of the HLPF agenda, which is far broader in scope. That is, the HLPF is mandated to consider the integration of the social, economic and environmental dimensions of sustainable development and implementation of all outcomes of major UN conferences in the economic, social and environmental fields, let alone implementation of each of the sustainable development goals (SDGs), including as evidenced by voluntary presentations by individual countries on their SDG-implementation efforts, spotlighting as well the science-policy interface in delivering the SDGs and the programs under the ten-year framework on sustainable consumption and production (General Assembly resolution 67/290, paras. 7, 8, 20 and 21).

### **Deciding what to talk about and when**

An obvious occasion at which to formally select the focus topics of the FfD Forum sessions is ECOSOC's Organizational Session. ECOSOC's annual work cycle runs from July to the following July, which could give about nine months to prepare for a discussion if selected at the Organizational Session for the ensuing Forum session. As some topics may warrant more than nine months for proper preparation, the Organizational Session might decide topics for discussion beyond one year. It should be possible, for example, to schedule a focus topic to start two years ahead to allow for a series of preparatory meetings, analogous to the practice of the Development Cooperation Forum (DCF).<sup>15</sup> A topic requiring a shorter preparatory period could be scheduled for the intervening year. ECOSOC could also decide after discussion of a topic at one session to return to it—or selected aspects of it—for a second year and it could possibly select an additional focus topic for consideration during that second year to share the time with the continued discussion of the first topic. It could also decide to return to a topic several years hence, for example, if a technical body is expected to work on a policy measure in the interim.

Other ways to organize multi-year policy discussions have been used, mostly using a fixed schedule that is repeated in cycles.<sup>16</sup> There is much to be said, however, for flexibility in selecting the various focus topics and how much time is needed to properly prepare their discussion, rather than lock the Forum into any fixed structure. The substance should drive the organization and not vice versa. The key is to be able to use the Forum as effectively as possible for working towards and then realizing an international consensus on concrete policy actions.

Once a focus for a Forum discussion is agreed, international preparations should begin so that discussions at the Forum will be as well informed as possible. This could

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<sup>15</sup> The DCF model entails a series of high-level symposia hosted in different regions between its biennial sessions (e.g., see materials for the Incheon symposium in preparation for the 2016 DCF at <http://www.un.org/en/ecosoc/newfunct/dfrok.shtml> and the Kampala symposium at <http://www.un.org/en/ecosoc/newfunct/dfuganda.shtml>).

<sup>16</sup> For example, the UN Commission on Social Development operates on a two-year cycle, in which it reviews progress in specified social plans and programs of action under its purview in the first year and considers recommendations of further policy needs in the second year; in addition, it may organize expert group meetings and other discussion formats (e.g., on the two expert group meetings and the e-dialogue undertaken in preparation for the 2016 Commission session, see <https://www.un.org/development/desa/dspd/united-nations-commission-for-social-development-csod-social-policy-and-development-division/54th-session-of-the-commission-for-social-development-csod54.html>). This was also the meeting modality of the former UN Commission on Sustainable Development.

include regional and/or expert group meetings organized by the Secretariat on behalf of the Forum or on the initiative of any of the FfD stakeholders (i.e., Member States, UN system and other international organizations, civil society or business organizations). Provision should be made to include some preparatory meetings for the FfD Forum when formulating the UN's program budget. In addition, individual donor support to the FfD Trust Fund especially in the first years is probably necessary. Even so, costs of preparatory meetings can be held down if they are co-sponsored with other stakeholders or organized as "multistakeholder consultations" as they had originally been envisaged in the immediate post-Monterrey years,<sup>17</sup> and which the General Assembly sought to encourage.<sup>18</sup>

While it is proposed here that the decision on the specific focus of an FfD Forum would be formally taken by UN Member States at the ECOSOC Organizational Session, it is important that there be wide support beforehand for addressing the selected topic and at least some consideration given to how to cover the cost of the envisaged preparatory meetings. This implies a significant consultative effort would be needed to arrive at a proposed focus topic, responsibility for which might formally fall to the outgoing President of ECOSOC who presides at the preceding FfD Forum. The President could be assisted in this function by the two co-facilitators, if the decision to appoint them to help in the negotiations of the outcome of the 2016 Forum became the general practice.<sup>19</sup> The point here, however, is not to insist on any particular arrangements but to call for an inclusive, intergovernmental and inter-institutional process so that there is a consensus on the way forward by the time of the decision at the ECOSOC Organizational Session.

