



MEETING REPORT

RETREAT OF THE INFORMAL GROUP OF FRIENDS OF MONTERREY

Mexico City
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2016

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RETREAT OF THE ‘GROUP OF FRIENDS OF MONTERREY’, MAIN MESSAGES

- Participants reiterated that the SDGs can be met within the framework of a revitalized global partnership for sustainable development, supported by the concrete policies and actions outlined in the FfD Agenda, which is an integral part of the 2030 Agenda for sustainable development. Coherent mechanisms are needed for follow-up and review.
- There was a common understanding, that the first FfD Forum in 2016 has particular importance since it will set the basis for future meetings.
- The inaugural FfD Forum should lay the ground for future FfD Forums, amongst others by deciding on the Addis Ababa Action Agenda (AAAA) monitoring framework, based on the suggestions of the Inter-Agency Task Force (IATF). The first Forum could also include substantive discussions in selected areas where monitoring is already possible.
- According to the current suggestion, the first FfD Forum will take place immediately after the Spring Meeting of the Bretton Woods institutions in the week of 18th April, 2016. There are different views on the optimal length of the Forum, of up to 5 days according to the AAAA. The final decision on timing and format of the meeting, including its length, will be taken by the President of ECOSOC, as main responsible of the organization of the meeting, in consultation with member states. The timing of the Forum will be crucial for its effectiveness.
- Participation in the Forum should be as comprehensive and inclusive as possible, as foreseen in para 132 AAAA. It should allow for exchange of best practices and peer-to-peer learning and provide policy guidance.
- The agenda and the content of the sessions of the ECOSOC Forum need further discussion. The emphasis on the substantive thematic focus should be centred in the actual content and implementation of the AAAA, but could refer to specific topics annually, depending on the availability of information and relevance (for instance in relation with relevant process in the same year) and in particular the HLPF meetings.
- The outcome document (intergovernmentally agreed conclusions and recommendations) will be based, amongst others, on the IATF-Report, and will be facilitated by two co-facilitators appointed by the ECOSOC President. The responsibilities of the co-facilitators could include preparing draft conclusions and recommendations to be intergovernmentally agreed by the Forum, based on consultations. Those recommendations would then be presented to the High-level

Political Forum on Sustainable Development as contributions from the FfD Forum to the implementation of the 2030 Agenda.

- The FfD monitoring will be based on the AAAA which goes further than the means of implementation (Mol) of the 2030 Agenda and contains many more commitments that will have to be reviewed. Therefore the FfD monitoring framework needs to be based on both, the Mol indicators and quantitative and qualitative information on those commitments not covered in the Mol. National capacities need to be considered when designing the monitoring framework.
- Policy coherence at the national and international level is not an end in itself but a means to achieve the 2030 Agenda, which requires a long-term approach due to its complexity. Commitment at the highest level, both nationally and internationally, will be decisive in achieving this goal.
- Inclusive multi-stakeholder approaches are central for implementing the 2030 Agenda. Preparing a catalogue of examples of successful partnerships and challenges could facilitate learning from experience.
- The international development agenda calls for a change of mind-set where old formats and concepts need to be revised. Funds should be pooled according to their purpose and not their source, with effectiveness and coherence as guiding principles.

I Background

The Addis Ababa Action Agenda (AAAA) emphasises the need for a dedicated follow-up to and review of the financing for development (FfD) outcomes, as well as all the means of implementation (MoI) of the 2030 Agenda for Sustainable Development.

In order to strengthen that process, member states decided to establish an annual ECOSOC Forum on Financing for Development follow-up (FfD Forum) 'with universal, intergovernmental participation, utilising the modalities of participation of the international conferences on financing for development, to be launched during the Council's current cycle' (132. AAAA). Moreover, member states decided that the 'conclusions and recommendations will be fed into the overall follow-up and review of the implementation of the post-2015 development agenda in the high-level political forum on sustainable development [HLPF]'. The currently proposed timing for the inaugural FfD Forum is the week of April 18th 2016, under the overall theme of 'Financing for sustainable development: follow-up to the Addis Ababa Action Agenda'. 'The forum will consist of up to five days, one of which will be the special high-level meeting with the Bretton Woods institutions, WTO and UNCTAD, as well as additional institutional and other stakeholders depending on the priorities and scope of the meeting; up to four days will be dedicated to discussing the follow-up and review of the financing for development outcomes and the means of implementation of the post 2015 development agenda' (132. AAAA).

