

**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
Third session
Cairo, 29–30 April 2024



Item 3 of the provisional agenda

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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 which was approved by the United Nations Economic and Social Council in its resolution 2019/30 of 23 July 2023. The Committee held its first session in Amman, on 11 and 12 December 2019 and its second session in Cairo, on 8 and 9 December 2021. It is holding its third session in Cairo, on 29 and 30 April 2024.

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.9/2023/L.1 and E/ESCWA/C.9/2023/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 second session (E/ESCWA/C.9/2023/3)

The Committee will review progress made in activities on financing for development since its second session, be they under the ESCWA programme plan or implemented pursuant to Committee

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

recommendations. Those activities include issuing publications, reports, policy briefs and technical papers; holding capacity-building workshops; providing advisory services; and developing dynamic toolkits. During the period under review, the ESCWA secretariat focused on offering solutions to enhance the mobilization of domestic public resources, stimulate private assessments, and support the implementation of the Sustainable Development Goals (SDGs) in Arab countries in challenging regional and global contexts.

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

Global and regional developments: financing inequalities

5. The global financing for development landscape: standing issues and emerging challenges
(E/ESCWA/C.9/2023/4)

The Committee will be presented with an overview of the global financing landscape including the latest updates on the global agenda, taking into consideration the main resolutions adopted in the field of financing during the seventy-sixth and seventy-seventh sessions of the General Assembly and the corresponding voting patterns. It will discuss an updated Arab position on financing for development in the light of emerging challenges and preparations for the upcoming Fourth International Conference on Financing for Development, which will serve as a platform to evaluate the implementation of previous agreements including the Monterrey Consensus, the Doha Declaration and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development.

The Committee is invited to discuss Arab regional financing priorities in the context of this global financing landscape.

6. Arab Financing for Development Scorecard (E/ESCWA/C.9/2023/5)

The Committee will review the status of financing sustainable development in the Arab region through the following documents:

(a) The state of financing sustainable development in the Arab region: top-line scorecard findings
(E/ESCWA/C.9/2023/5(Part I))

The Committee will be presented with findings of the latest regional assessments drawn from the Arab Financing for Development Scorecard, which was adopted by member States at the twelfth session of the Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development (Beirut, 4–5 December 2017) as a tool to track, monitor and evaluate the performance of the Arab region in financing the SDGs.

The Committee is invited to take note of the findings and reflect on the Arab collective action needed to promote joint investments and overcome financing inequalities, fiscal space constraints, financing rifts and funding shortfalls.

(b) Domestic public resources (E/ESCWA/C.9/2023/5(Part II))

The Committee will discuss trends, challenges and opportunities for enhancing domestic public resource mobilization in the Arab region, based on an assessment of the region's untapped tax potentials, tax gaps and tax leakages. It will also review a 25-point Arab tax reform agenda proposed by ESCWA for transforming Arab tax systems into more fair, progressive, equitable and efficient systems in a manner that reduces lost financing opportunities associated with tax abuse.

The Committee is invited to consider the proposed reform actions at the national, regional, and global levels, and present its views on them.

(c) Foreign direct investment (E/ESCWA/C.9/2023/5(Part III))

The Committee will focus on global trends and regional realities in foreign direct investment (FDI), as well as reforms undertaken by Arab countries to improve the investment climate and their implications.

The Committee is invited to reflect on the Arab collective action needed to optimize the impact and effectiveness of FDI on the advancement of SDG outcomes.

(d) International private finance: remittances (E/ESCWA/C.9/2023/5(Part IV))

The Committee will discuss the crucial role of remittances as a source of foreign exchange and their implications on the overall economy and influence on production and consumption patterns. It will review the scale of remittances inflows and outflows in the Arab region, as well as the changing remittance landscape and modes of transfer.

The Committee is invited to reflect on the Arab collective action needed to harness the expected increase in remittances.

(e) International development cooperation (E/ESCWA/C.9/2023/5(Part V))

The Committee will be presented with an assessment of international development finance following the fallout from the COVID-19 pandemic, the war on Ukraine and ensuing food, fuel and climate crises, and a fourth wave of debt accumulation that has exacerbated the financing frailties confronting the Arab region. It will discuss and review considerations and issues highlighted in the 2023 Financing Sustainable Development Report as the international community approaches the 2030 deadline for realizing the SDGs.

The Committee is invited to reflect on the Arab collective action needed to improve the definition, reporting, modes of delivery and effectiveness of international development cooperation to maximise SDG outcomes.