### **Post-Forum process**

As noted earlier, the policy outcome of the FfD Forum would be fed into the HLPF and should thus be endorsed by the General Assembly when the HLPF outcome is so endorsed. In a separate annual FfD resolution, the Assembly might endorse and encourage participation in ensuing work cycles in the Forum as decided at the ECOSOC Organizational Session and underline the need to fully fund the activities, including through contributions to the FfD Trust Fund. In fact, many of the activities might be financed by the organizing entities themselves, but funding can assumed to be perpetually scarce.

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<sup>17</sup> The initial set included, in particular, "Building an inclusive financial sector for development" (led by the Department of Economic and Social Affairs (DESA) and the UN Capital Development Fund), "Sovereign debt for sustained development" (organized by DESA, IMF, World Bank, and the Program on the Debt Management and Financial Analysis System at UNCTAD), "Systemic issues" (organized by New Rules for Global Finance, an NGO), and "Public-private partnerships for improving the effectiveness of development assistance" (organized by the World Economic Forum). Complete documentation on each of these efforts may be found on the FfD web site at <http://www.un.org/esa/ffd/msc/>.

<sup>18</sup> In particular, the General Assembly called on the FfD Office to facilitate the participation of all stakeholders [in FfD], including to continue "to organize workshops and multi-stakeholder consultations, including experts from the official and private sectors, as well as academia and civil society, to examine issues related to the mobilization of resources for financing development and poverty eradication" (resolution 58/230, para. 13a).

<sup>19</sup> There is no text mandating that there be negotiated outcomes each year. The Addis outcome document only says that agreed conclusions and recommendations would be fed into the HLPF (AAAA, para. 132). The challenge, then, will be to reach conclusions and recommendations that are actually worth transmitting.

A word on outreach is also in order: participants in the FfD Forum should be informally encouraged to bring its substantive conclusions to the attention of relevant other bodies.<sup>20</sup> This could include a brief presentation by the UN Secretary-General to the IMF/World Bank Development Committee or the International Monetary and Financial Committee (IMFC), depending on the focus topic. Members of the Group of 20 might also look for an informal way to bring the outcome of the FfD Forum to the attention of the relevant working groups of the G20, so that the thinking of the international community as a whole can be an input to the G20 as well as vice versa. The rotating G20 chairs could set a precedent in this regard (China in 2016 and Germany in 2017). Also, the annual task force report (discussed in more detail below) should be made available in languages and printed in an attractive way, which, alas, also has budgetary implications. There should also be a budget for outreach to the relevant media.

Finally, although extending beyond the terms of reference of the current paper, it may be noted that the processes developed for organizing the work stream of the FfD Follow-up Forum may also be useful in organizing the quadrennial FfD High-Level Dialogues in the General Assembly (see annex 2).

### **A structure for each annual meeting of the FfD Forum**

There is well over a decade of experience in holding meetings on FfD in the Economic and Social Council. There also seems to be a feeling that they have become stale and routine. Two innovations are thus proposed in this section of the paper for the FfD Follow-up Forum. The first, as already discussed, is to focus part of the discussion on a single policy issue identified for further work in the Addis Agenda so as to delve deeply into it with participation of relevant government representatives and other stakeholders with a view to helping to advance towards an international consensus for action. The second innovation is to hold part of the meeting as informal, closed-door “round tables” of limited size, as had been the practice during and after Monterrey. The objective would be to create opportunities for unique exchanges among participants who rarely talk to each other while making it a “safe” place to have those conversations. The ensuing comments describe how a prototypical FfD Forum meeting might be organized, including the round tables (see box 2 for a summary of the agenda).

#### **Opening day: high-level overview**

The first day of the annual meeting should be devoted to an overview of AAAA and MoI implementation, highlighting the most salient indicator results available at the time and policy developments. The structure of this day would have similarities to the annual FfD discussions in ECOSOC with the Bretton Woods institutions, WTO and UNCTAD, but as undertaken in the early post-Monterrey period rather than in its later practice. It should aim to warrant and receive the political attention of the earlier meetings.

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<sup>20</sup> This was an early practice post-Monterrey; e.g., in 2003 the General Assembly welcomed “the decisions by the major institutional stakeholders of the International Conference on Financing for Development to include in the agendas of their intergovernmental bodies relevant items on the implementation of the Monterrey Consensus of the International Conference on Financing for Development” (resolution 58/230, para. 8).

## **Box 2. A typical agenda for the annual FfD Follow-up Forum**

The discussion presented in the accompanying text implies the following agenda:

### **High-level overview**

#### Day 1: Morning (10:00-13:00)

Under the chairmanship of the President of ECOSOC, the Secretary-General introduces the inter-agency task force report; ministers in attendance, including chairs of major intergovernmental oversight committees or their representatives (could be heads of IMF, World Bank, WTO) make statements; plenary discussion by UN ambassadors, Bretton Woods Executive Directors, Trade and Development Board chair, other stakeholders.