Since 2002, the 'Group of Friends of Monterrey' has offered an informal space for dialogue to advance substantive topics. Without constituting a negotiation environment, it encourages and facilitates the exchange of ideas and approximation of views. These features have made the Group a useful tool throughout different stages of the FfD process.

It is in this context that Mexico and Germany, in close coordination with the President of ECOSOC and the UN DESA Office for Financing for Development, convened a retreat of the 'Group of Friends of Monterrey' in Mexico City from 28 – 29 January 2016, bringing together 105 representatives from capital cities, delegates from New York and participants from CSOs, the private sector and academia.

The objective of the retreat was to take stock of and progress towards a common understanding of the correlation between relevant outcomes of the international processes on development issues that took place in 2015, namely the Third International Conference on Financing for Development, the UN Summit for the Adoption of the Post-2015 Development Agenda, and the 21st Conference of the Parties of the UN Framework Convention on Climate Change (as well as resolution A/Res/70/192). In addition, the retreat aimed to help identify synergies between the FfD Agenda and the 2030 Agenda, discuss the mandate and structure of the new ECOSOC Forum on Financing for Development and develop ideas on how recommendations of the Forum could be shaped and delivered to the HLPF.



The retreat was organised around a series of plenary meetings, including contributions from the Chairs of ECOSOC and the UNGA Second Committee, the two co-facilitators of the AAAA negotiation process, UN DESA and representatives from academia. There were also two rounds of workshops, focusing on possible modalities for the FfD Forum, options for a monitoring framework and for the practical monitoring of AAAA commitments, and the challenges to policy coherence and implementation of the 2030 Agenda.

II Preparatory process for the FfD Forum and the report of the Inter-Agency Task Force

Financing for Development Follow-up Forum

According to the current suggestions, the first ECOSOC Forum on Financing for Development is proposed to take place in the week of April 18th 2016. It will be an inclusive event with participants from all stakeholders, including the private sector, civil society, academia and philanthropy. The focus of the Forum will be the review and follow-up of FfD outcomes, namely the Monterrey Consensus, the Doha Declaration on Financing for Development and the Addis Ababa Action Agenda, as well as the means of implementation of the 2030 Agenda. The idea is to address general monitoring based on an overall theme that will be aligned with the annual theme of the High Level Political Forum, as well as two to three focal areas covering specific topics that follow a four year cycle. It is suggested that the Forum will consist of a ministerial as well as a general segment in which multi-stakeholder round tables will facilitate the discussion of specific themes.

The outcome document of the FfD Forum will be intergovernmentally agreed conclusions and recommendations (see 132. AAAA). According to current plans, the draft conclusions and recommendations will be prepared by two co-facilitators. The conclusions will be based, inter alia, on the draft report of the Inter-Agency Task Force, which will not be available until mid-March 2016. The co-facilitators will therefore need to wait for this draft report to be circulated before they can work on and circulate a zero draft of the outcome document of the FfD Forum. Current plans suggest that the outcome document will be adopted following the ministerial segment. It is planned to send both the outcome document and a summary to the HLPF.

Discussions on a number of questions are ongoing. These include:

- Should there be a high-level segment?
- What is the right timing for the Forum?
- What would be the optimal duration of the Forum?
- What will be the agenda of the Forum and the content of its sessions?
- Which format should the conclusions have?

Participants emphasised the need for the FfD Forum to address the interlinkages with other development processes and to ensure a strong linkage with the HLPF. Further, participants suggested that the Forum should be innovative in its format and attractive for stakeholders, so as to encourage their participation.

