



SUMMARY OF THE THIRD INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT: 13-16 JULY 2015

The third International Conference on Financing for Development (FfD3) took place in Addis Ababa, Ethiopia, from 13-16 July 2015. Over 11,000 people attended the conference, including 18 Heads of State and Government, ministers and representatives from governments, non-governmental and UN organizations, and over 400 media representatives. Eight plenaries were held, in addition to six multi-stakeholder roundtables on two themes: global partnership and the three dimensions of sustainable development; and ensuring policy coherence and an enabling environment at all levels for sustainable development. A Main Committee, formed during the opening plenary to finalize the draft outcome document, met three times in closed sessions. Approximately 200 side events also took place.

The Addis Ababa Action Agenda (AAAA) was adopted on the final day of the Conference, following a compromise on the issue relating to international tax matters. The AAAA includes three main sections on: a global framework for financing development post-2015; action areas; and data, monitoring and follow-up. The second section, on action areas, includes seven sub-sections: domestic public resources; domestic and international private business and finance; international development cooperation; international trade as an engine for development; debt and debt sustainability; addressing systemic issues; and science, technology, innovation and capacity building.

Several delegates praised the AAAA during the closing plenary, with some calling it a “very good outcome,” while others said further work was needed on some elements, and listed reservations on specific components.

A BRIEF HISTORY OF FFD

In June 1997, the UN General Assembly (UNGA) adopted the Agenda for Development, which called for consideration of the idea of holding an international conference on financing for development (FfD). Subsequently, during its 52nd session in December 1997, the UNGA adopted resolution 52/179, which noted the need for systematic, comprehensive and integrated high-level intergovernmental consideration of FfD,

and created an *ad hoc* open-ended working group to formulate recommendations on the form, scope and agenda for this consideration.

The *ad hoc* working group held six sessions between December 1998 and May 1999, and adopted a report of recommendations (A/54/28) to forward to the UNGA on the form, scope and agenda of a high-level intergovernmental event, proposed for 2001. The report: recommended that the event address national, international and systemic issues relating to FfD in a holistic manner in the context of globalization and interdependence; noted that by so doing, the event would also address development through the perspective of finance; and underscored that the event should also address the mobilization of financial resources for the full implementation of the outcome of major conferences and summits organized by the UN in the 1990s and of the Agenda for Development.

UNGA RESOLUTION 54/196: In December 1999, the UNGA adopted resolution 54/196, which endorsed the report of the *ad hoc* working group and decided to convene a meeting of political decision makers, at least at the ministerial level. It established a Preparatory Committee (PrepCom) and a schedule for initial meetings; called on the UN Secretary-General to consult with the International Monetary Fund (IMF), World Bank and World Trade Organization (WTO) and share the results of these consultations with the PrepCom; and decided to constitute a 15-member Bureau that would continue consultations with relevant stakeholders.

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ZEDILLO REPORT: In June 2001, former Mexican President Ernesto Zedillo, appointed by UN Secretary-General Kofi Annan to head a High-level Panel on FfD, released a report from the Panel. The report contended that better governance of the global economic system, significantly higher levels of aid and freer markets would go a long way towards achieving the international development goals defined during the world conferences and summits of the 1990s. Recommendations included considering the possibility of an Economic Security Council, establishing a multilateral Commodity Risk Management Scheme for less developed countries, shifting aid to a “common pool,” and creating an international tax organization.

FIRST INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT: Following PrepCom meetings in May 2000, February 2001, April-May 2001 and October 2001, the first FfD Conference took place from 18-22 March 2002 in Monterrey, Mexico. UN Member States adopted the Monterrey Consensus, consisting of six general categories of issues: mobilizing domestic financial resources; mobilizing international resources for development; trade; international financial cooperation for development; debt; and systemic issues including enhancing the coherence of the international monetary system to support development. The outcome document included three sections: confronting the challenges of FfD: a global response; leading actions; and staying engaged. Member States agreed to mobilize financial resources and achieve the national and international economic conditions needed to fulfil internationally agreed development goals, including those contained in the Millennium Declaration, to reduce poverty and improve social conditions.

The Monterrey Conference decided to strengthen and make full use of the UNGA and the Economic and Social Council (ECOSOC), as well as the relevant intergovernmental/governing bodies of other institutional stakeholders, for the purposes of conference follow-up and coordination. As a follow-up to this decision, ECOSOC holds an annual special high-level meeting with the World Bank, the IMF, the WTO and the UN Conference on Trade and Development (UNCTAD) to address issues of coherence, coordination and cooperation.

HIGH-LEVEL DIALOGUES ON FINANCING FOR DEVELOPMENT: The first FfD Conference mandated the UNGA to hold biennial High-level Dialogues on FfD, to serve as the intergovernmental platform for the general follow-up to the Monterrey Conference and related outcomes. Such dialogues were held in October 2003, June 2005, October 2007, March 2010, December 2011, and October 2013. Participants included ministers, vice-ministers and other high-level government officials, senior representatives from the major institutional stakeholders including the World Bank, IMF, WTO, UNCTAD, the UN Development Programme (UNDP) and other international organizations, and representatives from civil society and business as observers.

UNGA RESOLUTION 57/273: In December 2002, the UNGA adopted resolution 57/273, calling for the establishment of secretariat arrangements to provide effective substantive support for sustained follow-up within the UN to the agreements and commitments reached at the first FfD Conference. In

accordance, an FfD Office was established within the UN Department of Economic and Social Affairs on 24 January 2003.

UNGA RESOLUTION 62/187: During its 62nd session in January 2008, the UNGA decided that a Follow-up International Conference on FfD to Review the Implementation of the Monterrey Consensus would be held in Doha, Qatar, from 29 November - 2 December 2008 (62/187).

FOLLOW-UP INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT TO REVIEW THE IMPLEMENTATION OF THE MONTERREY CONSENSUS: During the preparatory process for the Follow-up Conference, substantive informal review sessions on the six thematic areas of the Monterrey Consensus, informal consultations, hearings with civil society and the business sector, and regional consultations were organized through 2008. In July 2008, the UNGA President released a draft outcome document. Informal consultations on this draft took place in September, and drafting sessions were held in October and November 2008.

The Doha Conference, which took place in the midst of a global economic crisis, included plenary meetings and interactive multi-stakeholder roundtables on the six major thematic areas of the Monterrey Consensus. In addition to the summaries of the plenary meetings and roundtable discussions, the report of the Conference included a Doha Declaration on Financing for Development, adopted after intense negotiations. The Declaration reaffirmed the Monterrey Consensus; stressed the need to maintain aid commitments despite global economic uncertainty; and called for a UN conference at the highest level to examine the impact of the world financial and economic crisis on development.

UNGA RESOLUTIONS 68/204 AND 68/279: At its 68th session in January 2014, in resolution 68/204, the UNGA decided to convene a third international conference on FfD. In resolution 68/279, adopted in June 2014, the UNGA decided that the conference would be held in Addis Ababa from 13-16 July 2015. Stressing the need for coherence and coordination and to avoid duplication, the resolution emphasizes the need for effective coordination between the preparatory process for the conference and the preparations for the UN summit to adopt the post-2015 development agenda in September 2015. The resolution also notes that the reports of the Intergovernmental Committee of Experts on Sustainable Development Financing, the Open Working Group on Sustainable Development Goals (SDGs), and the Secretary-General’s synthesis report on the post-2015 development agenda should serve as important inputs to the preparations for the conference.

The President of the 69th UNGA session appointed Ambassadors George Talbot (Guyana) and Geir Pedersen (Norway) as Co-Facilitators of the preparatory process.

FIRST DRAFTING SESSION: The first drafting session of the FfD3 outcome document took place at UN Headquarters in New York from 28-30 January 2015. There was broad consensus to: build on the Monterrey Consensus, with some additions; synergize with the post-2015 process; and include a strong gender focus. It was announced that the Co-Facilitators would prepare a zero draft reflecting the discussions before the next drafting session.

SECOND DRAFTING SESSION: The second drafting session was held from 13-17 April 2015 in New York. Delegates commented on a zero draft of the “Addis Ababa Accord” circulated by the Co-Facilitators, with two main sections: one on a global framework for financing sustainable development, and mobilizing the means to implement the post-2015 development agenda; and another on the “Addis Ababa Action Agenda.” The latter included eight sub-sections: domestic public finance; domestic and international private business and finance; international public finance; international trade for sustainable development; debt and debt sustainability; systemic issues; technology, innovation and capacity building; and data, monitoring and follow-up. It was agreed that the Co-Facilitators would prepare a revised draft, and the comments provided by delegates would be compiled in a separate document.

INFORMAL CONSULTATIONS: Given the large number of pending issues, the Co-Facilitators decided to convene additional informal consultations before the third drafting session. At the first additional informal session, from 12-15 May 2015, delegates conducted a paragraph-by-paragraph review of the revised draft. In addition to the earlier two main sections of the zero draft, this draft included data, monitoring and follow-up as a third section.

The first 47 paragraphs of a new revised draft, incorporating comments from the first additional session, were considered at a second additional session, from 26-29 May 2015, while the remaining paragraphs were considered at a third additional session, from 1-5 June 2015. Differences still remained on a number of issues, including: follow-up and review; international public finance; technology; tax; deliverables; and guiding principles such as the principle of common but differentiated responsibilities (CBDR) and universality. The Co-Facilitators circulated “bridging proposals” in an attempt to address the differences and organized another set of informal consultations from 8-12 June 2015.