#### Day 1: Afternoon (15:00-18:00)

Three simultaneous round tables of about 40 participants each with microphones under Chatham House rule (no webcast; no press), together covering the seven AAAA Action Areas; chaired/moderated by ministers, heads of multilateral institutions or other high-level participants; balanced group of government and other stakeholders in frank exchanges.

#### Day 2: Morning (10:00-11:00)\*

Reports from roundtables by chairs/moderators or their representatives; plenary discussion and official summing up by President of ECOSOC; closure of high-level overview.

### **Consideration of focus topic**

#### Day 2: Morning (11:00 – 13:00)\*

Under chairmanship of the co-facilitators, introduction of focus topic by Under Secretary-General for Economic and Social Affairs, giving the state of play in international consideration of the topic; statements on the outcome of preparatory expert and/or regional meetings; statements by relevant intergovernmental or expert committee chairs; reports from multistakeholder consultations (possibility to carry over into afternoon session).

#### Day 2: Afternoon (15:00 – 18:00)

Statements by government experts from capitals, international institution experts and other stakeholders in plenary format; interactive dialogue on focus topic, trying to discern what is agreed and what is contentious in focus topic and why?

#### Day 3 and after: Morning and Afternoon sessions as needed

Testimony of invited experts at hearings in plenary and dialogue of official participants and other stakeholders with the experts; round tables on particular aspects of the focus topic in search of consensus; informal plenary dialogue on a concise, proposed policy outcome document to be presented by the co-facilitators; “informal informals” to complete negotiation of outcome document; formal adoption.

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\* The division of time on the morning of the second day is notional at this point.

### Morning session

The morning should begin at high-level with statements by the Secretary-General, who would introduce the task force report, and by the chairs of the intergovernmental oversight bodies of the major stakeholder institutions or their representatives (IMFC, Development Committee, WTO General Council or Trade and Development Committee, UNCTAD Trade and Development Board), as well as by other government ministers in attendance.<sup>21</sup> This would be followed by a discussion from the floor by representatives of Member States, members of the Fund and Bank Executive Boards, other intergovernmental organizations and institutions, and representatives of civil society and business organizations. As some time is needed for participants to make statements from the floor, this interchange would close the morning session of the first day.

As noted above, the major document for the meeting would be the report of the inter-agency task force, albeit in a *preliminary* version. This is because data on most indicators for the year just completed will not be available in time for inclusion in an official Secretariat document issued in official languages for discussion in April, the month most likely to be selected for the Forum (which would allow it to be held back-to-back with the Bretton Woods spring meetings). Although the document would perform contain data that was one or two years old, it could contain a narrative of policy developments through the end of the previous year, and thus should provide a basis for the overview discussion in the Forum (see below for additional suggestions for the inter-agency report). Moreover, participants in the Forum could inform colleagues about data contemporaneously released by their institutions that would be of interest to the Forum, such as the preliminary estimate of total official development assistance in the previous year or estimates of external debt indicators as of the end of that year.

As an exchange of views is the primary goal, statements from the floor should be limited to 3-5 minutes each, with participants encouraged to submit written documents giving more complete position papers and analyses, which would be posted on the FfD web site.

### Afternoon session

The afternoon session would aim to permit the ministers and other senior representatives to address in a more intimate way than in the formal morning statements the seven “action areas” on policy that comprise the bulk of the Addis Agenda. The proposal for the afternoon is thus to hold three simultaneous interactive “round table” sessions. Holding three simultaneous sessions also means that each one could be held to about 40 participants sitting before microphones, drawn from representatives of Member States, international institutions, civil society and business organizations. In each session, the discussion might focus on identifying the most salient opportunities and challenges during the past year in the cluster of issues assigned to the roundtable.

There are different ways to assign topics to each roundtable. One could be to cycle through the seven “chapters” of AAAA over two years (three simultaneous

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<sup>21</sup> Admittedly, this would raise the representation in the FfD Forum to a level not seen since the earliest ECOSOC FfD meetings (and not ever seen in the case of IMFC and WTO, although the chair of the Trade and Development Committee participated in the FfD Preparatory Committee).



sessions in one year and four in the second year). Another possibility is to hold two sets of sessions in the three-hour block of time allocated to the afternoon session, meaning each would be short, especially as participants would need time to move from one session to another. Yet a third option—and one that seems preferable—would be to allocate the “chapters” to three roundtables, each to last for the whole period, for example, as follows:

- A. Domestic public resources + International development cooperation + Science, technology, innovation and capacity building;
- B. Domestic and international private business and finance + International trade as an engine for development
- C. Debt and debt sustainability + Addressing systemic issues

Experience from the early FfD years suggest that such discussions quickly move to contentious issues on the topics of concern, especially as civil society representatives may be counted on to raise known concerns that might lie under the surface if government and institutional representatives are seen to be seeking to avoid controversy. Indeed, an objective of the round table discussions might be put as bringing these concerns to the surface so they may be addressed or at least acknowledged. A successful roundtable session will make participants feel that their trip to New York was worthwhile—or at least interesting.

