Economic and Social Commission for Western Asia (ESCWA)

Committee on Financing for Development in the States Members of the Economic and Social Commission for Western Asia
Second session
Cairo, 8-9 December 2021

Item 3 of the provisional agenda

Provisional agenda and annotations

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda and other organizational matters.

Follow-up issues

4. Implementation of activities on financing for development and of recommendations made by the Committee at its first session.

Financing for development challenges

5. Public debt and debt sustainability in the Arab region.
6. Arab tax systems: tax revenue leakages and tax challenges arising from the digital economy.

Financing climate action

8. Climate finance needs and flows in the Arab region.

Financing for development tools and frameworks

10. Workshop: SDG costing and financing frameworks and simulators.
11. Integrated national financing frameworks.
12. Towards an Arab financing for development framework.

***

21-00739
13. Date and venue of the third session of the Committee.

14. Other matters.

15. Adoption of the recommendations made by the Committee at its second session.

ANNOTATIONS

1. Opening of the session

The Committee on Financing for Development in the States Members of the Economic and Social Commission for Western Asia (ESCWA) was established pursuant to ESCWA resolution 332 (XXX) of 28 June 2018 on developing the work of the Technical Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development, which split the Technical Committee into two committees. The United Nations Economic and Social Council approved the splitting in its resolution 2019/30 of 23 July 2019. The newly created Committee on Financing for Development in the States Members of the Economic and Social Commission for Western Asia held its first session in Amman, on 11 and 12 December 2019. It is holding its second session in Cairo, on 8 and 9 December 2021.

2. Election of officers

Rule 18 of the rules of procedure of the Economic and Social Commission for Western Asia states: “Member States shall chair the sessions of the subsidiary bodies of the Commission on a rotating basis, in the Arabic alphabetical order employed by the United Nations. *Unless the Commission decides otherwise, those bodies shall elect all their other officers*. The Committee shall elect two vice-chairs and a rapporteur from representatives of member States.

3. Adoption of the agenda and other organizational matters

Rule 8 of the rules of procedure of the Economic and Social Commission for Western Asia, which apply to subsidiary bodies, states: “At the beginning of each session, once the Chair has assumed his/her duties in accordance with rule 12, the Commission shall adopt the agenda for that session on the basis of the provisional agenda”. Pursuant to that rule, the Committee shall adopt the provisional agenda and annotations and the proposed organization of work for its current session as contained in documents E/ESCWA/C.9/2021/L.1 and E/ESCWA/C.9/2021/L.2 respectively, or in amended forms.

Follow-up issues

4. Implementation of activities on financing for development and of recommendations made by the Committee at its first session (E/ESCWA/C.9/2021/3)

The Committee will review progress made in activities on financing for development since its first session, be they under the ESCWA programme plan or implemented pursuant to Committee recommendations. Those activities include issuing publications, reports, policy briefs and technical papers; holding capacity-building workshops; providing advisory services; and issuing policy toolkits. After the COVID-19 outbreak, the ESCWA secretariat has increasingly focused on supporting recovery efforts and building financial resilience.

The Committee is invited to take note of implemented activities and make suggestions on the way forward.

* ESCWA member States in the Arabic alphabetical order are: Jordan, the United Arab Emirates, Bahrain, Tunisia, Algeria, the Syrian Arab Republic, the Sudan, Somalia, Iraq, Oman, the State of Palestine, Qatar, Kuwait, Lebanon, Libya, Egypt, Morocco, Saudi Arabia, Mauritania and Yemen.
Financing for development challenges

5. Public debt and debt sustainability in the Arab region (E/ESCWA/C.9/2021/4)

The Committee will examine the changing pattern of public debt in the Arab region, and the resulting liquidity challenges and risks to debt sustainability. It will discuss the specific cases of middle-income countries and least developed ones, for which the external debt service burden has largely increased since the COVID-19 outbreak. It will also review available fiscal policy responses and policy recommendations to overcome increasing risks and build forward better towards sustainable financing.

The Committee is invited to discuss the issues of public debt and debt sustainability in the Arab region and comment on the proposed recommendations in that regard.

6. Arab tax systems: tax revenue leakages and tax challenges arising from the digital economy (E/ESCWA/C.9/2021/5)

The Committee will be presented with an overview of the state of taxation in Arab countries and of the scale of tax revenue leakages therein. It will also discuss tax challenges arising from the digital economy, and proposals for tax base protection and increased compliance.