THIRD DRAFTING SESSION: The third drafting session took place at UN Headquarters, from 15-22 June 2015. Delegations first conducted a reading of the 12 June version of the draft outcome in plenary, to discuss further bridging proposals put forward by the Co-Facilitators. Negotiations then shifted to smaller, informal-informal consultations led by “co-co-facilitators,” including on trade, debt, tax, follow-up, international public finance, and technology. The Co-Facilitators issued three new versions of the draft outcome during the course of the meeting. However, the outcome was not agreed even after extending the meeting to Monday, 22 June, when Co-Facilitator Talbot said that a couple of outstanding issues of “great sensitivity” needed to be handled at the political level.

After two more weeks of informal consultations, including some under the auspices of UNGA President Sam Kutesa, the third drafting session finally came to a close on Tuesday, 7 July. With Member States still unable to reach consensus on the draft outcome document, the Co-Facilitators proposed that the latest version of the text be further considered at the Conference itself. The Co-Facilitators said pending issues included CBDR, the relationship between FfD3 and the post-2015 development agenda, and questions relating to tax.

REPORT OF THE CONFERENCE

UN Secretary-General Ban Ki-moon opened the third International Conference on Financing for Development on Monday, 13 July, and outlined its mandate.

Hailemariam Desalegn, Prime Minister, Ethiopia, was elected President of the Conference by acclamation. He called for a new and universal global partnership among people, business, and civil society. Recalling how development finance has fundamentally changed since the Monterrey Consensus, Desalegn said FfD3 could be a turning point from business as usual.

Secretary-General Ban called for an ambitious and universally inclusive financing framework to implement the SDGs, highlighting the need for: a social compact for greater social protection; a package for least developed countries (LDCs), including a commitment to increase official development assistance (ODA); a technology facilitation mechanism (TFM); gender equality; and protecting and preserving the planet and natural resources.

UNGA President Sam Kutesa highlighted: generating increased domestic resources; international public finance; bridging infrastructure gaps; increasing the private sector’s participation and contribution to the new development agenda; enabling environments; and an effective, inclusive, and participatory framework for follow-up and review.

Jim Yong Kim, President of the World Bank Group, announced: the intention of multilateral development banks (MDBs) to provide more than US\$400 billion in financing from 2016-2018; the launch of a new financing facility for the Every Woman Every Child initiative; and an auctioning facility for methane emissions.

Noting that the benefits of trade still do not reach some of the poorest and most vulnerable, Roberto Azevêdo, Director-General, WTO, highlighted ways in which the WTO supports FfD, including through its Aid for Trade initiative and support for trade finance facilitation programmes.

Min Zhu, Deputy Managing Director, IMF, said that the IMF will expand access to concessional finance facilities, target concessional financing to the poorest countries, and maintain long-term zero interest rates for fragile and disaster-affected countries.

Nkosazana Dlamini-Zuma, Chairperson, African Union (AU) Commission, said that the AU’s vision for African development prioritizes investment in people, and that the continent needs a “skills revolution.”

Organization of Work: Delegates adopted the rules of procedure (A/CONF.227/2), and the agenda and other organizational matters (A/CONF.227/1). They elected 25 Vice Presidents to the Bureau. Sofian Ahmed, Minister of Finance, Ethiopia, was elected *ex officio* Vice President from the host country.

Delegates agreed to establish a Main Committee to consider the outcome document with Tedros Adhanom Ghebreyesus, Minister of Foreign Affairs, Ethiopia, as Chair.

Nine countries were elected to the Credentials Committee: Bangladesh, Brazil, China, Denmark, Jamaica, Namibia, the Russian Federation, Senegal and the US.

General Statements: In the general debate that followed, Thomas Boni Yayi, President, Benin, highlighted the need to address climate change through technology transfer.

Macky Sall, President, Senegal, called for the improvement of debt conditions, and highlighted the need to scale up development assistance.

David Granger, President, Guyana, welcomed the emphasis of the FfD3 draft outcome document, *inter alia*, on: bridging the infrastructure gap; strengthening the UN Committee of Experts on Tax Cooperation (UN tax committee); and a follow-up process for FfD3.

Uhuru Kenyatta, President, Kenya, called for timely and adequate fulfillment of ODA commitments; a follow-up mechanism for FfD3; and addressing the composition and functionality of the UN tax committee.

Ellen Johnson Sirleaf, President, Liberia, stressed the need to move beyond “old visions” of aid and called for win-win solutions recognizing the contribution of all actors to sustainable development.

Hassan Sheikh Mahamud, President, Somalia, called for a comprehensive solution to financial governance to prevent constraining remittances from reaching the people.

Hage Geingob, President, Namibia, highlighted challenges faced by Namibia’s classification as an upper middle-income country (MIC) and called for concessional funding including grants to be extended to upper MICs.

PLENARY

Heads of State and Government, ministers, and heads of delegation delivered statements in plenary throughout the Conference. Summaries of statements made during the first three days are available at <http://www.iisd.ca/vol23/enb2311e.html>, <http://www.iisd.ca/vol23/enb2312e.html> and <http://www.iisd.ca/vol23/enb2313e.html>.

On Thursday, 16 July, Mohamed Diare, Minister of State, and of Economy and Finance, Guinea, and Henri Yav Muland, Minister of Finance, Democratic Republic of Congo, both stressed the need to mobilize domestic resources, complemented by foreign direct investment (FDI) and remittances, to make up for insufficient ODA. Degol Mendes, Secretary of State for Planning, Guinea-Bissau, said biodiversity is at the heart of his country’s new development strategy and will be the foundation for ecotourism. Mohamed Jaleel, Senior Advisor to the Minister of Finance and Treasury, Maldives; Aisake Valu Eke, Minister of Finance and National Planning, Tonga; and Jonathan Kings, Deputy Secretary of International Development, New Zealand, underscored that small island developing states (SIDS) are a special case for development, with special financing needs.

Taj Haider, Senator and Head of Delegation, Pakistan, said that the interests of economically powerful states have “prevailed once again” in the FfD3 outcome. Enrique Loedel, Deputy Director General for Political Affairs, Uruguay, said it is important to “beef up” synergies between concurrent multilateral processes and ensure the principle of CBDR is reflected.

Adrián Roberto Nador, Undersecretary for International Economic Negotiations, Argentina, emphasized the need to fight against “predatory and anti-systemic” activity by so-called “vulture funds” that target vulnerable, indebted countries. Ewen

McDonald, Deputy Secretary, Department of Foreign Affairs and Trade, Australia, highlighted the launch of the Addis Tax Initiative and the importance of domestic public financial flows.

Andreas Mavroyiannis, Special Ministerial Envoy, Cyprus, called for inclusiveness and solidarity in advancing the development agenda. V. Krishnamoorthy, Sri Lanka, underscored the importance of the TFM. T. Jasudasan, Special Representative for the Minister of Foreign Affairs, Singapore, urged stepping up technical cooperation efforts.

Gustavo Meza-Cuadra, Peru, underscored the need for effective monitoring and review of the commitments taken. Habib Abbas, Syria, urged combatting terrorism, which he said saps resources that could be used for sustainable development.

Collin Beck, Solomon Islands, stressed the need to connect rural populations to global markets through technological empowerment, such as through operationalization of the technology bank for LDCs announced by Turkey.

Valerie S. Bruell-Melchior, Monaco, emphasized the role of technology transfer. Gabriel Constantin Bartas, Romania, said a strong global partnership is the key to success of the post-2015 development agenda.

Nawaf Salam, Lebanon, lamented the refugee crisis facing his country, and noted that development financing can reduce vulnerabilities that lead to conflict. Andrej Logar, Slovenia, supported reforming voting rights in international financial institutions (IFIs), most importantly in the IMF.

Henry Mac Donald, Suriname, and Alejandro Palma Cerna, Honduras, said that closing the inequality gap must be a priority.

Marcelo E. Scappini Ricciardi, Paraguay, emphasized building human resources and increasing competitiveness by developing information and communication technologies (ICTs).

Gonçalo Marques, Vice President, Development Agency, Portugal, said that an enabling environment and political commitment are the most important means of implementation (MOI) of the post-2015 development agenda.

Imam Santoso, Indonesia, emphasized the need for renewing the global partnership. Caleb Otto, Palau, welcomed that the vulnerabilities of LDCs, SIDS and fragile states are reflected in the outcome document.

Carlos Marcio Cozendey, Brazil, affirmed the principle of CBDR and urged upgrading the UN tax committee.

Citing the case of Cyclone Pam, which severely reduced gross domestic product (GDP) in his country, Odo Tevi, Vanuatu, underscored the challenges that states vulnerable to external shocks still face even if they graduate from LDC status. Irwin Larocque, Secretary-General, Caribbean Community, underscored the challenges MICs face regarding access to concessionary financing.

Martin Kreutner, International Anti-Corruption Academy, called for investment in anti-corruption education to ensure the effective implementation of the SDGs. Cecile Leque-Folchini, International Organization of La Francophonie, stressed the need for an international fiscal system that is strong and just.

