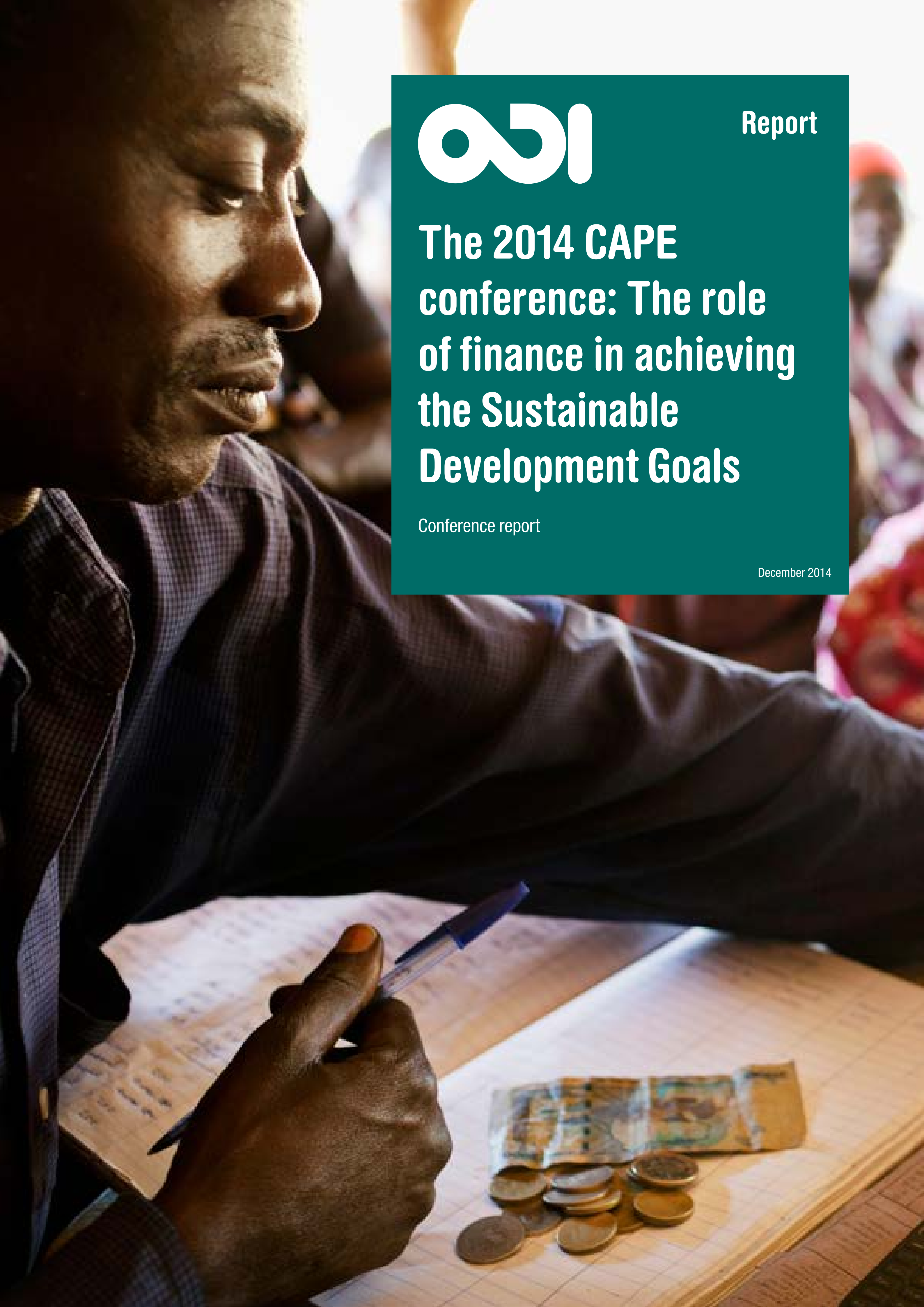

Report

The 2014 CAPE conference: The role of finance in achieving the Sustainable Development Goals

Conference report

December 2014

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ISSN: 2052-7209

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The 2014 CAPE Conference was made possible thanks to the generous support of the Department of Foreign Affairs and Trade, Government of Australia, Irish Aid and the Bill & Melinda Gates Foundation. The views and opinions expressed in this report do not represent the views of these organisations unless specifically stated. We would like to thank all the speakers, chairs, discussants and participants for their contributions. Where the reports of each session use speaker and participant quotes, these are sometimes paraphrased from the exact words spoken in order to make the meaning clearer.

