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Trade and Development Board
Intergovernmental Group of Experts on Financing for Development
Sixth session
Geneva, 30 November–2 December 2022
Item 2 of the provisional agenda
Adoption of the agenda and organization of work

Provisional agenda and annotations

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II. Annotations

Item 1

Election of officers

1. In accordance with established practice, it is suggested that the Intergovernmental Group of Experts on Financing for Development elect a Chair and a Vice-Chair-cum-Rapporteur.

Item 2

Adoption of the agenda and organization of work

2. The Intergovernmental Group of Experts on Financing for Development may wish to adopt the provisional agenda as reproduced in chapter I above.

3. It is proposed that the opening plenary meeting of the sixth session of the Intergovernmental Group of Experts, which will start at 10 a.m. (Central European Time) on Wednesday, 30 November 2022, will be devoted to procedural matters (items 1 and 2 of the provisional agenda) and opening statements. At the closing plenary meeting on Friday, 2 December 2022, consideration will be given to the adoption of the report of the sixth session of the Intergovernmental Group of Experts to the Trade and Development Board, including agreed policy recommendations, and the provisional agenda of its seventh session (agenda items 4 and 5), to be held in the fourth quarter of 2023, as stipulated in the terms of reference for the Intergovernmental Group of Experts (see TD/B(S-XXXI)/2, annex IV, section II, paragraph 6, and the revised terms of references, as contained in document TD/B/EX(71)/3, annex V). The remaining meetings will be dedicated to substantive discussions of issues under agenda item 3.

Documentation

TD/B/EFD/6/1

Provisional agenda and annotations

Item 3

Financing for development to respond and recover in an era of interrelated and global crises

4. The substantive topic and guiding questions for the sixth session of the Intergovernmental Group of Experts on Financing for Development were approved by the Trade and Development Board through a silence procedure that ended on 13 July 2022. The approved topic is financing for development to respond and recover in an era of interrelated and global crises. The session will be held in Geneva from 30 November to 2 December 2022.

5. The topic corresponds to that of chapter I of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development (A/RES/69/313, annex), particularly paragraphs 12, 13 and 17, and to action areas A, B, C, E and F in chapter II. In chapter I, on a global framework for financing development post-2015, consideration is given to “delivering social protection and essential public services for all” (para. 12), “scaling up efforts to end hunger and malnutrition” (para. 13) and “protecting our ecosystems for all” (para. 17). In chapter II, challenges and priorities are set out with regard to domestic public resources (chapter II.A), domestic and international private business and finance (chapter II.B), international development cooperation (chapter II.C), debt and debt sustainability (chapter II.E) and addressing systemic issues (chapter II.F).

6. The approved guiding questions for the sixth session of the Intergovernmental Group of Experts on Financing for Development are as follows:

(a) How can available and new finance for crisis response from domestic and international, private and public sources benefit, and access to these be enhanced for, developing countries?

(b) What policies should be prioritized to mobilize and manage various resources to support the 2030 Agenda for Sustainable Development, while considering challenges such as debt vulnerability, including unsustainable debt?

(c) Beyond addressing ongoing crises, how can growing Sustainable Development Goal financing gaps in the least developed countries, low- and middle-income countries be closed through the use of public resources and additional instruments that incentivize private sector finance?

7. Since the fifth session of the Intergovernmental Group of Experts on Financing for Development, the economic prospects for most developing countries have worsened considerably. The global economy saw a two-speed recovery from the coronavirus disease (COVID-19) pandemic in 2021, with developing countries falling behind in a context of lower vaccination rates and reduced fiscal space. While these countries nevertheless began to benefit from improved export performances and a rebound of capital inflows in the last quarter of 2021, the positive trends quickly reversed again from around March 2022, the war in Ukraine, wider inflationary pressures triggered by the global recovery and a return of monetary tightening cycles, curbing domestic growth and increasing the cost of domestic sovereign debt. The combination of an ongoing health crisis, rising food, fertilizer and energy prices and worsened global financial conditions has created a cost-of-living crisis not seen in at least a generation. These unfavourable developments come on the back of the pre-existing high vulnerabilities of the external debt positions of many developing countries and in the context of a fast-worsening climate crisis.

8. Clearly, the situation is not immediately conducive to directing efforts towards scaling up long-term development finance. Much energy and effort are spent on the mitigation of the immediate impacts of frequent macroeconomic shocks on the ability of developing countries to stabilize short-term financing scenarios and avoid immediate financial and debt crises. It is, therefore, unsurprising that development financing gaps, including the financing of the Sustainable Development Goals and the 2030 Agenda, are rising. UNCTAD calculations suggest that development finance gaps between 2020 and 2025 will add up to around 31 per cent of the gross domestic product (GDP) of low-income developing countries and to around 13 per cent of GDP in lower-middle-income developing countries.

9. This calls for concerted global policy action to mitigate the impact of global health, environmental, and debt and macroeconomic crises on the ability of developing countries to stabilize their economies in the short term and to provide them with affordable and sustainable access to longer-term development finance. These are not mutually exclusive goals, but they require close coordination between domestic and international, and public and private, policy initiatives, as well as readiness, at the global level, to consider deeper structural reforms of the present international financial and debt architecture, where required.

10. Developing countries' efforts to mobilize their domestic resources should take centre stage in the push towards achieving the Sustainable Development Goals. However, in a context of their domestic fiscal spaces being regularly squeezed by exogenous macroeconomic shocks, international economic governance needs to be proactive in facilitating domestic resource mobilisation. While some progress has been made at the interface of national and international policy efforts (for example, around debt transparency, through the Debt Service Suspension Initiative of the Group of 20 and the Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative, the 2021 general allocation of special drawing rights and efforts to voluntarily rechannel special drawing rights from advanced to developing countries, as well as the lending efforts and facilities of the International Monetary Fund and the World Bank), more clearly needs to be achieved. This includes a systematic approach to providing the regulatory tools and incentives to better leverage private finance for developmental purposes, given the crucial importance of lasting private sector engagement with public developmental initiatives.

11. The sixth session of the Intergovernmental Group of Experts on Financing for Development will assess the impact of current global and interrelated crises on efforts to scale up development finance, and discuss specific policy initiatives, at the national, regional and global levels, to provide a much needed stimulus for Sustainable Development Goal financing and, more generally, the scaling-up of development finance in the near future.

Documentation

TD/B/EFD/6/2 Financing for development to respond and recover in an era of interrelated and global crises

Item 4
Provisional agenda of the seventh session of the Intergovernmental Group of Experts on Financing for Development

12. The Intergovernmental Group of Experts on Financing for Development, acting in its capacity as the preparatory body for the seventh session, is expected to agree on the provisional agenda of its next session, the substantive item of which should come out of discussions under agenda item 3.

Item 5
Adoption of the report of the Intergovernmental Group of Experts on Financing for Development on its sixth session

13. Under the authority of the Chair of the sixth session of the Intergovernmental Group of Experts on Financing for Development, a report of the meeting will be produced and submitted to the Trade and Development Board. The Intergovernmental Group of Experts may wish to authorize the Vice-Chair-cum-Rapporteur to finalize the report after the conclusion of its sixth session.

Experts are requested to submit written contributions related to agenda item 3 to the UNCTAD secretariat as soon as possible. For further information, please contact Ms. Stephanie Blankenburg (stephanie.blankenburg@unctad.org), Chief, Debt and Development Finance Branch, Division on Globalization and Development Strategies, UNCTAD.