Cyriaque Sendashonga, International Union for Conservation of Nature, proposed exploring other paths to fund sustainable development including through removing subsidies that are harmful to the environment. Fuad Albassam, Organization

of Petroleum Exporting Countries Fund for International Development, advocated access to energy for all as an effective means to achieve social and economic development.

Deodat Maharaj, Commonwealth Secretariat, stressed risks faced by small states; small states' debt burdens; inclusive global governance; innovative finance; and youth.

Manuel Montes, South Centre, outlined the pitfalls of the international system's dependence on one currency.

Saleh Sahboun, League of Arab States, emphasized political will; peace and security; continued ODA provision without discrimination; and reform of financial and economic institutions.

Aeneas C. Chuma, International Labour Organization (ILO), highlighted the links between the ILO's Decent Work Agenda and the AAAA.

Shamshad Akhtar, UN Economic and Social Commission for Asia and the Pacific (ESCAP), outlined the Commission's work in dispensing technical advice and assisting countries with specific needs, including LDCs and SIDS.

Amir Abdulla, World Food Programme, lauded the progress the AAAA represents in financing humanitarian and development assistance. Engida Getachew, UN Educational, Scientific and Cultural Organization (UNESCO), highlighted the need for more robust national science, technology and innovation policies and systems to promote sustainable growth and employment.

Miriam Maluwa, Joint UN Programme on HIV/AIDS (UNAIDS), highlighted the UNAIDS report *How AIDS Changed Everything*, which outlines 15 lessons for the global approach to health, human rights and sustainable development.

Brenda Killen, Organisation for Economic Co-operation and Development (OECD), drew attention to the OECD's "total official support for sustainable development" (TOSSD) as a framework for catalyzing financing above and beyond aid. Paul Maseli, UN Industrial Development Organization (UNIDO), noted that industries can significantly increase the domestic tax base, as well as draw the necessary investment, innovations and dynamism to the development system.

Gary Fowle, Director, International Telecommunication Union, illustrated the potential of ICTs to harness solutions for sustainable development by highlighting mobile banking services developed for and by Africans. Johan Cels, Office of the UN High Commissioner for Refugees, called for greater coherence between humanitarian assistance and development programming.

MULTI-STAKEHOLDER ROUNDTABLES

Six multi-stakeholder roundtables were held in parallel with the plenary meetings: Roundtables 1, 3 and 5 were on the theme "global partnership and the three dimensions of sustainable development," while Roundtables 2, 4 and 6 were on the theme "ensuring policy coherence and an enabling environment at all levels for sustainable development."

Global partnership and the three dimensions of sustainable development: The first roundtable on this theme was held on Monday afternoon. It was co-chaired by Miroslav Lajčák, Deputy Prime Minister and Minister of Foreign and European Affairs, Slovakia, and Abdusalam Hadliyah Omer, Minister for Foreign Affairs and Investment Promotion, Somalia; and moderated by Mahmoud Mohieldin, Corporate Secretary

and President's Special Envoy on the Millennium Development Goals (MDGs), the post-2015 process, and financial development, World Bank Group.

Lajčák stressed that a robust global partnership underpinned by solidarity, cooperation and mutual accountability is essential for the SDGs to build on the MDGs. Omer noted the need to strengthen tax systems and establish transparency in structures governing North-South, South-South and triangular partnerships.

Stefan Löfvén, Prime Minister, Sweden, called for stakeholder participation in the new global partnership, a global deal on decent work for all, and coherence among sectors for a successful global partnership.

Angel Gurría, Secretary-General, OECD, highlighted the new concept of TOSSD to measure all financial flows aimed at financing sustainable development.

Tumusiime Rhoda Peace, Commissioner for Rural Economy and Agriculture, African Union, highlighted the need for Africa to address its "infrastructure backlogs," strengthen intra-Africa trade through creating a free trade area, and ensure a proper energy mix.

Neven Mimica, Commissioner for International Cooperation and Development, European Union (EU), reaffirmed the EU's commitment to meet the 0.7% ODA target, while calling for innovative financing and a transparent and accurate monitoring and accountability framework.

Winnie Byanyima, Executive Director, Oxfam International, focused her remarks on taxation, "a word we should learn to love, not hate." Noting that developing countries lose approximately US\$100 billion annually as a result of corporate tax avoidance schemes and tax incentives for multinationals, she called the lack of an international organization for taxation "absurd" and urged the creation of such a body.

In the discussion, delegates, *inter alia*, called for legal and regulatory frameworks to create enabling environments for private sector engagement; stressed the need to reverse the trend of decreasing ODA to LDCs; highlighted the challenges faced by MICs in resource mobilization; and stressed the need to include local authorities in resource mobilization plans.

Delegates also considered the role of micro, small and medium enterprises (MSMEs) as vectors of inclusiveness for women, youth and poor communities; the role of innovative finance including Islamic finance; the importance of breaking down silos within the UN and elsewhere; and the role of an international tax body to deal with tax evasion and avoidance, and regulate tax cooperation.

The second roundtable on this issue, Roundtable 3, took place on Tuesday afternoon. It was co-chaired by Justine Greening, Secretary of State for International Development, UK, and Muhammad Abdul Mannan, Minister of State for Finance, Bangladesh; and moderated by Helen Clark, Administrator, UNDP.

Greening said the draft Addis outcome includes firm commitments to ODA while moving the finance conversation beyond aid. Mannan stressed the need to return from FfD3 with more confidence and hope in the process.

Clark highlighted the following questions for discussion: how to build better partnerships; how different financing sources are mutually reinforcing and aligned with sustainable development;

and how to translate the Addis outcome into concrete commitments that are fulfilled.

Maatia Toafa, Deputy Prime Minister, Tuvalu, called for new models of sustainable development centered on the blue economy. Børge Brende, Minister for Foreign Affairs, Norway, highlighted the catalytic potential of ODA, and said Norway is stepping up its ODA efforts.

Julia Gillard, Chair of the Board of Directors, Global Partnership for Education, urged: strengthening domestic resources and bringing new donors and the private sector into education; strengthening donor coordination; and enhancing science, technology and capacity building.

Héla Cheikhrouhou, Executive Director, Green Climate Fund (GCF), highlighted: GCF's readiness support programme; three new pilot initiatives, including one on "enhanced direct access;" and the need for additional resources for the Fund to facilitate a paradigm shift.

Jeffrey Sachs, Columbia University, called for a change in mindset to approach the SDGs, and stressed the role of partnerships to resolve global challenges.

Ambroise Fayolle, Vice President, European Investment Bank, called for: smart use of ODA; strengthened risk mitigation mechanisms; and platforms to attract institutional investors.

In the ensuing discussion, participants stressed the need for: a complete paradigm change; an open, predictable and rules-based multilateral trading system; phasing out fossil fuel subsidies; and additionality of climate finance. Participants also raised, *inter alia*: the potential of a new global partnership on sustainable oceans; asymmetries between developed and developing countries in the quality of education; the need to reduce cost of public service delivery; the lack of concessional resources for MICs; the lack of coherence between development and humanitarian financing; terrorism as a threat to sustainable development; and the importance of regional agencies in building capacities for domestic resource mobilization.

Roundtable 5 took place on Wednesday afternoon. It was co-chaired by Seán Sherlock, Minister of State, Department of Foreign Affairs, Ireland, and Winston Dookeran, Minister of Foreign Affairs, Trinidad and Tobago; and moderated by Yi Xiaozhun, Deputy Director-General, WTO. Yi called on the panel to outline ways the global partnership can be used to find solutions to economic, social and environmental challenges around the world.

Stressing that equity and CBDR form the bedrock of sustainable development action, Jayant Sinha, Minister of State for Finance, India, said the global partnership needs to: end poverty; integrate the three pillars of sustainable development; level the playing field in economic and financial governance; include innovation; and have a strong monitoring and review mechanism. Ngozi Okonjo-Iweala, former Minister of Finance, Nigeria, highlighted infrastructure development as linking the pillars of sustainable development.

Li Yong, Director-General, UNIDO, highlighted UNIDO's inclusive and sustainable industrial development initiative; public-private partnerships; and Programmes for Country Partnership piloted in Ethiopia and Senegal.

Carlos Lopes, Executive Secretary, UN Economic Commission for Africa (UNECA), advocated a stronger

emphasis on the social and environmental pillars of sustainable development; "refreshing" the principle of CBDR; and a data revolution. Dereje Alemayehu, Coordinator, Global Alliance on Tax Justice, warned against undermining the mandate and responsibility of the UN and an unfettered role of the private sector in development financing; and said the principle of CBDR should pervade all global efforts to solve global issues.

Naoko Ishii, Chief Executive Officer, Global Environment Facility, highlighted the need for well-defined priorities, strong policies, and integration of environmental sustainability into economic systems.

In the discussion, delegates considered, *inter alia*: the importance of policy space for development; the importance of the climate change funding mechanisms to assist SIDS; widening the tax base to enhance domestic resource mobilization; the role of financial markets in funding development; and experiences from Asia in catalyzing finance for development.

Delegates also stressed: innovative ways to leverage financing; the importance of property rights and rule of law in creating enabling environments; the role of social protection systems and safety nets in promoting economic growth; returning illicit financial flows (IFFs) to developing countries to finance implementation of SDGs; and decent work as essential for an expandable tax base.