To facilitate frank exchanges, it is proposed to follow the practice of early years in that each of the round tables should be organized under the Chatham House rule and that the chairs/moderators (who are pre-selected from among the high-level participants) prohibit reading of statements. The sessions would not be webcast; nor would press be invited into the room. The respective sections of the task force report would serve as the primary background material for the discussion, although participants would be welcome to draw attention to position statements or analyses posted on the FfD web site.

## **Second day**

### *Completion of the overview*

The following morning, each discussion section would report to a reconvened plenary, followed by an open discussion among participants and an official summing up by the President of ECOSOC, who chairs the meeting, emphasizing areas of most concern needing further attention as well as areas in which implementation had been encouraging (a concise distillation of the summing up could help form the first draft of the first part of the negotiated outcome). The Forum would then turn to discussion of the selected focus topic.

### *Opening discussion of focus topic*

It may be expected that in most cases, responsible experts from governments and institutions would replace the high-level officials who attend the first phase of the Forum. Similarly, business and civil society experts on the focus topic should participate in the ensuing discussions.

The first session on the selected theme could begin with a plenary discussion in which the state of play on the issue at hand would be presented, based on a note

coordinated by the FfD Secretariat in cooperation with the other major multilateral stakeholders pertinent to the topic at hand. Oral reports could also be made (and written documents supplied) as well by chairs or representatives of preparatory regional or other meetings and a first round of public statements could be made. In addition, this would be the time for country groups and countries to make initial statements on the focus topic.

### **Subsequent days**

With this background, the Forum could turn to hearings at which invited experts from business, civil society and academic organizations would present their views on the selected topic. With government participants coming from capitals and institutional experts also at hand, it may be anticipated that a lively debate could be had with the experts who testify at these hearings. The intention should be to dive deeply into the subject matter, addressing bottlenecks that impede action, proposing solutions to contentious issues, etc.

The remainder of the Forum should seek to advance consensus on the selected topic. Based on the general debate and the hearings, the co-facilitators, supported by the Secretariat and relevant multilateral institution expertise, might propose conclusions and recommendations in order to start off discussion on the prospective outcome of the debate. While an initial reaction might be heard in an informal plenary meeting, it could also be useful to return to simultaneous informal “round tables” of again roughly 40 people drawn from relevant groups of FfD stakeholders on different aspects of the co-facilitators’ proposal, again held under the Chatham House rule. These discussions would not be negotiations over text, but efforts to critique the proposals and identify their strengths and weaknesses as seen by different stakeholders, all the while trying to move toward a consensus. On this basis, chairs/moderators would work with the co-facilitators in revising the draft outcome, following which representatives of Member States would meet in “informal informals” to finalize the outcome text.

A final formal session would adopt the agreed text and close the meeting. The Secretariat would then prepare a synthesis summary of the debates to include in the report of the meeting along with the agreed conclusions, which would be transmitted to the HLPF. The full report of the Forum would presumably feature as a chapter in the report of ECOSOC to the General Assembly.

### **A theme and structure for the 2016 FfD Forum**

The 2016 FfD Forum has to differ from the prototypical ones proposed above, especially given the time constraints. At the time of writing, no structure or content of the meeting has been agreed, nor its duration. At its July 2015 Organizational Session, ECOSOC allocated April 18-19 for the 2016 Special High-Level Meeting of the Economic and Social Council with the World Bank, IMF, WTO and UNCTAD. The FfD Forum will presumably take over those two days and up to three subsequent days.

The 2016 Forum could initiate the proposed two-stage organization of the annual meetings, beginning with a broad overview of agreements reached in 2015 in Addis Ababa (FfD), New York (2030 Agenda), Paris (COP 21), Nairobi (WTO Ministerial), Antalya (G20) and other international policy conferences of note, possibly

including as well some expectations for forthcoming global meetings (e.g., World Humanitarian Summit in May in Istanbul, the High-level Meeting on HIV/AIDS in June in New York and Habitat III in October in Quito). This could be followed by a focus over the remaining days on the methodology, expectations and challenges foreseen in monitoring AAAA and MoI in ensuing years.<sup>22</sup>

The first report of the FfD inter-agency task force should be the main document for the meeting. It could put the agreements reached or not reached in 2015 into a context of global coherence and cooperation for sustainable development, but also be an occasion for members of the new task force to share their thinking on how the task force proposes to monitor implementation on an ongoing basis.