Report of the Inter-Agency Task Force

Paragraph 133 of the AAAA invites the UN Secretary-General (UNSG) ‘to convene an Inter-Agency Task Force [IATF], including the major institutional stakeholders and the United

Nations system, including funds and programmes and specialized agencies whose mandates are related to the follow-up, building on the experience of the Millennium Development Goals Gap Task Force', to support deliberations at the FfD Forum and the HLPF. The IATF is mandated to (i) review progress in implementing the FfD outcomes and the means of implementation (MoI) of the SDGs, and (ii) advise the intergovernmental follow-up thereto on progress, implementation gaps and recommendations for corrective action, while taking into consideration the national and regional dimensions.

The inaugural meeting of the IATF took place on 11 January 2016. In addition to the major institutional stakeholders of the FfD process (World Bank Group, IMF, WTO, UNCTAD and UNDP), around 45 agencies of the UN system that are members of the Executive Committee of Economic and Social Affairs Plus (ECESA Plus), as well as the OECD and FSB, have joined the IATF.

The IATF will produce a report on the implementation of commitments made in the AAAA and in the MoI of the SDGs. The report will be structured around the chapters of the Addis Agenda and key cross-cutting areas. It will also take into account the indicators for the MoI targets of the SDGs.

As baseline data for 2015 are missing, a full review of progress in early 2016 seems premature. Thus the inaugural 2016 IATF Report will be an abbreviated version. It will (i) outline the agreements in the Addis Agenda, including key principles and action items and commitments, and (ii) present options for a monitoring framework for the follow-up and review of these commitments.

The IATF Report will be an analytical report. It will be data driven and build on existing indicators rather than aiming to develop a new set of indicators. Since the Addis Agenda includes the MoI targets of the SDGs, the indicators for these targets, which are to be proposed by the UN Statistical Commission, should be an important input to the report. To monitor additional commitments, the report will identify supplementary data and information sources, without adding to the reporting burden for countries. Where such data are not available, other methods such as contextual analysis or case studies may be proposed. Given the breadth of the Addis Agenda, carrying out the follow-up in a concise but comprehensive way will pose a challenge.

Under the guidance of UN DESA and the major institutional stakeholders, chapter-specific working groups have now been convened and have started working on their respective chapters, with a view to compiling and finalising the report in time for the first FfD Forum in April 2016.¹

The IATF Report was recognised by all participants as a critical reference for the Forum. However, it was also suggested that inputs (reports etc.) from other institutions and stakeholders should be considered. Remaining questions focus on how the work of the IATF

¹ UN DESA (2016).

will fit into the review of the 2030 Agenda and other processes (e.g. HLPF) and how different levels can be brought into the reporting.

Table 1: Roadmap IATF Report (website, FfD Office, UN DESA (2016))

Timeline	Activity	Responsible party
22 February	Submission of chapter drafts to coordinator	Chapter contributors
29 February	Distribution of full draft report for comments by IATF members	FfDO/DESA
4 March	Submission of comments to coordinator	IATF
11 March	Submission of edited final draft for typesetting and printing	FfDO/DESA
18 April	Launch of IATF Report at FfD Forum	IATF, FfDO/DESA

III Working group discussions

Working groups A1 and B1: FfD Forum – modalities, format and deliverables

The FfD Forum 2016 – a starting point. There was a common understanding that the first FfD Forum in 2016 will be particular. It will have to address the sensitive issue of setting up the follow-up and review mechanism to measure quantifiable and non-quantifiable commitments. However, participants argued that it should also provide some space to review specific areas where progress in implementation is already being made. A number of participants suggested that in order to avoid being too ambitious for the first FfD Forum, some of the initiatives already implemented (e.g. ‘Tax Inspectors Without Borders’ or policy products such as the ‘Voluntary Guidelines for Responsible Investment in Agriculture’) could be discussed, instead of attempting to cover all commitments from the AAAA. Other participants argued that the FfD process is not new and commitments from previous conferences could be reviewed.