Ensuring policy coherence and an enabling environment at all levels for sustainable development:

Roundtable 2 on this theme took place on Tuesday morning. Moderated by Min Zhu, Deputy Managing Director, IMF, this session was co-chaired by Per Bolund, Minister for Financial Markets and Consumer Affairs, Sweden, and Andrés Escobar Arango, Deputy Minister of Finance, Colombia.

Bolund said investing in women and girls is a means to increase resources for sustainable development, and increase global gross domestic product. Escobar highlighted the need for enabling national and international environments to incentivize private sector engagement.

Guy Ryder, Director-General, ILO, said accelerating the growth of decent work opportunities is a means to, as well as an end of, sustainable development. Phumzile Mlambo-Ngcuka, UN Women, called for "extraordinary measures" to align high-level political commitment to, and financial investments in, gender equality.

Joseph Stiglitz, Columbia University, advocated: a UN forum to address taxation; international laws on restructuring sovereign debt; and changing accounting rules of the IMF to align with development objectives. Thabo Mbeki, Chair, High-level Panel on IFFs, the AU and UNECA, supported: existing language in the Addis outcome document on addressing IFFs; and addressing tax issues in the UN.

José Antonio Ocampo, Chair, Committee for Development Policy, supported the UN as the forum for international tax cooperation; and noted the need for further discussions on debt restructuring. Wellington Chibebe, Deputy Secretary-General, International Trade Union Confederation, noted that the draft outcome lacks guidelines to implement social protection systems.

Delegates discussed, *inter alia*: the need for policy space in developing countries for country-led planning; IFFs as a human rights concern; the importance of social protection

for the rural poor; the role of capacity building in creating coherence; governance reform of IFIs; removing obstacles to the development of SIDS; medium-and long-term development strategies for achieving the SDGs in LDCs; the health sector as an investment in employment and sustainable development; financial access, risk sharing, and dispute settlement challenges faced by MICs; and measures against multinationals involved in IFFs.

Roundtable 4 took place on Wednesday morning. It was co-chaired by Liliane Ploumen, Minister for Development Cooperation and International Trade, the Netherlands, and Goodall Gondwe, Minister of Finance, Planning and Development, Malawi; and moderated by Mukhisa Kituyi, Secretary-General, UNCTAD.

Ploumen noted that the Addis commitments on policy coherence are critical for the success of the post-2015 development agenda, and drew attention to the Netherlands' combined Aid and Trade agenda.

Vesna Pusić, First Deputy Prime Minister, Croatia, shared her country's experiences in transitioning from an ODA recipient to a donor. Jaime Alfredo Miranda, Deputy Minister for Foreign Affairs, El Salvador, said the public finance system must align with the SDGs, and called for the establishment of a world council on economic coordination.

Ato Getachew Adem, Minister of the Planning Commission, Ethiopia, prioritized national planning and programming systems, strong macro-economic and fiscal frameworks, and the involvement and coordination of sub-national level actors as elements for successful policy coherence.

Alicia Bárcena, Executive Secretary, UN Economic Commission for Latin America and the Caribbean (ECLAC), stressed the need to strengthen political, economic and fiscal policies in order to spur growth; urged addressing IFFs; and underlined the importance of domestic resource mobilization.

Richard Samans, Head of the Centre for the Global Agenda, World Economic Forum, highlighted the importance of strengthening institutions related to, among other things, education and skills; employment and compensation; asset building for people; and tackling corruption and "concentration of rents."

In the ensuing discussion, delegates considered, *inter alia*: the need for investing in planning ministries; human rights and rule of law; addressing systemic inequalities in international trade; addressing climate change and development finance simultaneously; addressing barriers in remittances outflows; harmful trade practices that undermine sustainable development; the major role of the private sector; mainstreaming the UN-supported Principles for Responsible Investment; adverse consequences regarding dispute settlement processes between investors and governments; maximizing the impact of ODA; the role of finance from IFIs in unlocking private-sector FfD; the need for trade to be coherent with human rights and conventions under the ILO; and national experiences in promoting policy coherence for development.

Roundtable 6 took place on Thursday morning. It was co-chaired by Konrad Pawlik, Deputy Minister of Foreign Affairs, Poland, and Claver Gatete, Minister of Finance and Economic Planning, Rwanda; and moderated by Wu Hongbo,

UN Under-Secretary-General for Economic and Social Affairs and Secretary-General of FfD3.

Pawlik stressed the importance of enabling environments, noting that without sound policies and healthy regulatory environments, MOI cannot have a lasting impact. Gatete underscored implementation of the AAAA as crucial.

Wu said such implementation would require horizontal coherence between sectors, as well as vertical coherence across the local, national and global levels.

Jacqueline Moustache-Belle, Mayor of Victoria, Seychelles, welcomed the outcome document's commitment to strengthen the capacities of sub-national governments, and called for a more prominent place for urban investment planning on the national and global development agenda.

Joan Clos, Executive Director, UN-Habitat, stressed the need to: empower local and regional authorities to implement sustainable development actions, recognize urbanization as a tool for development, and include local authorities in future FfD discussions.

Calling for "smart aid," Grete Faremo, Executive Director, UN Office for Project Services, stressed that for FfD to be successful, people need to be mindful that: results matter; excellence is "what we owe future generations;" ODA must evolve to find its catalytic role in leveraging private sector financing; and leadership requires setting examples.

Stressing that the world needs to be clear on seeking coherence between its needs and values, Stefano Prato, Managing Director, Society for International Development, noted that there needs to be a balance between losing national sovereignty through making international commitments and gaining democracy in the management of global financial institutions.

Gyan Chandra Acharya, UN Under-Secretary-General and High Representative for the LDCs, Landlocked Developing Countries (LLDCs) and SIDS, highlighted the importance of coherence between financial and non-financial factors of development, and called for LDCs, LLDCs and SIDS to be considered equals in the implementation of the AAAA and the SDGs.

In the ensuing discussion, delegates stressed: partnerships at the local level; trade as an instrument for development; implementing the Paris Declaration on Aid Effectiveness; the potential of public-private partnerships and dialogue; the need for more inclusive global decision-making; the need to revise biased trade rules; stepping out of ideological silos; adequate financial and human resource allocation at the local level; and creating fair and effective debt mechanisms.

They also considered: the role of corruption in impeding development; including the business sector in development planning, agenda setting, and implementation; monitoring MOI for the post-2015 agenda; the importance of capacity building for local authorities; the importance of global guidelines for debtor and creditor responsibilities in borrowing and lending; and sexual and reproductive health and rights.

Others raised the need: to reform current IFIs; for policies to ensure that there is no backsliding of MICs into LDC status; to create awareness among countries' citizenry of the AAAA; to create a pragmatic approach to prosperity; to avoid an

implementation gap; and for collective inter-ministerial efforts in the implementation of the SDGs.

MAIN COMMITTEE

The Main Committee briefly met three times in closed meetings during the week, once on Tuesday and twice on Wednesday. On Tuesday, Main Committee Chair Tedros Adhanom Ghebreyesus said further informal consultations were needed. During the Committee meeting on Wednesday afternoon, Chair Ghebreyesus proposed the formation of a small group with representation from the Group of 77 and China (G-77/China) and “non-G-77.” Following negotiations in the small group chaired by the Ethiopian Presidency, where the G-77/China was represented by South Africa, Brazil, Belize and India, and the “non-G-77” was represented by the EU, the Russian Federation, and Japan, agreement was reached. During the final Main Committee meeting on Wednesday evening, compromise text was circulated on the issue of tax, which stated that members of the UN Committee of Experts on International Cooperation in Tax Matters “shall be nominated by Governments,” “selected to reflect an adequate equitable geographical distribution,” and “be appointed by the Secretary-General, in consultation with Member States.”

Chair Ghebreyesus thanked delegates for their flexibility, saying the document was not perfect, but contained many good elements, and called on the Committee to approve it. The draft AAAA was approved by the Main Committee on Wednesday evening, and forwarded to plenary for adoption.

CLOSING PLENARY

Conference President Desalegn opened the closing plenary at 4:30 pm on Thursday, 16 July. Amb. Abulkalam Abdul Momen, Bangladesh, Chair of the Credentials Committee, presented the report of the Committee (A/CONF.227/7), which was approved by the plenary.

Chair Ghebreyesus introduced the draft outcome of the Conference, saying it reinvigorates and strengthens the partnership for development finance, and emphasizing the need for political will for its implementation. Delegates then adopted the “Addis Ababa Action Agenda” (A/CONF.227/L.1).

South Africa, for the G-77/China, noted the AAAA had achieved progress on issues such as the global infrastructure forum, debt sustainability, support for capacity building, TFM, and follow-up and review. He listed the following issues, among others, as inadequately accommodated in the text: explicit reaffirmation of CBDR in the context of the global partnership for development; integrity of post-2015 and FfD3 as separate negotiation tracks; specific needs of MICs; an upgrade of the UN tax committee; and an explicit reference to countries and people living under foreign occupation.

The EU said the true value and strength of the AAAA is that it brings together domestic resources, investments, international public finance, and good policies and creates a single universal framework that integrates the three dimensions of sustainable development.

Benin, on behalf of the LDCs, said the AAAA captures LDC concerns, and called for its implementation. Maldives, for the Alliance of Small Island States, welcomed the

special recognition of SIDS and the specific provisions for implementation in the AAAA.