The conference framing paper, videos, presentations and Storify are all available here.

Abbreviations

AfDB	African Development Bank
DFID	Department for International Development, UK
FDI	Foreign direct investment
IBRD	International Bank for Reconstruction and Development
ICSDF	UN Intergovernmental Committee of Experts for Sustainable Development Financing
IFIs	International financial institutions
IMF	International Monetary Fund
IPF	International public finance
LDC	Least Developed Country
LIC	Low Income Country
MDB	Multilateral development bank
MDG	Millennium Development Goals
MIGA	Multilateral Investment Guarantee Agency
ODA	Official Development Assistance
OOF	Other Official Flows
OECD	Organisation for Economic Cooperation and Development
PPP	Public-private partnership
REDD+	Reducing Emissions from Deforestation and Forest Degradation Plus
SDG	Sustainable Development Goal
SOE	State-owned enterprise
UNFCC	United Nations Framework Convention on Climate Change
UNOPS	United Nations Office for Project Services

Key messages from the conference

- Development finance is changing. Whilst private finance receives much attention, the real action is in the essential and evolving role of public finance, and particularly how it can support the capacity of developing countries to attract and manage private flows. In future, domestic revenues will remain of primary importance and international financial institutions will play a key role in helping countries to mobilise and manage both debt and private capital.
- Public finance was essential to achieving progress on the MDGs, as governments and donors helped take the burden of financing them away from households. In the future, domestic revenues will finance a large share of development progress in most countries. International attention will be needed to support and grow countries' tax bases and to help countries mobilise their domestic revenues.
- Overseas development assistance (ODA) remains important in Least Developed Countries (LDCs), which often lack access to other financing. Grant assistance should be prioritised towards countries that are the least creditworthy and those with the lowest fiscal capacity, However, ODA can be a problematic source of funding since aid can be too volatile and unpredictable to support strong fiscal planning. Country ownership, including a willingness to say 'no' to donors, is the basis for effective ODA management. For their part, donors should not forget their own obligations under the Paris Agenda on Aid Effectiveness.
- There is a 'missing middle' of countries that are losing out on development finance as they become more affluent – especially those amidst the transition from low income to lower middle-income country status. During this transition, ODA and Other Official Flows (OOFs) decline for these countries but are not adequately replaced by growing tax revenues. Market-related public finance should be increased by a large margin, and a large new target should be set for such flows.
- We should be cautious about the prospects for 'catalytic' aid. More attention needs to be focused on supporting developing countries to better manage private development flows: this is needed to ensure that additional resources attracted from international financial markets do not generate additional vulnerabilities and risk future debt crises. Countries also need assistance in identifying and selecting projects if they are going to effectively attract private project finance.
- In integrating climate finance and finance for development, the key principles should be that international public assistance for climate mitigation should be financed mainly on market-related terms (as this will primarily be directed to middle-income countries), and that climate adaptation aid should be targeted towards the LDCs and small island developing countries, on ODA terms.

Conference overview

2015 is a landmark year for development finance. The Third International Conference on Financing for Development will take place in Addis Ababa in July, and will set out the financial commitments for achieving the Sustainable Development Goals (SDGs).

The 2014 Centre for Aid and Public Expenditure (CAPE) Conference was held at the Overseas Development Institute's London offices on 12 and 13 November 2014. The purpose of the 2014 CAPE conference was to assess the evidence base that should inform the negotiations in Addis Ababa next year; and in particular, to ask whether commonly held beliefs around development finance are really underpinned by solid evidence.

The conference framing paper (Carter et al, 2014) noted that a consensus around development finance accompanied the Millennium Development Goals (MDGs), and that this consensus did not appear to be present today. While the ambition of the SDGs will require a major escalation of investment, a material increase in development assistance is currently not on the table. If international public finance resources are scarce and cannot be wasted, how can we reconcile this with the imperative to maintain or increase funding to the poorest countries, which may also have the least conducive domestic environments for making progress? For countries with access to other sources of finance, is the idea that public development finance can catalyse private finance really underpinned by good evidence? Is financing in fact really the major constraint to making progress?