Sufficient time for discussions and exchange. The mandate of the FfD Forum is to discuss progress and encourage implementation of AAAA commitments. Some participants argued that the positive peer pressure created in this way may help to ensure that the commitments made are lived up to. There was a perception that the FfD Forum and its preparatory process should provide sufficient time for consultations and eventual negotiations. Many participants recognized the need for the FfD Forum to be innovative in order to create an incentive to participate. In this context it was suggested to use interactive formats and multi-stakeholder

round tables. Several participants suggested that the FfD Forum should provide space for the exchange of experience and best practices as well as peer learning. In this way the Forum could also provide policy guidance for implementation at the national level (localise AAAA). However, there was no agreement on whether implementation of the FfD Agenda at national level should be a key element of the FfD Forum, or whether there should be a strong focus on global issues.

Focus on specific topics. Participants agreed that the Forum should concentrate on certain key issues by means of interactive discussions rather than covering the whole agenda. Several participants suggested that in addition to looking at specific policy actions, the Forum should also be used to follow up on voluntary pledges made in the context of the Third International conference on Financing for Development in Addis Ababa in July 2015. One or two participants also argued that the Forum could be used to advance the FfD Agenda by addressing new and emerging issues; however, the concern was raised that this might lead to a renegotiation of previous outcomes, which must be avoided.

Mixed views on ministerial segment. Participants' views on the level of participation diverged. Some argued that high-level participation will strengthen the standing of the Forum and thus the FfD follow-up process, enhancing commitment to the process. Others suggested that discussions at the Forum should be technical rather than political and that participation at the ministerial level might not be realistic. It was also argued that the presence of high-level participants and other institutional stakeholders would generally depend on their interest in the specific discussions in the FfD Forum. Others argued that, based on AAAA (para 132) 'The forum will consist of up to five days, one of which will be the special high-level meeting with the Bretton Woods institutions, WTO and UNCTAD', that the first day of the Forum should be targeted to high-level participation, while the following days could be more technical in nature. The suggestion was made to invite ministerial champions of specific topics to present their case, which could create commitment at ministerial level.

Timing of the Forum will be critical. Several participants raised their concerns regarding the current timing of the Forum. While it was argued that having the Forum back-to-back with the Spring Meeting of the Bretton Woods Institutions would increase the likelihood of high-level participation at the Forum, some participants questioned this and suggested that the presence of high-level participants would depend on the topics rather than on the timing. Further, the timing early in the year puts pressure on the preparation of the report by the IATF, which needs to be available well in advance of the forum. Also, most of the indicators provided by international organisations will not be available until April. Some participants therefore suggested having the Forum back-to-back with the HLPF in coming years, to increase synergies with the HLPF, as well as, to allow enough time for preparing the IATF report and to ensure high-level participation and full consistency between the two events. Others suggested moving the date of the Forum to late May or early June to increase synergies while still maintaining the distinct nature of FfD.

Divergent views on preparation and nature of Forum’s outcome document. Several participants argued that in order to avoid politicisation of the FfD Forum and to allow for sufficient room for substantive discussions, the outcome document should be negotiated before the Forum. However, as was raised by other participants, this would make it difficult to include emerging issues and outcomes from the Forum’s discussions in the document. Some participants suggested having a chair’s summary to capture the essence of the discussions during the FfD Forum. Among participants the form of the intergovernmentally agreed conclusions was discussed. Intergovernmentally agreed conclusions are an existing format (i.e. ECOSOC CSW). There was general agreement that the inter-governmentally agreed conclusions and recommendations of the Forum will be fed into the follow-up and review of the 2030 Agenda for Sustainable Development in the HLPF.

Multi-stakeholder participation. Participants agreed that participation in the FfD Forum should be as comprehensive and inclusive as possible. There was also broad understanding that it is important for the Forum to have a multi-stakeholder perspective, with special emphasis on the participation of international organisations and the private sector. In addition, the deliberations of the Development Cooperation Forum (DCF) of ECOSOC, the Global Partnership for Effective Development Cooperation (GPEDC) and other fora outside of the United Nations structure should be taken into account, in line with their mandate. Some participants pointed out that despite the comprehensive participation, the outcome document would still need to be the result of an intergovernmental process.