The US said the AAAA is a non-binding document that does not create rights or obligations under international law; and that it provides the means to implement the post-2015 development agenda. She raised concerns regarding the inclusion of the right to development, and said debt-restructuring negotiations should take place within a framework where creditors and debtors can legally enforce contractual terms. She also noted that intellectual property rights need strong protection and enforcement.

Turkey noted that the reference to the UN Convention on the Law of the Sea (UNCLOS) in the AAAA could not be construed as a change in the established legal and political position of Turkey, which is not party to the Convention.

Venezuela said the discussion on FfD had not concluded with the adoption of the AAAA, while voicing reservations on paragraphs on, *inter alia*: rationalizing fossil fuel subsidies; trade barriers such as coercive unilateral economic measures; and the concept of modern energy for all that includes reviews of national policies.

Bolivia, supporting the G-77/China, expressed its reservations to paragraphs on energy subsidies and innovative financing; and requested that his interpretation of AAAA paragraph 5, which reaffirms the Rio Principles, as a reaffirmation of CBDR, “in particular,” be formally reflected.

Japan welcomed the AAAA as a “very good balanced text.” Nigeria, supporting the G-77/China, said the AAAA may not be binding, but it is a document in the global development framework, and has given “a new lease of life to multilateralism.”

Malawi expressed strong reservations to paragraph 32 of the AAAA on reducing tobacco consumption, saying it did not take into account the consequences for the tobacco consuming community and tobacco producing countries, and the need for compensation for the loss of revenue.

Nicaragua lauded Norway, Sweden, Luxembourg, Denmark, and the UK for contributing more than the 0.7% target for ODA, but stressed that additional finance for climate change should not be counted as ODA. He expressed solidarity with countries under occupation.

Switzerland reminded delegates that the cost of inaction is greater than the cost of action. Ecuador registered his country’s reservations to AAAA paragraphs related to, *inter alia*, affirmation of significant progress since Monterrey, each country’s responsibility for its own social and economic development, and rationalizing fossil fuel subsidies. Canada noted that the UN Declaration on the Rights of Indigenous Peoples is an aspirational, non-legally binding document, but committed to partnering with “aboriginal people in their development.”

The Rapporteur General, Amb. Andreas Mavroyiannis, Cyprus, introduced the draft report to the conference (A/CONF/227/L.3), which was accepted for submission to the UNGA at its 69th session. Delegates also adopted a resolution, introduced by the G-77/China, expressing thanks to the people and Government of Ethiopia.

In concluding statements, Desalegn called the AAAA a significant milestone; recognized the many declarations

of support made during the week and in the run-up to the Conference; and noted the need for a robust monitoring and follow-up system.

Sam Kutesa, UNGA President, said the AAAA is a comprehensive framework for financing sustainable development with concrete policies and actions that support the implementation of the post-2015 development agenda.

FfD3 Secretary-General Wu Hongbo said the AAAA provides a comprehensive framework to: help align financing flows and mobilize MOI for a global transformation towards sustainable development; demonstrate strong commitment by all stakeholders to implement actions; and foster a strong accountability mechanism to assess progress in implementation.

Conference President Desalegn gaveled the Conference to a close at 6:28 pm.

THE ADDIS ABABA ACTION AGENDA

This section summarizes key elements of the AAAA. The full text can be found at <http://bit.ly/1LkT7RZ>

I. A GLOBAL FRAMEWORK FOR FINANCING DEVELOPMENT POST-2015. In this section (paragraphs 1-19), Member States, *inter alia*:

- Reaffirm and build on the 2002 Monterrey Consensus and 2008 Doha Declaration;
- Commit to respect all human rights, including the right to development;
- Ensure gender equality and women's and girls' empowerment; and reiterate the need for gender mainstreaming;
- Recognize that since the adoption of the Monterrey Consensus the world has made significant overall progress; economic and financing flows have increased substantially;
- Reaffirm the principles of the Rio Declaration on Environment and Development;
- Recognize the importance of addressing the diverse needs and challenges faced by countries in special situations, in particular African Countries, LDCs, LLDCs, and SIDS, as well as special challenges facing MICs;
- Reiterate that each country has a primary responsibility for its own economic and social development; and respect each country's policy space; and
- Commit to pursue policy coherence and an enabling environment for sustainable development at all levels and to reinvigorate the global partnership for sustainable development.

In the context of **delivering social protection and essential public services** for all, Member States, *inter alia*:

- Commit to a new social compact to provide fiscally sustainable and nationally appropriate social protection systems and measures for all, including floors;
- Encourage countries to consider setting nationally appropriate spending targets for quality investments in essential public services for all; and
- Commit to strong international support for these efforts.

On **scaling up efforts to end hunger and malnutrition**, Member States, *inter alia*, commit to increasing public investment, which plays a strategic role in financing research, infrastructure and pro-poor initiatives.

On **addressing the infrastructure gap**, Member States, *inter alia*, call for the establishment of a global infrastructure forum

building on existing multilateral collaboration mechanisms, led by the MDBs.

On **promoting inclusive and sustainable industrialization**, Member States, *inter alia*, welcome relevant cooperation, within the UN system, including UNIDO, to advance the linkages between infrastructure development, inclusive sustainable industrialization and innovation.

On **generating full and productive employment and decent work for all and promoting MSMEs**, Member States, *inter alia*:

- Commit to promoting appropriate, affordable and stable access to credit to MSMEs, as well as adequate skills development training for all, particularly for youth and entrepreneurs; and
- Commit to develop and operationalize, by 2020, a global strategy for youth employment and implement the ILO Global Jobs Pact.

On **protecting ecosystems for all**, Member States, *inter alia*, commit to coherent policy, financing, trade and technology frameworks to protect, manage and restore ecosystems, including marine and terrestrial ecosystems, and to promote their sustainable use, build resilience, reduce pollution and combat climate change, desertification and land degradation.

On **promoting peaceful and inclusive societies**, Member States, *inter alia*, underline the need to promote peaceful and inclusive societies for achieving sustainable development, and to build effective, accountable and inclusive institutions at all levels.

Finally, in this section, Member States note that the post-2015 development agenda, including the SDGs, can be met within the framework of a revitalized global partnership for sustainable development, supported by the concrete policies and actions as outlined in the AAAA.

II. ACTION AREAS.

A. Domestic Public Resources: In this sub-section (paragraphs 20-34), Member States, *inter alia*:

- Commit to further strengthening the mobilization and effective use of domestic resources;
- Commit to enable women's full and equal participation in the economy, and their equal access to decision-making processes and leadership;
- Commit to enhancing revenue administration through modernized, progressive tax systems, improved tax policy and more efficient tax collection; and working to improve the fairness, transparency, efficiency and effectiveness of tax systems, including by broadening the tax base;
- Commit to redoubling efforts to substantially reduce IFFs by 2030, and making sure all companies, including multinationals, pay taxes in the countries where economic activity occurs and value is created, in accordance with national and international laws and policies;
- Welcome the work of the UN Committee of Experts on International Cooperation in Tax Matters, and decide to work to further enhance its resources in order to strengthen its effectiveness and operational capacity by increasing its meetings to two four-day sessions per year. The Committee members shall be nominated by governments, act in their expert capacity, represent different tax systems, and be

appointed by the UN Secretary-General, in consultation with Member States;

- Reaffirm the commitment to rationalize inefficient fossil-fuel subsidies; and
- Recognize that price and tax measures on tobacco can be an effective and important means to reduce tobacco consumption and health-care costs.

B. Domestic and International Private Business and Finance:

In this sub-section (paragraph 35-49), Member States agreed to, *inter alia*:

- Continue to promote and create enabling domestic and international conditions for inclusive and sustainable private sector investment;
- Encourage businesses to adopt principles for responsible business and investing;
- Work towards reducing the average transaction cost of migrant remittances by 2030 to less than 3% of the amount transferred, and ensuring that no remittance corridor requires charges higher than 5% by 2030;
- Encourage the private sector to contribute to advancing gender equality;
- Encourage international and domestic development banks to promote finance for MSMEs;
- Consider the use of insurance, investment guarantees and new financial instruments to incentivize FDI to developing countries, particularly LDCs, LLDCs, SIDS and countries in conflict and post-conflict situations; and
- Substantially increase the share of renewable energy and double the global rate of energy efficiency and conservation, with the aim of ensuring universal access to affordable, reliable, modern and sustainable energy services for all by 2030.

C. International Development Cooperation: In this sub-section (paragraphs 50-78), Member States agree to, *inter alia*:

- Reaffirm their respective commitments, including the commitment by many developed countries to achieve the targets of 0.7% of GNI for ODA and 0.15-0.20% GNI for ODA to LDCs;
- Encourage ODA providers to consider setting a target to provide at least 0.20% of GNI for ODA to LDCs;
- Hold open, inclusive and transparent discussions on the modernization of ODA measurement and on the proposed measure of TOSSD;
- Encourage developing countries to voluntarily step up their efforts to strengthen South-South cooperation;
- Recognize that, in the context of meaningful climate change mitigation actions, developed countries committed to a goal of mobilizing jointly US\$100 billion annually by 2020 from a wide variety of sources to address the needs of developing countries;
- Step up efforts to assist countries in accessing financing for peace-building and development in the post-conflict context;
- Enhance international coordination and enabling environments at all levels to strengthen national health systems and achieve universal health coverage; and
- Scale up investments and international cooperation to allow all children to complete free, equitable, inclusive and quality early childhood, primary and secondary education.