Moreover, the UN Statistical Commission will have completed its review of SDG indicators, including those pertaining to MoI, on March 8-11, 2016 and the chair of the Commission and interested members might be invited to contribute to the discussion of the methodology of monitoring. In addition, the chair of the Development Assistance Committee of OECD might be invited to describe its work on modernizing the measurement of official development assistance (ODA) and its design work on the proposed indicator of total official support for sustainable development (TOSSD).

Assuming that the decision on the thematic focus can be reached in a timely way, the Forum might include a day of hearings on debates in monitoring methodologies and how to interpret prospective developments in proposed or adopted indicators. There are many controversies embedded in some of the indicators currently under consideration for the Statistical Commission review,<sup>23</sup> which could provoke a lively debate and highlight research needs.

The negotiated outcome anticipated at the 2016 Forum might reflect on the state of international cooperation to implement AAAA and MoI, as well as on issues in monitoring methodology. It could welcome or call for parallel monitoring reviews at regional level. It could also highlight conundrums in monitoring that emerge from the Forum discussion and thus identify areas needing additional research and analysis (e.g., paragraph 24 of AAAA invites monitoring of illicit financial flows, for which there are no agreed indicators). It could even encourage transparency in reporting and in accountability of actors, whose limitations compromise the comprehensiveness and validity of global indicators. The Forum's conclusions, in this regard, could be of special value to the future work of the new inter-agency task force.

### **AAAA and MoI monitoring framework: the new task force**

As noted earlier, AAAA indicates that the primary international responsibility for official reporting on progress of AAAA and MoI at global level would reside in the new inter-agency task force, whose members would include the major institutional stakeholders and the UN system, including the funds, programs and specialized agencies whose mandates relate to the follow-up (AAAA, para. 133). As in the case of

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<sup>22</sup> In future years, the Forum could also take up questions of the effectiveness of monitoring and thus its methodology. For example, it could be part of the discussion if and when the Forum is turned into a preparatory meeting for the quadrennial high-level dialogue in the General Assembly, as proposed above.

<sup>23</sup> For a sense of the controversies, see the comments on the “green” and “grey” proposed indicators at <http://unstats.un.org/sdgs/>.

the MDG Gap Task Force, which the new task force supersedes, OECD would also be an important member, especially as regards its responsibilities in monitoring ODA donors. While it is for the Secretary-General to convene the task force and implicitly it should be left to the Secretary-General to manage it, some thoughts can be shared on how it might work.

It is understood that the Secretary-General is asking DESA to take the lead in forming the task force and that the report would have characteristics similar to the MDG Gap Task Force.<sup>24</sup> More precisely, the new task force should

- Report on quantitative indicators that have been officially specified in some way, critique the indicators as experience is accumulated in using them to monitor outcomes, and study and propose additional indicators, as appropriate.
- Monitor and report on implementation of policies and pertinent negotiations in AAAA, assessing impediments and opportunities for greater progress, and recommending additional policy initiatives over time as agreed among the members of the task force.

Unfortunately, as noted earlier, holding the FfD Forum in April means that global data for the year just completed will not yet be available in time for inclusion in the document for many of the indicators that need to be monitored, based on the reporting schedules for important international data sets on ODA, sovereign debt, and international trade. However, it should be possible to draft the narrative on policy developments in the year just completed. It is thus proposed that a preliminary draft be presented to the FfD Forum in April and that a revised draft with more complete data be launched in September as the report of record.<sup>25</sup>

The conventional approach to global monitoring of quantitative indicators aggregates national data into global totals or averages. It should be increasingly appreciated that aggregated data, albeit standard in multilateral institution reports, are often less informative than “counting exercises” (e.g., number of low-income countries classified by IMF and World Bank as at moderate or high risk of debt difficulties versus the average ratio of external debt to exports for all lower-income countries added together). The experts in the task force should consider the most effective indicators for the elements they intend to monitor and bring their proposals for discussion to the April 2016 Forum.

It is also typical that global monitoring includes aggregations by region or by special country groups, such as least developed countries (LDCs). While some of these will be inevitably presented in the global report, it is expected that regional commissions and the secretariats that monitor developments in the special groups of countries will take primary responsibility for the data on their specific groupings. Efforts should be made—or continue to be made—to harmonize the data definitions across the different secretariats reporting globally and on the various country

<sup>24</sup> See the series of its reports at [http://www.un.org/en/development/desa/policy/mdg\\_gap/index.shtml](http://www.un.org/en/development/desa/policy/mdg_gap/index.shtml).