Working groups C1 and D1: Options for a strong, practical and inclusive monitoring framework

Comprehensive and coherent FfD monitoring. There was a common understanding among participants that AAAA is one of the means to implement the 2030 Agenda. Given the complementary but different monitoring processes of FfD and the 2030 Agenda, coherence of the monitoring systems is needed and duplication should be avoided. Coherence and consistency of the monitoring frameworks is crucial for their effectiveness. Further, participants agreed that the basis for FfD monitoring is the AAAA and that its commitments should be monitored in a comprehensive way, i.e. AAAA monitoring will include both FfD specific commitments as well as the Mols of the 2030 Agenda. Thus the Mol indicators should be a basis for the FfD monitoring framework that needs to be complemented by other elements to also review additional commitments to the Mol indicators. Participants identified gaps in the areas of blended finance, trade flows, climate finance and systemic issues, among others. While several participants emphasised the value of an indicator-based framework, it was not suggested that a new indicator framework for FfD should be established.

Monitoring with quantitative and qualitative elements. Participants agreed that gaps in the Mol indicators should be bridged by utilising available sources, such as reports of specialised multilateral international organisations where possible. Participants shared the perception that in order to achieve a comprehensive picture, the AAAA monitoring needs to be a combination of quantitative and narrative reporting (e.g. case studies), taking into account that not all

commitments could be measurable in a quantitative way. The FfD Forum could also serve as a space for international organisations to report on the status quo of the implementation of their initiatives (e.g. Global Infrastructure Platform) and as a means to reach out to other stakeholders (e.g. UN Committee of Experts on International Cooperation in Tax Matters), as well as a platform to coordinate initiatives.

IATF report is an important basis for monitoring. The IATF will produce a data-driven analytical report on the implementation of commitments made in Addis Ababa and the Mol of the SDGs. Participants argued that with this report the IATF is setting the base for the monitoring framework. Participants also asserted that the early availability of the report will be critical for ensuring that best use is made of the report at the Forum.

Inclusive and multi-layered monitoring process. Participants shared the view that monitoring should be carried out at the national, regional and global level. Most participants were of the view that national monitoring should take place before regional and international monitoring. It was argued that national ownership of the monitoring framework will be important. Some participants also raised the point that monitoring at the national level would need to include the subnational level. It was pointed out that with data coming from different sources across countries and institutions, it will be necessary to ensure consistency of data and definitions. Participants agreed that the monitoring process should be inclusive and go beyond government and institutional stakeholders. It was discussed that it is important to include other stakeholders such as private sector in the monitoring process and to promote the alignment of their activities with country priorities in order to achieve the SDGs.

National capacities need to be considered. Participants identified a conflict between ensuring comprehensive monitoring of FfD and keeping it manageable. This conflict is especially apparent when it comes to the national level. Several participants argued that capacities need to be developed to ensure that effective contributions can be made to the monitoring exercise. In this context, participants drew attention to the importance of considering national capacities and needs when discussing the structure of the general monitoring framework.

Working groups A2 and B2: Policy coherence at the national and international level

Policy coherence important for AAAA and 2030 Agenda implementation. There was broad agreement among participants that policy coherence is not an end in itself but a means to effectively implement the AAAA and the 2030 Agenda. Participants also emphasised that national coherence has important implications (including legal considerations) for national budget processes and the allocation of resources. This in turn will affect the implementation of the agendas. Several participants suggested that a high-level focal point for implementing the agendas could contribute to ensuring policy coherence. Some participants proposed that the HLPF and the Forum could provide guidance for countries on policy coherence in this context.

Leadership, communication, inclusiveness and data availability important factors for promoting policy coherence. Participants agreed that no blueprint for national coherence exists as different country contexts require different solutions. However, participants identified a number of success factors for promoting a coherent approach: 1) Strong leadership from the highest possible level (heads of government) is required in order to guarantee ownership and motivation. 2) Clear and broad communication of the need for coherence and its benefits is required to ensure buy-in from the different actors. 3) Approaches must be inclusive, thus a wide group of politicians on the national and local level (in strongly decentralised countries) needs to be involved in order to avoid resistance. 4) The availability of high-quality data is crucial for informed decision-making processes.