D. International Trade as an Engine for Development: In this sub-section (paragraphs 79-92), Member States, *inter alia*:

- Agree to continue to promote a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system under the WTO, as well as meaningful trade liberalization;
- Call on WTO members to fully and expeditiously implement all the decisions of the Bali Package, including the decisions taken in favor of LDCs;
- Commit to exploring ways to use market-oriented incentives to expand WTO-compatible trade finance and the availability of trade credit, guarantees, insurance, factoring, letters of credit and innovative financial instruments;
- Call on developed country WTO members, and developing country WTO members declaring themselves in a position to do so, to realize timely implementation of duty-free and quota-free market access on a lasting basis for all products originating from all LDCs;
- Reaffirm the right of WTO members to take advantage of the flexibilities in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights; and
- Agree to focus Aid for Trade on developing countries, in particular LDCs, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to LDCs.

E. Debt and Debt Sustainability: In this sub-section (paragraphs 93-102), Member States, *inter alia*:

- Acknowledge that debt sustainability challenges facing many LDCs and SIDS require urgent solutions, and the importance of ensuring debt sustainability for the smooth transition of countries that have graduated from LDC status;
- Recognize the need to assist developing countries in attaining long-term debt sustainability through coordinated policies to foster debt financing, debt relief, debt restructuring and sound debt management;
- Invite the IMF and the World Bank to continue strengthening their analytical tools for sovereign debt management in an open and inclusive process with the UN and other stakeholders;
- Affirm the importance of debt restructurings being timely, orderly, effective, fair and negotiated in good faith; and
- Recognize that there is scope to improve the arrangements for coordination between debtors and creditors to minimize both creditor and debtor moral hazards and to facilitate fair burden-sharing and an efficient restructuring that respects the principles of shared responsibility.

F. Addressing systemic issues: In this sub-section (paragraphs 103-113), Member States agree to, *inter alia*:

- Recognize the importance of policy coherence for sustainable development; assess the impact of policies on sustainable development; and continue to strengthen international coordination and policy coherence to enhance global financial and macroeconomic stability;
- Recommit to broadening and strengthening the voice and participation of developing countries in international economic decision-making and norm setting and global economic governance;
- Recommit to further governance reform in both the IMF and the World Bank to adapt to changes in the global economy,

including through open and transparent, gender-balanced and merit-based selection of their heads, and enhanced diversity of staff;

- Recognize the importance of strengthening the permanent international financial safety net; remain committed to maintaining a strong and quota-based IMF; urge the IMF to continue efforts to provide more comprehensive and flexible financial responses to the needs of developing countries; request IFIs to continue to support developing countries in developing new instruments for financial risk management and capacity building; and encourage development finance institutions to align their business practices with the post-2015 development agenda;
- Adopt measures to ensure the proper functioning of food commodity markets and their derivatives;
- Hasten completion of the reform agenda on financial market regulation; address the risk created by “too-big-to-fail” financial institutions; and address cross-border elements in effective resolution of troubled systemically important financial institutions;
- Reduce mechanistic reliance on credit rating agency assessments, including in regulations; improve the quality of ratings; support building greater transparency requirements for evaluation standards of credit rating agencies; and continue ongoing work on these issues, including in the UN;
- Cooperate internationally to ensure safe, orderly and regular migration, with full respect for human rights;
- Strengthen national institutions to combat money laundering, corruption and the financing of terrorism; enhance international cooperation for capacity building in these areas at all levels, in particular in developing countries; and commit to ensuring the effective implementation of the UN Convention on Transnational Organized Crime; and
- Strengthen the coherence and consistency of multilateral financial, investment, trade, and development policy and environment institutions and platforms.

G. Science, technology, innovation (STI) and capacity building: In this sub-section (paragraphs 114-124), Member States agree to, *inter alia*:

- Promote ICT infrastructure development and use, as well as capacity building, particularly in LDCs, LLDCs and SIDS, including rapid universal and affordable access to the Internet;
- Call for enhanced international support and establishment of multi-stakeholder partnerships for implementing effective and targeted capacity building in developing countries to support national plans to implement the SDGs;
- Craft policies to incentivize the creation of new technologies, research and support innovation in developing countries;
- Adopt STI strategies as integral elements of national sustainable development strategies to help strengthen knowledge sharing and collaboration;
- Scale up investments in science, technology, engineering and mathematics education, and enhance technical, vocational and tertiary education and training;
- Encourage the development, dissemination and diffusion and transfer of environmentally sound technologies to developing countries on favorable terms, including on concessional and preferential terms, as mutually agreed;

- Support research and development of vaccines and medicines, as well as preventive measures and treatments for communicable and non-communicable diseases.
- Decide to establish a TFM, to be launched at the UN summit to adopt the post-2015 development agenda in order to support the SDGs. The TFM will include a UN Interagency Task Team on STI for the SDGs, a collaborative multi-stakeholder STI forum for the SDGs, and an on-line platform; and
- Take into account the recommendations of the UN Secretary-General’s High-Level Panel on the Technology Bank for LDCs on scope, functions, institutional linkages and organizational aspects of a proposed technology bank, with a view to operationalizing it by 2017.

III. DATA, MONITORING AND FOLLOW-UP: In this section (paragraphs 125-134), Members States, *inter alia*:

- Seek to increase and use high-quality, timely and reliable data disaggregated by sex, age, geography, income, race, ethnicity, migratory status, disability, and other characteristics relevant in national contexts; and to enhance capacity-building support to developing countries, including for LDCs, LLDCs and SIDS, for this purpose;
- Recognize the importance of national ownership of the post-2015 development agenda, and stress the importance of preparing country needs assessments for the different priority areas to allow for greater transparency and efficiency by linking needs and support, in particular in developing countries;
- Support efforts to make data standards inter-operable, allowing data from different sources to be more easily compared and used;
- Call on the UN system, in consultation with IFIs, to develop transparent measurements of progress on sustainable development that go beyond per capita income;
- Engage nationally, regionally and internationally to ensure proper and effective follow-up of the FfD3 outcomes, and of all the MOI of the post-2015 development agenda;
- Recognize the interlinkages between FfD3 and MOI of the post-2015 development agenda; emphasize the need for a dedicated follow-up and review for the FfD outcomes as well as the MOI of the post-2015 development agenda, which is integrated with the post-2015 follow-up and review process to be decided at the UN summit to adopt the post-2015 development agenda;
- Commit to staying engaged with this agenda through a dedicated and strengthened follow-up process that will use existing institutional arrangements and will include an annual ECOSOC Forum on FfD follow-up with universal, intergovernmental participation, to be launched during ECOSOC’s current cycle;
- Encourage the UN Secretary-General to convene an inter-agency Task Force, building on the experience of the MDG Gap Task Force, which will report annually on progress in implementing the FfD outcomes and the MOI of the post-2015 development agenda and advise intergovernmental follow-up; and
- Consider the need to hold a follow-up conference by 2019.

A BRIEF ANALYSIS OF THE CONFERENCE

When you run the marathon, you run against the distance, not against the other runners and not against the time. – Haile Gebrselassie, Ethiopian Olympic Champion and one of the world's greatest runners

No one could argue that the FfD3 negotiators were lacking in stamina. As they arrived in Addis after months of ongoing consultations and seemingly miles of negotiated text behind them, unresolved issues on tax matters, the application of the principle of CBDR, and linkages with the post-2015 development agenda still remained in the draft outcome document. In Ethiopia, training ground for some of the world's greatest marathon runners, delegates had to summon their strength and surge forward on the final leg of the process. They engaged in extensive bilateral and informal consultations and ultimately, working together, they were able to cross the finish line carrying forward a compromise outcome.

Many European delegations urged against reopening the text, noting that if countries continued to jockey for position on key issues, it could mean ending the Conference without agreement. Indeed, since the outcome from Addis has a strong bearing—both practical and psychological—on the post-2015 negotiations and the climate change negotiations, government delegates were under substantial pressure to deliver an outcome. A collapse before the finish line could threaten derailment of the entire post-2015 effort, and, as some FfD3 bystanders pointed out, the credibility of UN and multilateralism.

As negotiations so far had mainly taken place in bilateral and other informal settings, in Addis the Ethiopian presidency expressed desire to conduct consultations in a “more systematic manner” at the second meeting of the Main Committee. Chair Tedros Adhanom Ghebreyesus asked Member States to nominate representatives so that a small group could be convened to resolve the outstanding issues.

One G-77/China negotiator revealed that developing countries had strategically decided to focus only on the tax issue in Addis while putting the principle of CBDR and the linkages with the post-2015 development agenda—the other two unresolved issues—on the backburner. The reasons for such a strategy were two-fold: FfD3 was the most appropriate place to negotiate tax policy; and there would be other opportunities to work on the issue of CBDR and post-2015 linkages.

Discussions on the establishment of a global tax body proved contentious. The G-77/China insisted on upgrading the UN Tax Committee to an intergovernmental body to provide for an inclusive forum to discuss global norms on taxes. Industrialized countries, such as the UK and the US, resisted such a move noting, among other reasons, that discussions on taxes were already taking place under the OECD, and that setting up a new body under the UN would have cost implications.

