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**Economic Commission for Africa  
Committee of Experts**  
Thirty-fourth meeting**African Union  
Committee of Experts**  
First meeting

**Eighth Joint Annual Meetings of the African Union Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration and the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development**  
Addis Ababa, 23 and 24 March 2015

## **Side event**

### **Regional consultations in preparation for the third International Conference on Financing for Development**

#### **Concept note**

#### **I. Background**

1. Over the past decade, financing for development has taken centre stage as one of the key tools for sustainable, inclusive and equitable growth in Africa. Although abundant in human, mineral and natural resources, Africa has faced significant challenges in meeting its financing needs, despite the strong economic growth it has achieved recently. In the face of inadequate public resource mobilization and sluggish and unresponsive capital markets, access to and use of financial resources to meet the goal of structural transformation remains a critical challenge.

2. The regional financing gap is estimated at approximately 6 per cent of gross domestic product, but estimates of the additional resources required for development on the continent remain critically high, at hundreds of billions of dollars annually, suggesting that the figure of 6 per cent is a gross underestimation. The financing needs in the area of physical infrastructure are estimated to be \$31 billion per year, with an additional annual shortfall of \$42 billion when the costs to achieve climate adaptation, estimated to be between \$14 billion and \$17 billion, and to achieve universal access to modern energy services, estimated at \$25 billion, are considered. In addition, it is clear that the post-2015 sustainable development goals will add considerable pressure to improve access to health, education, social protection, human rights and peace and security, all of which will require a sustainable, predictable and resilient flow of resources over the next 15 to 20 years if developmental transformation is to be realized.

3. Since the adoption in 2002 of the Monterrey Consensus of the International Conference on Financing for Development, and following the Doha Declaration adopted in 2008 at the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, there has been much analysis of and deliberation over the extent to which the African region has implemented the principles embodied in those agreements and the key challenges countries face in doing so. Following the United Nations Conference on Sustainable Development, the General Assembly established the Intergovernmental Committee of Experts on Sustainable Development Financing and tasked it with developing options for a sustainable development financing strategy to facilitate the mobilization of resources and their effective use in achieving sustainable development. Significantly, the strategy is expected to provide a basket of policy measures from which Governments can choose to finance their development priorities, especially in the context of the post-2015 development framework.

4. In developing the strategy, the Intergovernmental Committee members held consultations in several regions, including Africa, with the aim of fully capturing and integrating regional financing needs in the Committee's work and in the resulting strategy.<sup>1</sup> In that context, a two-day outreach meeting was held by the Economic Commission for Africa (ECA), in collaboration with the Department of Economic and Social Affairs and the United Nations Non-Governmental Liaison Service. At the meeting, held in Addis Ababa on 2 and 3 May 2014, the views of African stakeholders, including from civil society and the private sector, were solicited. African countries represented in the High-Level Committee on the Post-2015 Development Agenda also participated in order to ensure continuity with the common African position on the post-2015 development agenda. The outreach meeting resulted in a chairs' summary that captured the key issues discussed and recommendations put forward by stakeholders present.<sup>2</sup> Following several outreach events in the regions of Asia and the Pacific and Latin America and the Caribbean, and with the Islamic Development Bank, among others, the Intergovernmental Committee submitted its strategy report (A/69/2015) to the General Assembly in August 2014. The strategy constitutes an important input for the third International Conference on Financing for Development.

## II. Objectives

5. The General Assembly, in its resolution 68/204, decided to convene a third International Conference on Financing for Development, the outcome of which will constitute a vital contribution and support to the implementation of the post-2015 development agenda. In its resolution 68/279, the Assembly called upon the regional commissions, with the support of regional development banks and other relevant entities, to hold regional consultations in preparation for the Conference. The reports of the Intergovernmental Committee and of the Open Working Group of the General Assembly on Sustainable Development Goals are to serve as important inputs to the preparations for the Conference.

6. Regional discussions on development finance have been gathering momentum in preparation for the post-2015 development agenda, most notably at the recent ninth African Development Forum held in Marrakech, Morocco from 12 to 16 October 2014. There, African stakeholders agreed on the Marrakech Consensus, which outlined key commitments towards innovative financing for Africa's transformation. To build on the Marrakech Consensus and fulfil the mandate set by the General Assembly, ECA is planning a one-day consultation with African stakeholders.

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<sup>1</sup> The rationale for the regional consultations was to ensure that the Intergovernmental Committee recommendations constituted a positive and constructive input for the subsequent intergovernmental negotiations process. The objective was also to inform the intergovernmental negotiations for the post-2015 development agenda.

<sup>2</sup> The chairs' summary is available from [www.uneca.org/icesdf](http://www.uneca.org/icesdf).

Participants will include experts on financing for development, and representatives from African Governments, civil society, the private sector and the wider policymaking community. The key objectives of the consultations are to:

(a) Discuss Africa's priorities with regard to financing for development in the context of structural transformation;

(b) Deliberate on the issues discussed in the report of the Intergovernmental Committee of Experts on Sustainable Development Financing;

(c) Agree on an outcome document that will inform Africa's participation in the intergovernmental negotiations process that will take place during the third International Conference on Financing for Development.

### **III. Expected outcomes**

7. The outcome of this regional consultation will take the form of a consensus outcome statement capturing the priorities and viewpoints of African member States and other relevant stakeholders. The outcome statement will be used to inform the intergovernmental negotiations that will take place at the third International Conference on Financing for Development.

### **IV. Format**

#### **A. Format**

8. The consultation is scheduled to be held as a side event during the first Joint Annual Meetings of the African Union Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration and the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development in early 2015. The consultation will be hosted by the Government of Ethiopia, and will comprise a formal opening followed by a series of plenaries and panels.

9. The final plenary will be devoted to recapitulating the key messages and priorities identified in the previous plenaries and to discussing and adopting an outcome document to be used by African members of the Intergovernmental Committee to negotiate at the Conference.

#### **B. Discussion paper**

10. The consultation will provide a unique opportunity for ECA to make progress in its work on increasing the capacity of member States to mobilize domestic and external resources for development. A discussion paper will be presented.

11. The discussion paper will focus on two main areas:

(a) A review of development financing in Africa since the Monterrey Consensus: lessons learned and challenges to be addressed;

(b) Priority areas for development financing in Africa in the context of the post-2015 development agenda.

12. The discussion paper will address key issues and challenges within the broad themes upon which the negotiations will likely be based, such as:

- (a) Domestic financial resources;
- (b) International financial resources;
- (c) International trade;
- (d) International finance and technical cooperation;
- (e) External debt;
- (f) Addressing systemic issues.

## **V. Participants**

13. Owing to the importance of the consultations in terms of affording African stakeholders an opportunity to discuss key issues, priorities and challenges with respect to the proposed strategy, there will be strong representation from African experts on financing for development, including State actors, non-State actors from civil society and the private sector and researchers, as well as representatives from think tanks and regional and multilateral financial institutions.

## **VI. Languages**

14. The discussions will be conducted in English and French with simultaneous interpretation to and from those languages.

## **VII. Contacts**

15. For information regarding participation in this event, please contact:

- Mr. Gamal Ibrahim, Chief, Finance and Private Sector Section, MPD, ECA  
Tel: +251 11 5443259, e-mail: geibrahim@uneca.org
- Ms. Uzumma Erume, Finance and Private Sector Section, MPD, ECA  
Tel: +251 11 5445024, e-mail: uerume@uneca.org
- Ms. Sara Melaku, Finance and Private Sector Section, MPD, ECA  
Tel: +251 11 5443808, e-mail: smelaku@uneca.org