Policy coherence difficult to monitor. It was stated that one constraint to achieving coherence is the difficulty of measuring it. The lack of baseline data for policy coherence would make it hard to scrutinise government efforts in this area. It was highlighted that a process-oriented approach should be given preference over a results-based one for this reason.

Lack of exchange a common disruptor to coherence. On both the national and the international level, the lack of information-sharing between different actors is often a disruptor to coherence. Participants argued that committed leaders can help to achieve a better exchange of information and thereby promote coherence. It was also suggested that the Forum could be a place to promote this exchange. Regarding the international level, several participants stressed that a better exchange between the Bretton Woods Institutions, the UN and the national states would be especially helpful. Participants also suggested that it is important to set the right priorities. In this regard, it was proposed to encourage international fora, e.g. the G20, to ensure they share the same priorities with regard to implementation of the FfD Agenda. It was also argued that the IATF report could help to build coherence between institutions.

National level crucial for coherence. In discussion on the various levels of policy coherence, there was a widely shared perception that the national level can be considered to be the nucleus. It was also mentioned that the FfD Agenda is a bottom-up and not a top-down approach. Thus, any decisions on the international level should consider the national realities.

Working group C2: Enhancing multi-stakeholder approaches

Multi-stakeholder approaches need to be adequate for the specific situation. Participants argued that there are a multitude of multi-stakeholder approaches and that it is important to adapt their structures to the specific circumstances. It was emphasised that a common language as well as specific modalities for participation need to be developed between the different stakeholders. Some participants stressed that it is important to also keep civil society engaged in discussions on partnerships and not focus solely on the role of the private sector.

Private sector involvement is important but must comply with certain standards.

Participants agreed that it is important to involve the private sector not only for its financial contributions but also its capacities and technologies. At the same time, they emphasised that it is important that the private sector supports the public sector and its goals. Participants also argued that there might be conflicts of interest between the private and public sectors. An example given was the possible conflict of interest between short-term business interests and long-term development goals. Thus, the core question remains of how to influence private sector business models, or how to align private sector priorities with those of the 2030 Agenda. Some participants also argued that clear criteria, standards and rules for the private sector are needed. In this context, participants suggested that it will be important to make participation in the Forum attractive to the private sector.

Learning from successes and failures. Participants shared the view that a great deal of experience has already been gathered on multi-stakeholder approaches. To learn from these experiences, it was suggested that success stories as well as failures could be compiled. The FfD Forum could create a space for presenting successful partnerships. In this context it was argued that the discussions at the Forum should focus on implementation rather than on theoretical discussions.

Working group D2: New international development architecture

New mind set is required. Participants argued that the new development architecture needs to go beyond old paradigms and categories of cooperation. Funds with similar purposes should be pooled, independent of their source; effectiveness and coherence between different flows should be guiding criteria. However, it was argued that multi-level coordination might be needed given the multitude of stakeholders (governments, private sector, foundations, civil society).

All forms of cooperation are important. Participants reconfirmed the important role of the private sector in implementing the AAAA. This role encompasses not only financial contributions but also capacity development and technology transfer. Therefore it will be important to identify ways to incentivise the private sector to become involved. However, it was also mentioned that some rules and standards need to be set to ensure that the private sector has a positive impact on development. Several participants argued that ODA continues to have a key role in the 2030 Agenda and partner countries must live up to their promises. ODA's role as a catalyst was emphasised in particular. Participants agreed that South-South Cooperation has an important role to play. Some participants argued that it should be better monitored.

IV Photo gallery



<https://www.flickr.com/photos/amexcid/albums/72157664047627372>





SRE
SECRETARÍA DE
RELACIONES EXTERIORES

AMEXCID
AGENCIA MEXICANA
DE COOPERACIÓN INTERNACIONAL
PARA EL DESARROLLO

BMZ  Bundesministerium für
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Zusammenarbeit (GIZ) GmbH

Retreat
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