In the end, it was additional compromise language on the nature of the nomination process for the UN Tax Committee that led delegates to reach an agreement and paved the way for adoption of the AAAA. In the final amendments, Member States agreed that appointments to the UN Tax Committee would be made by the UN Secretary-General in consultation with Member States. This struck a balance between the desire

of developing countries to make the UN Tax Committee more intergovernmental in nature, while maintaining the focus on the expertise of nominated members, as developed countries had requested. By Thursday afternoon, negotiators were able to cross the finish line together and celebrate “a new lease on life” for multilateralism, as one delegate put it.

RUNNERS' HIGH

Even before the conference was gaveled to a close on Thursday evening, many had already begun their victory lap. UN Secretary-General Ban Ki-moon said the conference had ushered in a new era for development cooperation while FfD3 Secretary-General Wu Hongbo described the conference as “historic.” The EU said the “landmark” AAAA would create the means to “fully” implement the SDGs and the post-2015 development agenda.

One seasoned negotiator said the soaring rhetoric surrounding the AAAA was a reflection of the changing contours of development finance that the document had captured so well. For example, the outcome reflects the growing salience of the private sector and the reality that ODA is diminishing as the major source of development finance. Indeed, many said that ODA must be used in a more catalytic manner despite the fact that developed countries have reaffirmed their ODA commitments of 0.7% of GNI. Furthermore, the outcome captures the increasing trend of targeting aid to LDCs, LLDCs and SIDS, which many considered to be a “big win” for some of the most vulnerable countries.

Although there was initial pushback from developing countries on this during the drafting sessions, the AAAA is resolutely focused on strengthening domestic resource mobilization. It supports widening the tax base, setting revenue targets and addressing Base Erosion and Profit Sharing, among other things—issues many countries consider to be the “heart” of development finance. Member States also agreed to significantly reduce IFFs and the AAAA invites international institutions and regional bodies to publish estimates of IFF volumes. A tangible commitment is to reduce the average cost of migrant remittances to less than 3% by 2030.

The AAAA also announces a new social compact, whereby all countries commit to providing social protection systems and measures, including floors, and urges Member States to establish spending targets in sectors like health, education, water and sanitation. Member States have also committed to place full and productive employment and decent work at the center of national development strategies. This has been widely hailed as one of the most important overarching ambitions of the AAAA.

Early proponents of enshrining gender equality and raising the status of women and girls, including Iceland, expressed satisfaction that this is now “adequately mainstreamed” in the AAAA, where Member States have resolved to give women equal rights with regard to economic resources, such as access to ownership and control over land and financial services. The outcome also asks donors to track and report aid allocations for gender empowerment.

The AAAA also produced a number of concrete deliverables. The TFM, which will be officially launched at the post-2015 summit, has been widely recognized as one of the more substantial outcomes. The mechanism, which will encourage

the development, dissemination and diffusion and transfer of environmentally sound technologies to developing countries, is designed to support all the SDGs and will include an online global platform to bring together STI best practices.

Similarly, a global infrastructure forum was agreed to as a “key pillar to meet the SDGs.” This forum will meet periodically to align the actions of major actors on infrastructure development such as MDBs, UN agencies, national institutions, and the private sector. While developing countries had pushed for an infrastructure fund, one expert noted that it was perhaps more necessary to ensure coordination and sharing of best practices across institutions.

The AAAA includes a key focus on cities and commits to support resilient and environmentally-sound infrastructure in developing countries. Member States have also agreed to increase cities’ access to finance, whether by supporting municipal bond markets or through access to multilateral development banks.

Many of the 11,000 registered participants were there to participate in the more than 200 side events designed to raise the level of ambition. In support of the AAAA, a number of highly significant partnerships were launched including: the Addis Tax Initiative that supports strengthening domestic tax systems, Global Financing Facility in Support of Every Woman Every Child that brings together countries, donors and the private sector, and the Commission on Financing Global Education. As Amina Mohammed, the UN Secretary-General’s Special Advisor on Post-2015 Development Planning, remarked, energy from the side events helped to carry the momentum for the talks in the negotiating rooms. Indeed, this encouragement from the crowd helped push negotiators through their final sprint and across the finish line.

HITTING THE WALL

The FfD3 process over the past six months definitely ran the risk of “hitting the wall.” Distance runners are well aware that in order to complete a marathon they must maintain the right pace, hydration and nourishment throughout the entire race. Without this, they can easily get fatigued and have no choice but to drop out entirely. The FfD3 marathon, with practically round-the-clock negotiations from mid-May until 7 July, put particular stress on developing country delegates. In fact a few delegates indicated that developing countries were being asked to increase their pace without adequate hydration, thereby possibly leading them to hit the wall in Addis.

For example, with the heavy emphasis on domestic resource mobilization in the text, one delegate remarked that it was “ironic” to see developed countries resist intergovernmental cooperation on tax matters that would significantly raise domestic resources. Some Member States that had pushed hard for the upgrade of the tax body, however, were in the end satisfied that global tax norms were now part of the international discourse and that the UN is now seen as a credible body to handle tax issues. As FfD3 Secretary-General Wu Hongbo pointed out, “This is not the end of the journey; Member States will continue to discuss this issue.”

An overarching worry that a number of developing country negotiators articulated was about the increasing responsibilities they would have to assume, without commensurate reforms in

the governance of related international institutions such as the World Bank and the IMF. Some delegates expressed concern that certain issues that would have made the Addis outcome document more ambitious eventually fell off the table. When Member States started negotiating the draft outcome in January, a number of global governance reform items were in the draft text—including a sovereign debt restructuring body; a global health fund to bring together existing global health funds; an *ad hoc* advisory body to review the role, scale, and functioning of multilateral and regional development banks; commodity stabilization funds; increasing developing country participation in the Financial Stability Board; and implementing reforms in IFIs. None of these items made it into the AAAA. Amidst the entire series of potentially missed opportunities, however, a delegate expressed satisfaction that a general commitment for “further governance reform” of both the World Bank and IMF that includes a “merit-based selection of their heads” was agreed.

As negotiations on Greece’s debt restructuring were taking place simultaneously, Christine Lagarde, Managing Director of the IMF, was unable to attend the Conference in Addis. A veteran observer pointed out that the situation in Greece was hardly unrelated and could have been handled through an international body mandated to negotiate sovereign debt, an issue that the AAAA could have addressed. Although developing countries had asked for a more inclusive sovereign debt body, this was resisted on the grounds that the IMF is already tasked with supporting sovereign debt restructuring discussions.

A few also worried about the vague nature of commitments interspersed throughout the text. Member States have been encouraged to adopt a slew of policy packages but given the non-legally binding nature of the outcome document, observers are worried about actual implementation. In fact, the US emphasized that the commitments contained in the document could not be read as creating new obligations under international law. Coupled with the fact that there is only a reaffirmation of existing ODA commitments, many are wary of exactly how much the AAAA will be able to accomplish on the ground.

However, a developed country delegate said that reaffirming ODA commitments and commitments to increase the share of official assistance that flows to LDCs and SIDS should be seen as developed countries continuing to take on responsibility even though they have been facing their own difficult economic situations, and that competitiveness concerns make it challenging to sell increased aid budgets to their citizens if new and emerging donors do not make similar commitments.

As delegates gear up for the post-2015 summit, one of the key questions on their minds will be whether the Addis outcome matches the ambition of the SDGs. By UNCTAD’s estimates, the SDGs will cost up to US\$175 trillion over 15 years. A veteran observer noted that it is clear that there are enough global public and private savings to fill the gap on finance. However, he said the critical question would be whether the existing, business-as-usual financial flows can be directed to support the achievement of the SDGs.

Will Addis prove to be as momentary as a runner’s high? The AAAA includes major achievements, but without the political will to implement it, the promises in the document are likely to be short-lived. However, with the appropriate practice regimen,

runners know that these highs—and lows—can be predictable. The AAAA endorses the common vision on a global partnership for sustainable development and provides a continued basis for multilateral cooperation on development finance. States will have to display their discipline in sticking with this regime.

THE LAST LAP...?

As FfD3 Secretary-General Wu congratulated delegates for successfully finishing the last lap of the FfD3 marathon, delegates had already turned their eyes toward two other 2015 “races”—the post-2015 development negotiations and the climate change negotiations.

Runners may have run out of steam after this grueling marathon, but many have made it known that they will persevere in both New York and Paris. Given the linkages between the processes, unresolved issues in Addis will undoubtedly surface in the post-2015 negotiations, and again in Paris. The Indian Minister of State for Finance, Jayant Sinha, said the “story of an international tax body was not yet over.” The G-77/China, in its closing statement, said that an “unequivocal affirmation” of CBDR in the outcome document of the post-2015 development agenda is “non-negotiable.” With regard to Paris, the AAAA leaves open the question of additionality of climate finance to ODA, and a satisfactory FfD3 outcome has also been linked to positive “atmospherics” in the December climate conference by some commentators. The reaffirmation of Rio Principles in the AAAA was seen by some countries as a specific reaffirmation of CBDR, but this is likely to remain a contentious issue in both the post-2015 and the climate negotiations.

As a veteran observer remarked, it’s not only about the precise nature of interlinkages. As distance runners know to check their pace throughout the race, the tone and tenor of the Addis and post-2015 processes will influence how negotiators handle the final marathon in December in Paris.

