

BLOG POST June 15th 2018

For a new summit on financing for development

Auteur

Tancrède Voituriez

Senior Research Fellow, Governance of Sustainable Development

 Reading time: 2 min

Of the three major international conferences on development held in 2015—Addis Ababa on financing for development, the United Nations General Assembly on the Sustainable Development Goals, the Paris Climate Agreement—the first is undoubtedly the most unfamiliar to the public. The content of the Addis Ababa Action Agenda (AAAA) adopted at that conference may explain this: the document contains no decisions or goals. It proposes a roadmap, which remains at the discretion of the signatory countries and financing institutions concerned. It would however be a mistake to see it as a weak document. On the contrary, it has a real impact on the behaviour and expectations of the “financing for development” ecosystem. This is why we need to take a new, deeper look at it, before urgently calling for its follow-up.

As a reminder, the AAAA is divided into several chapters, each referring to a specific field or tool for action. The first concerns the mobilisation of domestic public resources. The next covers domestic and international private resources. International development cooperation and official development assistance (ODA) only come in third place. This order is not presented as a hierarchy: however, implicitly, it does establish one. ODA is not the first subject in discussions on financing for development, even though it has traditionally structured these discussions according to its highs and lows.

In reality, these discussions abound, without any dedicated arena. The G20, the G7, the biodiversity and climate agendas, the EU External Investment Plan, [the reform of the Cotonou Agreement](#): financing for (sustainable) development is everywhere. The first quality of the AAAA is that it reminds us that financing involves and concerns a range of different actors and subjects that are not just those of ODA. This reminder is accompanied by initiatives. These include the International Tax Compact and the Addis Tax Initiative, through which international aid donors collectively agree to double their technical cooperation on taxation and domestic resource mobilisation by 2020. Tax evasion, the domiciliation of profits, and long-term capital raising to finance infrastructure in vulnerable economies are all subjects around which discussions are structured and organised.

The challenge now is to ensure they deliver results. The AAAA has enabled all actors to proceed according to their own priorities, from the very broad perspective of a shared interest consisting in increasing the funds available for sustainability. It is now time to mark the end of this first phase before moving onto the second. The AAAA needs a new summit. A new summit on financing for development will be the opportunity to take stock of actions undertaken within the framework defined in Addis Ababa, to identify the champions and reveal those that do less, and to prioritise the remaining obstacles.

While it may seem relatively simple to present actions undertaken as compliant with the SDGs, being accountable for financial commitments in terms of mobilising domestic resources, combating tax fraud, financing climate-resilient infrastructure, or facilitating research in regions that had abandoned it, to mention just a few of the AAAA chapters, may be far more complicated.

The first high-level stocktake on the SDGs will take place in 2019. The next major climate meeting will be held in 2020; the same applies to biodiversity. A new summit on financing for international development needs to be organised in 2020. Five years after Addis Ababa, it will take note of the effective mobilisation of public and private funds for (sustainable) development, and, through forward-thinking prospective, will accelerate this mobilisation over the next few years.