<sup>25</sup> Based on the schedule for the MDG Gap Task Force reports, the full and final document would need to be sent to editing and translation by end June to be released in September. The UN used a similar practice in the 1970s to publish more complete data in the annual *World Economic Surveys* than was available in time for the official discussion of the document in July at ECOSOC, which at least means there is a precedent.

groupings. This could call for occasional consultative meetings to address reporting challenges and to seek to harmonize statistical standards among the various reporting secretariats.<sup>26</sup> Representatives of the corresponding secretariats should also be encouraged to undertake specialized monitoring that complements the global standards. They should interact with the global task force team on a regular basis.

As the scope of AAAA and MoI is so large, it seems that only a selection of the indicators and narratives required to monitor AAAA and MoI could be included in the published report if it is to avoid being of encyclopaedic length. It is suggested that a core group of indicators be included on a regular basis, supplemented by indicators that pertain to the special focus of discussion at that year's Ffd Forum. It may be useful, in this context, to publish a fuller document including some narrative sections and a data base of indicators on line, and update it annually.

It will be the responsibility of the inter-agency task force to organize its report in a meaningful and attractive way. The task force will undoubtedly feel the need to cluster the policies agreed or advocated in the text of AAAA into groups that could be addressed in coherent narrative sections, each of which would include the relevant quantitative indicators (as data become available) and reports on policy progress in the year just completed. To give a sense of what is entailed, a possible clustering of paragraphs from the international development cooperation chapter of AAAA is presented in annex 1.

## Conclusions

This paper contains a host of detailed proposals, which can be compressed into five main recommendations:

*The Ffd Follow-up Forum should create a space for honest and appropriately thorough inter-ministerial, inter-institutional, multi-stakeholder policy dialogue*

Building on the experience that delivered the Monterrey Consensus, the Ffd Forum can be a space for honest and fruitful exchange among relevant authorities from Member States and international institutions, along with contributions from civil society and business organizations. Small-scale round table discussions under Chatham House rule, with each official speaking on his or her own behalf, would create unique opportunities for frank and fruitful dialogue, helping to identify opportunities and obstacles to reaching consensus on specific policy concerns.

*Governmental and institutional participants should come to feel joint ownership of the Forum as a useful place for working together to resolve differences on specific policies*

Policy discussions in the Forum should aim to support national efforts to implement the 2030 sustainable development agenda through more effective and sustained international cooperation. To this end, an inclusive intergovernmental approach is proposed for adopting and undertaking the Forum's work program. Clarity over its consensus-building role and willingness to address policy proposals over several years (so as not to artificially close off discussion prematurely) should also help

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<sup>26</sup> In some cases, this is a far from trivial exercise; for example, IMF, World Bank, OECD and the Bank for International Settlements have long operated a Joint External Debt Hub to help reconcile different sources of data on the external debt of developing and developed countries (see <http://www.jedh.org/>).

build intergovernmental confidence in the innovative nature of the FfD Forum.

*The Forum should work on international cooperation challenges in any of the issues identified in the Addis Agenda and their overall coherence*

Each session of the FfD Forum should begin with a review of recent developments in international cooperation in areas within the scope of the holistic Addis Agenda, with a view to promoting their effectiveness and mutual coherence. The specific policy concerns then addressed in the second part of each Forum session should be drawn from the Addis Agenda and the means of implementation of the sustainable development goals. These discussions should be adequately prepared, including with regional or expert group meetings or multistakeholder consultations, as warranted by the focus topic.

*Conclusions of the FfD Forum should inform the discussions of the Group of 20 and other high-level intergovernmental policy processes.*

The views of major intergovernmental policy making forums in the economic, trade and financial areas should continue to be brought into FfD discussions, as has been the case since Monterrey. Equally, the outcome of the deliberations in the FfD Forum should inform the discussions of the Group of 20, the ministerial committees of IMF and the World Bank, and relevant other policy making bodies, as appropriate, as well as be fed into the High-level Political Forum, as per the Addis Agenda.

*The 2016 session of the FfD Forum should focus on the methodology, expectations and challenges foreseen in monitoring the Addis Agenda and Means of Implementation*

As 2016 will see the inaugural session of the Forum and as there is much debate and, frankly, dispute if not confusion about how best to monitor implementation of the Addis and MoI policy agenda, it is suggested that the focus topic of the first Forum session be on how best to monitor implementation. It is anticipated that the inter-agency task force, which the Secretary-General is currently convening, will be able to present an initial report on how it proposes to monitor quantitative indicators and qualitative developments in future years. It should welcome the opportunity for intergovernmental and multistakeholder consideration of its proposals.