UPCOMING MEETINGS

Intergovernmental Negotiations on the Post-2015

Development Agenda – Seventh and Eighth Sessions: The seventh and eighth sessions of the intergovernmental negotiations on the post-2015 development agenda will focus on negotiating the outcome document. **dates:** 20-31 July 2015 **location:** UN Headquarters, New York **contact:** UN Division for Sustainable Development **phone:** +1-212-963-8102 **fax:** +1-212-963-4260 **email:** dsd@un.org **www:** <http://sustainabledevelopment.un.org/post2015>

UN Summit to adopt the Post-2015 Development Agenda:

The summit is expected to adopt the post-2015 development agenda, including: a declaration; a set of SDGs and targets; their MOI and a new Global Partnership for Development; and a framework for follow-up and review. **dates:** 25-27 September 2015 **location:** UN Headquarters, New York **contact:** UN Division for Sustainable Development **fax:** +1-212-963-4260 **email:** dsd@un.org **www:** <http://sustainabledevelopment.un.org/post2015/summit>

2015 Annual Meetings of the Boards of Governors of the World Bank Group and IMF: During the Annual Meetings, the Board of Governors decides on major issues related to the future work of the two institutions. Around 13,000 people are

expected to attend this year. **dates:** 9-11 October 2015 **location:** Lima, Peru **contact:** World Bank **email:** dtheis@worldbank.org **www:** <http://www.2015lima.gob.pe/en/>

Second Meeting of the IAEG-SDGs: The Inter-Agency and Expert Group on SDG Indicators has been tasked to develop an indicator framework for the goals and targets of the post-2015 development agenda at the global level, and to support its implementation. **dates:** 26-28 October 2015 [tentative] **location:** UN Headquarters, New York **contact:** UN Statistics Division **email:** statistics@un.org **www:** <http://unstats.un.org/sdgs/>

ECOSOC Dialogue on Longer-Term Positioning of the UN Development System – Retreat 2: This is the second of three retreats to be organized as part of the ECOSOC Dialogue on the longer-term positioning of the UN development system. It will discuss interlinkages among other issues. The dialogue seeks to inform the outcome of the next UNGA resolution on the Quadrennial Comprehensive Policy Review (QCPR)—the mechanism through which the UNGA assesses the effectiveness, efficiency, coherence and impact of the UN Development system. Based on ECOSOC resolution 2014/14, it needs to take into account the post-2015 development agenda. **dates:** 2-3 November 2015 [tentative] **location:** UN Headquarters, New York **contact:** Office for ECOSOC Support and Coordination **email:** qcpr@un.org **www:** <http://www.un.org/en/ecosoc/qcpr/>

ECOSOC Dialogue on Longer-Term Positioning of the UN Development System – Workshop 5: This is the fifth of seven workshops to be organized as part of the ECOSOC Dialogue on the longer-term positioning of the UN development system. It will focus on funding and the funding architecture for the post-2015 development era. **date:** 7 December 2015 [tentative] **location:** UN Headquarters, New York **contact:** Office for ECOSOC Support and Coordination **email:** qcpr@un.org **www:** <http://www.un.org/en/ecosoc/qcpr/>

UNFCCC COP 21: The 21st session of the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) and associated meetings will take place in Paris. **dates:** 30 November - 11 December 2015 **location:** Paris, France **contact:** UNFCCC Secretariat **phone:** +49-228-815-1000 **fax:** +49-228-815-1999 **email:** secretariat@unfccc.int **www:** <http://www.unfccc.int>

ECOSOC Dialogue on Longer-Term Positioning of UN Development System – Workshop 6: This is the sixth of seven workshops to be organized as part of the ECOSOC Dialogue on the longer-term positioning of the UN development system. It will focus on governance and discuss emerging strategic issues and options. **date:** 25 January 2016 [tentative] **location:** UN Headquarters, New York **contact:** Office for ECOSOC Support and Coordination **email:** qcpr@un.org **www:** <http://www.un.org/en/ecosoc/qcpr/>

ECOSOC Dialogue on Longer-Term Positioning of the UN Development System – Workshop 7: This is the last of seven workshops to be organized as part of the ECOSOC Dialogue on the longer-term positioning of the UN development system. It will focus on capacity, impact, partnership approaches and organizational arrangements. **date:** 22 February 2016 [tentative] **location:** UN Headquarters, New York **contact:** Office for

ECOSOC Support and Coordination **email:** qcpr@un.org **www:** <http://www.un.org/en/ecosoc/qcpr/>

Second Meeting of the UNEP Open-ended Committee of Permanent Representatives: The Open-ended Committee of Permanent Representatives will prepare for the next meeting of the United Nations Environment Assembly of the United Nations Environment Programme. **dates:** 15-19 February 2016 **location:** Nairobi, Kenya **contact:** Jorge Laguna-Celis, Secretary of Governing Bodies **email:** jorge.laguna-celis@unep.org **www:** <http://www.unep.org/about/sgb/>

ECOSOC Operational Activities Segment (OAS) 2016: The 2016 session of the ECOSOC Operational Activities Segment will include a discussion on emerging policy issues, within the context of the ECOSOC dialogue on the longer-term positioning of the UN Development System. **dates:** 22-23 February 2016 [tentative] **location:** UN Headquarters, New York **contact:** Office for ECOSOC Support and Coordination **email:** ecosocinfo@un.org **www:** <http://www.un.org/en/ecosoc/>

47th Session of the UN Statistical Commission (UNSC): UNSC 47 is expected to agree on the indicator framework and set of indicators for the SDGs, among other agenda items. UNSC's Friends of the Chair Group on broader measures of progress will prepare and guide discussions on the development and implementation of the framework. **dates:** 8-11 March 2016 **location:** UN Headquarters New York **contact:** UN Statistics Division **email:** statcom@un.org **www:** <http://unstats.un.org/unsd/statcom/commission.htm>

Fourteenth Session of the United Nations Conference on Trade and Development (UNCTAD XIV): UNCTAD XIV will bring together Heads of States and Government, ministers and other prominent players from the business world, civil society and academia to tackle global trade and economic development issues. **dates:** 14-18 March 2016 **location:** Lima, Peru **email:** unctadinfo@unctad.org **www:** <http://unctad.org/en/pages/MeetingDetails.aspx?meetingid=808>

ECOSOC Dialogue on Longer-Term Positioning of the UN Development System – Retreat 3: This is the last of three retreats to be organized as part of the ECOSOC Dialogue on the longer-term positioning of the UN development system. The retreat will discuss findings and conclusions related to the areas discussed during the dialogue's process, namely: functions, funding, governance, capacity and impact of the UN development system, partnership approaches and organizational arrangements. **dates:** 4-5 April 2016 [tentative] **location:** UN Headquarters, New York **contact:** Office for ECOSOC Support and Coordination **email:** qcpr@un.org **www:** <http://www.un.org/en/ecosoc/qcpr/>

Second Meeting of the UN Environment Assembly: The UN Environment Assembly (UNEA) will convene for the second time in 2016. The UNEA of the UNEP represents the highest level of governance of international environmental affairs in the UN system. **dates:** 23-27 May 2016 **location:** Nairobi, Kenya **contact:** Jorge Laguna-Celis, Secretary of Governing Bodies **email:** jorge.laguna-celis@unep.org **www:** <http://www.unep.org/about/sgb/>

World Humanitarian Summit: An initiative of UN Secretary-General Ban Ki-moon, this conference managed by UN Office for the Coordination of Humanitarian Affairs, will

bring together governments, humanitarian organizations, people affected by humanitarian crises and partners, including the private sector, to propose solutions to humanitarian challenges and set an agenda to keep “humanitarian action fit for the future.” **dates:** 26-27 May 2016 **location:** Istanbul, Turkey **contact:** World Humanitarian Summit **email:** info@whsummit.org **www:** <https://www.worldhumanitariansummit.org>

HLPF 2016: The fourth session of the High Level Political Forum (HLPF) for sustainable development, taking place in 2016, will be the first meeting of the HLPF after the adoption of the post-2015 development agenda and the SDGs. **dates:** July 2016 [tentative] **location:** UN Headquarters, New York **contact:** Office for ECOSOC Support and Coordination **email:** ecosocinfo@un.org **www:** <https://sustainabledevelopment.un.org/hlpf>

For additional meetings, see <http://sd.iisd.org/>

GLOSSARY

AAAA	Addis Ababa Action Agenda
AU	African Union
CBDR	Common but differentiated responsibilities
ECOSOC	Economic and Social Council
FDI	Foreign direct investment
FfD	Financing for development
FfD3	Third International Conference on Financing for Development
GNI	Gross national income
ICTs	Information and communication technologies
IFFs	Illicit financial flows
IFIs	International financial institutions
ILO	International Labour Organization
IMF	International Monetary Fund
LDCs	Least developed countries
LLDCs	Landlocked developing countries
MDBs	Multilateral development banks
MDGs	Millennium Development Goals
MICs	Middle income countries
MOI	Means of implementation
MSMEs	Micro, small and medium enterprises
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
SDGs	Sustainable Development Goals
SIDS	Small island developing states
STI	Science, technology and innovation
TFM	Technology facilitation mechanism
TOSSD	Total official support for sustainable development
UNCTAD	UN Conference on Trade and Development
UNDP	UN Development Programme
UNECA	UN Economic Commission for Africa
UNGA	UN General Assembly
UNIDO	UN Industrial Development Organization
WTO	World Trade Organization