Working Group on Financing Sustainable Development

Terms of Reference

Background

Financing is key to the realization of the 2030 Agenda for Sustainable Development (2030 Agenda). For this purpose, the Addis Ababa Action Agenda (Action Agenda) canvassed a new Global Financing for Development (FfD) framework encompassing more than 150 iterative financing solutions, policy actions and commitments to finance the breadth of ambition embodied in the Sustainable Development Goals (SDGs).

The United Nations Inter-Agency Task Force on FfD concluded in 2018 that financing the implementation of the 2030 Agenda and the Action Agenda is currently materializing neither at the scale nor the magnitude that would enable the Arab region to achieve sustainable development whilst 'leaving no one behind'.

Global systemic economic challenges are aggravating structural weaknesses in Arab countries' enabling environments, rendering unsustainable debt burdens and insufficient public financing to bridge the SDG-financing gap. These very conditions are frustrating the policy choices available for governments to mobilize resources, both domestic and international, and reap the normative financing solutions availed through the new global FfD framework.

The outcome document of the 2019 Session of the Arab Economic and Social Summit recognized financing for development as a major challenge facing the Arab region’s efforts in implementing the 2030 Agenda and related Arab joint action initiatives and projects. Arab Heads of State and Governments adopted a number of resolutions touching upon the different priority areas of the Action Agenda, including a dedicated resolution on financing for development to address systemic challenges and conjure further support to implement and finance deeper forms of regional integration in the context of financing for development.

The United Nations (UN) response strategy to these financing constraints, gaps and inequalities is developed on the premise of a three-tiered interface, permeating from global, regional to the national level, with the aim of accelerating progress in implementing the 2030 Agenda and the Action Agenda.

Regional Coordination Mechanisms (RCM) are mandated by the Economic and Social Council1 to promote coherence in policy and in regional and sub-regional programming. According to the UN Secretary-General, the role of RCMs needs to be relevant in advancing the integrated policy advice needs of the 2030 Agenda; strengthen the policy-operational linkages at the regional level, including in strategic planning, whilst avoiding duplication and overlap and ensuring more coherent, robust and accountable regional-level interventions. The Working Group on Financing Sustainable Development will provide a platform for ensuring such coherence in the field of FfD.

Objective

The purpose of the Working Group on Financing Sustainable Development (WG-FSD) is to act as a regional hub for cooperation and coordination among the United Nations, the League of Arab States and their specialized organizations and agencies as well as relevant international financial institutions in the implementation of their work on financing for development in the Arab region, including undertaking joint initiatives and research on regional financing for development priority areas.

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1 UN Economic and Social Council resolution 1998/46 of 31 July 1998 (annex III, para. 13)
Scope and Functions

The functions of the WG-FSD include:

a) Facilitating the exchange of information
b) Establishing priority areas for collaboration
c) Disseminating analytical and research findings
d) Encouraging coherence and jointly developing thematic policy guidance regarding the priority areas set under the Action Agenda, namely:
   (i) Domestic Resource Mobilization;
   (ii) Domestic & international private business and finance;
   (iii) International and Arab regional development cooperation and funds;
   (iv) International and regional trade as an engine for financing development;
   (v) Debt and debt sustainability.

At its first meeting, members of the WG-FSD will take stock of the FfD work being undertaken by their respective entities to consolidate a base-line compendium of FfD interventions and assess the current state of financial flows for development in the Arab region. The group may consider establishing an online portal for this purpose to enhance coordination and visibility.

The WG-FSD will also prepare its first work plan, covering 2019-2020. Building on the recommendation of the 24th RCM Meeting, this work plan may include:

a) identifying priority areas for the Arab region in the implementation of the UN Secretary-General’s Strategy for Financing the 2030 Agenda;

b) supporting domestic resource mobilization and other regional and national financing for development priorities;

c) creating a network of tax authorities to share experiences and collaborate on cross-border flows;

d) preparing joint contributions for the annual Financing for Development Forums, as appropriate.

The scope of collaboration may also extend to developing joint positions, outputs that feed into the work of the IATF-FfD, UNSDG-SRFG and UNCTs, as well as provide policy guidance, assessments, monitoring tools, capacity development and technical assistance for various stakeholders, as appropriate.

The work and knowledge generated through the WG-FSD may also feed, and be considered as collective inputs, to the Economic and Social Council of the League of Arab States and Arab Economic and Social Summits, in accordance with established rules and procedures.

The outcomes of the WG-FSD may further permeate through regional Inter-Governmental Bodies entrusted with assessing, reviewing progress and identifying FfD implementation gaps, including the UN-ESCWA Inter-Governmental Committee on Financing for Development, recognized by the UN Secretary-General as “the only regional intergovernmental setting that provides a venue for Arab constituents to address financing for development issues in an integrated and holistic manner”.

Membership

Membership in the WG-FSD is open to regional offices and bureaus of the United Nations Development System (members of the IATF and the SDG-SFRG), the League of Arab States and its specialized agencies as well as other institutional stakeholders (such as the Islamic Development Bank, the World Bank and the IMF).
**Organization**

The WG-FSD will be co-chaired by UN-ESCWA and [...], and the two organizations will also act as the secretariat of the Working Group.

The WG-FSD will establish its calendar, work plan and frequency of its meetings at its first inaugural session. Given the dispersion of agencies, the meetings may be conducted via videoconference.

The Working Group may decide to invite other concerned UN agencies, inter-governmental bodies, regional and international FfD networks, think tanks, regional and international institutional stakeholders to its membership and/or to its thematic proceedings on an ad-hoc or observer basis as appropriate.

The Working Group will report on its activities and recommendations at the Regional Coordination Mechanism meetings.

Each member agency shall designate a focal point to the WG-FSD at the highest level possible to maintain active and quality engagement and achieve the objectives and functions of the WG-FSD. The cost of participation will be met by each participating agency.

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**Monitoring and Evaluation**

The WG-FSD will regularly assess its organization and functioning and adjust as necessary.

A more detailed assessment of the Working Group’s relevance and effectiveness will be conducted at the end of 2020, to inform the development of a new work plan. The findings of the regular and detailed assessments will be presented to the Regional Coordination Mechanism on a yearly basis.

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