## **Annex 1. Clustering of items and data availability in AAAA Section C. International Development Cooperation**

To facilitate assessment of commitments and priorities in AAAA for the purpose of monitoring its implementation, a clustering of items from different paragraphs will be necessary. This will be something for the inter-agency task force to decide. However, to give readers a flavor of what is entailed, the following is offered as one way to cluster the paragraphs. Some commentary is included on data availability, which highlights some of the challenges in monitoring.

ODA volume (paras. 50-52): Essentially everything that would likely be relevant on official development assistance was monitored before and should continue to be monitored. The only partially controversial point was the endorsement in paragraph 52 of decisions by some donors to devote half their aid to least developed countries. The LDCs and some donors campaigned for a prescriptive sentence on this but failed to convince others; as a result, AAAA finds those donors who do so to be “encouraging” without prescribing it as a target for all donors. The task force might decide to report the statistic, which the OECD could provide .

Special country groupings (paras. 68, 71-73): LDCs, small islands, land-locked and middle-income countries are singled out in the international development cooperation section. The indicators most relevant to the situations of the special groups are volumes of ODA and other official flows, including from the multilateral banks. One concern expressed in para. 72 is that as their per capita incomes rise, middle-income countries will graduate out of eligibility for World Bank and regional development bank loans; similarly, LDCs express concern in para. 73 about incomes per capita rising too high to qualify for highly concessional loans. Changes in eligibility might thus be tracked, as well as eligibility of countries to resources from new development banks.

Aid effectiveness (paras. 53, 58 and 74): Paragraph 53 calls for “data on aid effectiveness” and the others elaborate on policy issues in aid effectiveness. The successor process to the Paris/Accra targets for improving aid effectiveness is monitored by the Global Partnership for Effective Development Cooperation (GPEDC) and a report for that intergovernmental process is produced jointly by OECD and UNDP. Effectiveness of cooperation, especially “mutual accountability”, is also reviewed by the UN Development Cooperation Forum. The AAAA paragraphs give a few specifics that could be monitored. One example is publication of forward spending plans of donors. We know that many donor governments confidentially report their projections to OECD and some share plans with some countries. One indicator might thus be number of donors sharing forward spending plans with number of aid recipients. It may well be that this is an example of an indicator on which it would be hard to collect comprehensive information without some changes in donor policies. Governments also urge tracking and reporting of aid devoted to gender issues in para. 53. Para. 74 is on aid effectiveness in the UN system in the field, pertaining to UNDP, UNICEF, etc., generically spoken of at the UN as “operational activities for development” on which ECOSOC undertakes quadrennial reviews. How much of that exercise should be brought into the task force reports?

ODA as catalyst for additional finance (paras. 54 and 76-78): paragraph 54 makes a general statement on aid as a catalyst, including through “blended or pooled”



financing; para. 76 relates to the Global Environment Facility on environmental financing; 77 refers to several initiatives in the health field and 78 on education. Some of the initiatives combine official with private philanthropic funds, such as contributions by the Bill and Melinda Gates Foundation, and with for-profit corporations. For example, pharmaceutical companies agree to undertake research on certain drugs that are for the poor on an advanced purchase agreement in which the company has a guaranteed market for the drug when it is developed. It is not clear what indicators can be dug out of these AAAA texts, as the health and education SDGs would measure improvement in health and education per se, not the financing side, although the report should include a narrative on what is being done to implement the paragraphs. In short, not everything that is interesting can be reduced to a quantitative indicator.

International development banks and blending (paras. 70, 75): This refers to the World Bank and regional banks and implicitly to the BRICS Bank and the new Asian Infrastructure Investment Bank. While the text is about what the banks should do, an obvious indicator would be about what they are doing. That is, it should not be difficult to monitor what loans are extended and to what country groups on what terms for what purposes. There are also policy issues to follow in narratives. For example, the controversy over maintaining safeguards over loans by the World Bank is important: NGOs are fighting to stop the rollback of environmental and social safeguards that proposed loans have to pass before being approved. The World Bank has been promoting “from billions to trillions” to flag how it intends to engage with private finance and this is reflected in this paragraph (this differs from ODA as catalyst, as regular World Bank and regional bank loans are not classified as ODA owing to their higher interest rates). It may be expected that the World Bank will put out figures on how much money it mobilizes through cooperation with various financing sources.