**Integrated national financing frameworks workshop:
cross-country experiences**

7. Arab Sustainable Development Goals costing framework (E/ESCWA/C.9/2023/6)

The Committee will review the new developments introduced to the Arab SDG costing framework which it had discussed at its second session. These new developments include costing offers and methodologies employed to render granular country-specific SDG assessment possible. The Committee will be presented with a synthesis of the rationale, approaches, methods, processes and tools employed to estimate the costs of achieving Arab national sustainable development strategies, sectoral development plans and macroeconomic frameworks.

The Committee is invited to take note of the updated framework, which avails member States of the opportunity to advance the costing of the SDG transition pathways.

8. Showcasing country practices, policies and progress: experiences from Egypt and Jordan
(Presentations by member States)

The Committee will discuss lessons learned from member States regarding their experiences in developing comprehensive strategies on financing for sustainable development. This discussion is aimed at facilitating knowledge sharing and peer learning at the regional level on implementation practices involving integrated national financing frameworks (INFFs).

The Committee is invited to take note of the good practices presented and discuss potential scalability and national interest in the INFF concept as a tool that supports countries in mobilizing and aligning financing with national sustainable development priorities.

Emerging financing challenges

9. Illicit financial flows: ending another pandemic (E/ESCWA/C.9/2023/7)

The Committee will discuss a synthesis of the global and regional challenges impeding the rooting out of illicit financial flows (IFFs), and the impact and magnitude of tax-based IFFs including those arising from trade misinvoicing, tax base erosion, and other tax abuses (evasion/avoidance), which constitute significant revenue leakages in the Arab region.

The Committee is invited to consider the policy interventions proposed by the ESCWA secretariat to enhance international and domestic transparency commitments, strengthen norms to combat IFFs, respond to emerging risks and improve enforcement capacity and the integrity of financial systems.

10. Arab policy choices and financing opportunities in a new world tax order (E/ESCWA/C.9/2023/8)

The Committee will be presented with the findings drawn from ESCWA regional assessments on the state of Arab tax systems in a new world tax order, taking into consideration the leakages, revenue potentials, efficiency and effectiveness of corporate tax regimes in order to establish whether the region stands to benefit from the proposed global tax reforms advanced by the Group of 20 (G20) and the Organisation for Economic Co-operation and Development (OECD) under the two-pillar solution.

The Committee is invited to discuss the arguments presented by the ESCWA secretariat and alternative proposals advocated for new modes of enhanced multilateral forms of tax cooperation within the United Nations, deeper forms of regional tax collaboration within the League of Arab States, and different modes of taxation to regulate automated digital services as provided under the newly introduced articles of the United Nations Model Double Taxation Convention between Developed and Developing Countries.

Evidence-based financing tools for policymakers

11. Innovative approaches to policymaking: evidence-based dynamic financing solutions
(E/ESCWA/C.9/2023/9)

The Committee will be presented with a synthesis of the dynamic tools developed by ESCWA to address five major financing rifts: financing insolvencies, funding shortfalls, fiscal space constraints, debt-financing overhangs, and financing inequalities. The tools provide evidence-based assessments and data analytics to support policymakers in making timely responses to address financing needs, shortfalls and shocks with a high degree of certainty.

The Committee is invited to take note of ESCWA signature tools and discuss their capacity to provide an array of solutions to enhance the mobilization of domestic public resources and incentivize private investments.

12. Intelligence solutions and machine learning applications to budget for the Sustainable Development Goals: integrated Budget Intelligence Toolkit (E/ESCWA/C.9/2023/10)

The Committee will discover the integrated Budget Intelligence Toolkit (i-BIT) developed by ESCWA to provide risk-informed financing decisions and enable the identification of the most impactful budget lines with proven influence on advancing SDG implementation. The i-BIT is aimed at optimizing available fiscal space, maximizing SDG progress, harnessing SDG synergies, enhancing public spending efficiency, and providing insights to ensure budget credibility and the sequencing of financing decisions.

The Committee is invited to take note of the i-BIT as a tool to support the transition to SDG budgeting, enhance public financial management, support budget planning/execution and ensure higher returns on fiscal space that maximises SDG progress.

13. Date and venue of the fourth session of the Committee

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

14. Other matters

This item shall cover any other matters that the members of the Committee may decide to discuss at the time of the adoption of the present agenda.

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

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