The Committee is invited to take note of the key findings of ESCWA work on taxation and comment thereon.


The Committee will hold a discussion on financial accountability, transparency and financial integrity, based on two documents: E/ESCWA/C.9/2021/6 on “Illicit financial flows: Initiative on Financing for Development in the Era of COVID-19 and Beyond”, and E/ESCWA/C.9/2021/CRP.1, which presents the main activities and recommendations of the High-level Panel on International Financial Accountability, Transparency and Integrity, mandated to combat illicit financial flows and strengthen good practices on asset return to foster sustainable development. Discussants may include a representative from the High-level Panel’s secretariat and regional experts on illicit financial flows.

Member State representatives are invited to participate actively in the discussion and to consider means to adapt the Panel’s recommendations to the context of the Arab region.

Financing climate action

8. Climate finance needs and flows in the Arab region (E/ESCWA/C.9/2021/7)

The Committee will be presented with an overview of global climate finance commitments and flows, and of finance needs in the Arab region, revealing a mismatch between commitments and disbursements on the one hand, and needs and actual support received on the other. The Committee will also discuss opportunities to mobilize finance for national climate objectives, and work undertaken by the ESCWA secretariat in cooperation with the League of Arab States and the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) on a needs-based climate finance project, aimed at facilitating donor and investor matchmaking.

The Committee is invited to take note of the work of the ESCWA secretariat in the area of climate finance and make suggestions on the way forward in that regard.
9. **Debt swaps for climate and SDG finance in the Arab region** (E/ESCWA/C.9/2021/8)

The Committee will discuss the Climate/SDGs Debt Swap Initiative launched by ESCWA in December 2020 to assist member States in freeing up fiscal space for meeting essential expenditures, including accelerating an inclusive and green recovery from COVID-19. The Initiative proposes a debt swap mechanism to formulate and implement debt swaps with the objective of financing the realization of the Sustainable Development Goals (SDGs) and climate action.

The Committee is invited to consider the tenets of the Initiative and its operationalization, and comment thereon.

**Financing for development tools and frameworks**

10. **Workshop: SDG costing and financing frameworks and simulators** (E/ESCWA/C.9/2021/9)

As part of the proceedings of its second session, the Committee on Financing for Development in States Members of ESCWA will hold a workshop on the frameworks and tools proposed by ESCWA to estimate the costs of financing the SDGs and national development plans. In this context, the Committee will discuss an integrated framework proposed by the ESCWA secretariat to cost national development goals, sectoral development plans and macroeconomic frameworks, and an SDG financing simulator developed for Arab States to assess SDG financing gaps and the potential for mobilizing additional resources to achieve sustainable development.

The Committee is invited to participate in the workshop and discuss the proposed frameworks and simulator.

11. **Integrated national financing frameworks** (E/ESCWA/C.9/2021/10)

The Committee will review the tools, processes and methods developed by the ESCWA secretariat to support the formulation of integrated national financing frameworks (INFFs) in Arab countries. It will also discuss the components of those frameworks, the analysis furnished through them and the building blocks they rely on to deliver coherent financing strategies that maximise the use of available resources and mobilize additional investments to achieve national development goals and the SDGs.

The Committee is invited to consider efforts exerted in developing INFFs and accompanying tools, and comment thereon.

12. **Towards an Arab financing for development framework** (E/ESCWA/C.9/2021/11)

The Committee will discuss a framework proposed by the ESCWA secretariat encompassing Arab priorities and positions on financing sustainable development, meant to be a living document that is regularly updated to reflect progress, new financing initiatives and emerging modes of financing. The framework covers the five priority areas of financing for development highlighted in the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, namely domestic public resource mobilization and financial management; international private business and finance; international development cooperation and development assistance; international trade as an engine to finance sustainable development; and debt leveraging, liquidity and debt sustainability.

The Committee is invited to discuss the proposed framework and comment thereon.

***
13. **Date and venue of the third session of the Committee**

   The Committee will decide the date and venue of its third session.

14. **Other matters**

   This item shall cover any other matters that the members of the Committee may decide to discuss.

15. **Adoption of the recommendations made by the Committee at its second session**

   The Committee will consider the draft recommendations for discussion and adoption.

   -----