More on blended finance (paras. 48, 49): This topic is addressed in the private finance section of the Addis Agenda but could be included in the international public finance discussion. It relates to what the public sector will do to promote cooperation with private finance (para. 49 is specifically on energy investment). As the G20 has an initiative from the Australian presidency that may produce indicators on number of projects supported or their value/size, and as the World Bank will be producing something as well, as noted above, and as OECD will also be monitoring such initiatives (see next item), there should be some interest in a reliable indicator on how much is mobilized (without double counting). The challenge will be for the data compilers to know what investments are made that would not have been made without the official support. In any case, this is something that will be monitored. Also, there is an important AAAA commitment to consider developing guidelines for the social and environmental impact of these projects. This does not lend itself to quantitative indicators but should be monitored.

TOSSD indicator proposal (para. 55): there is a commitment here to examine this indicator proposed by OECD as well as to discuss the modernization of the ODA indicator. The ODA revision is being implemented, but TOSSD is important and there will be much interest in it.

South-South cooperation (paras. 56-57): There could be an interesting challenge to the task force here as the OECD collects data from some countries of the South and presents their data on the same basis as for OECD donors in its annual reports.

However, not all Southern donors give their data to OECD and they expressly say their assistance is not compatible with Northern ODA.

Environmental public finance (paras. 59-65): This will also be a sensitive cluster. There is agreement to treat environmental aid separately from ODA, but some countries in fact count it as ODA. One issue for the task force might be to look into whether ODA data can be cleaned of environmental aid. Another might be to argue that environmental assistance is appropriately ODA if it is given on ODA financial terms and it supports the recipient's development. There is an ongoing monitoring exercise on resources mobilized toward the \$100 billion per year by 2020 target that could be reported.<sup>27</sup> It includes many types of private finance as well as public finance. It could be worthwhile to explain what that indicator is and whether to have confidence in it. The end of para. 60 acknowledges there is a problem by saying the international community needs "transparent methodologies" in this realm.

Post conflict and post disaster assistance (paras. 66-68): There is not much in the Agenda on this subject that qualifies as commitments, although AAAA recognizes that there is a "peacebuilding financing gap" which implies there is a gap between what is and what should be (para. 67). Some of the same objectives are given for delivery of this assistance as for aid effectiveness in general, the difference being the much more challenging domestic situation.

Innovative sources of financing (para. 69): The initiative of Presidents Chirac and Lula has grown into a multistakeholder initiative to mobilize funds for public purposes in new ways. They include the levy that some countries impose on air passenger tickets whose proceeds purchase anti-AIDS medications and a financial transaction tax that is to be implemented by 10 European countries. The Addis paragraph encourages further work and indeed a few small initiatives were announced in Addis. This should be monitored but it does not lend itself to a simple indicator. This is a case in which it could be interesting to monitor what new innovations are under discussion and how many countries adopt older ones. The Leading Group Secretariat in France monitors this.

## **Annex 2. An approach to preparation of the quadrennial FfD High-Level Dialogues in the General Assembly**

The Addis Ababa Action Agenda agreed to hold high-level FfD dialogues back to back with the HLPC when it meets every four years under the auspices of the General Assembly (AAAA, para. 132). Those meetings are expected to be convoked at the start of annual General Assembly sessions, i.e., in September or October of the relevant years. Preparation of the FfD dialogues could follow analogous processes to those of the ECOSOC Forum. In particular:

- The President of the General Assembly, probably with the support of appointed co-facilitators, could take responsibility for preparing the FfD dialogue a year in

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<sup>27</sup> See OECD and Climate Policy Initiative, *Climate Finance in 2013-14 and the USD 100 Billion Goal* (Paris, 2015), available at <http://www.oecd.org/environment/cc/OECD-CPI-Climate-Finance-Report.htm>.

advance.

- The high-level dialogue could review implementation of AAAA and MoI policies as a whole, but could also serve as an update and stock taking of the outcomes of the focused policy discussions in the preceding FfD Forum sessions. In this regard, these meetings could be an important “feedback loop” in the FfD process.
- The organization of the quadrennial General Assembly meetings could be similar to the annual ECOSOC meetings, assuming experiences in those sessions are viewed positively. Perhaps a negotiated outcome of the FfD dialogue could include suggestions of priority themes for the three subsequent Forums in ECOSOC, with a report back to the Assembly dialogue four years later. ECOSOC at its Organizational Session would later specify the focus topics more sharply to help in preparing them.
- In the years of Assembly FfD dialogues, the FfD Forum in ECOSOC could serve as a preparatory meeting for which the agenda would be governed by the agenda selected for the Assembly meeting.
- There should as well be regional dialogues and ad hoc special meetings to prepare for the dialogue.
- The main document for the FfD dialogue would be the published inter-agency task force report, which might focus on multi-year trends, rather than annual developments, as in the reports to ECOSOC. In addition, major stakeholders and other partners could report on implementation of their specific FfD commitments and plans.