To grapple with these questions, the conference first asked what the MDG era has taught us about financing the SDGs, and followed this with a session on each of the three main sources of development finance: domestic revenue; international public finance; and private finance. A fifth session examined financing for development from the country perspective, and the closing session discussed potential policy proposals.

Whilst the presentations and discussion at the conference reflected a lack of consensus in many areas, there were still broad areas of agreement on some specific areas of development financing. The 0.7 percent of GNI target for official development assistance (ODA) was reaffirmed as an important target, and there was consensus that domestic revenues now have primary importance in most countries. Attendees also agreed that ODA remains important in Least Developed Countries (LDCs). There was also scepticism about what we can expect private finance to do in meeting the SDGs, and about the potential of 'catalytic' aid.

Key development finance questions

- Are certain finance flows better suited to assisting particular development objectives?
- Which financing sources and instruments have countries used successfully to support previous policy agendas, such as the Millennium Development Goals?
- Does financing really matter for the achievement of these ambitions, or is its relative importance overstated?

The only consensus on the SDGs, and hence the financing that underpins them, was discontent with the proposals that have emerged. They were regarded as too big and unmanageable as they are, and 'risk becoming a Christmas tree of complexity' in Lord Malloch-Brown's words. Related to this, there was no consensus on the ultimate purpose of the SDGs. Unlike the MDGs, the SDGs are clearly about more than giving direction to aid allocations. But are they a broad statement of what the international community considers desirable – a global symbol of commitment to development? Or are they more of a pragmatic process for setting global goals that can be translated into national financing and sectoral targets?

The remainder of this overview sets out some of the most novel, thought-provoking or contentious points raised in each session. The full summary of each session then follows.

Lessons from the MDG-era

In the first session on learning lessons from the MDGs, Annalisa Prizzon highlighted that progress on achieving development progress was associated with shifting the burden of financing from households to government and donors, and that the most successful examples of this took place against a background of economic growth. Alongside this, Richard Manning emphasised the need for continuing real resource transfers from rich to poor countries. In reflecting on lessons learned in how the MDGs mobilised action, Gary Conille noted that the MDGs affected behaviour because they had money attached, while Richard stated that a combination of gathering data and setting targets gave citizens something to lobby their governments with. Reflecting on the SDGs, Lord Malloch Brown, one of the architects of the MDGs, was less than positive, saying that they risk becoming too complex and that the

SDG process has lost its anchors, becoming 'dangerously detached from politics'.

The political economy of mobilising domestic resources

Kieran Holmes provided evidence that donor support for mobilisation of domestic revenues could generate extremely high returns. This prompted the question that, if returns to investment in revenue authorities are so high, why aren't governments doing it anyway, and why do donors have to finance this?

The discussion also generated a slightly different perspective on the argument that taxation leads to accountability and state-building through a fiscal contract. Instead, it was observed that taxation in many poor countries is fundamentally about the relationship between the state and elites, since it is the elites who actually pay most taxes (income tax, most VAT, property tax, corporation tax, etc.). Thus, improving revenue mobilisation requires challenging vested and elite interests – how can/should donors best support countries to do this?

The role of international public finance…

There was perhaps most consensus in discussion of international public finance (IPF). Firstly, Romilly Greenhill noted that not all financial flows are interchangeable. Not every dollar is equal, and we cannot simply expect private finance to fill the gap where public finance is not available – whether that public finance comes in the form of grants and loans or equity investments and guarantees. IPF plays a key role in addressing market failures at the domestic and the global level.

Gail Hurley also made the argument that, outside of concessional ODA, IPF is undergoing a vibrant process of innovation and reform, with both new instruments and new institutions. The discussion focused on the need for international financial institutions (IFIs) to change their system of governance to ensure that all countries are fairly represented. Whilst some participants felt that the creation of new institutions, such as the BRICS Bank, would lead to competition which is likely to force older IFIs to review their governance structures, others wondered whether in practice the new development banks really will be more equally governed, have higher standards and better represent recipient countries than the older ones. There was also endorsement of some older aspects of the aid effectiveness agenda, and agreement that improved effectiveness will require large-scale pooled mechanisms allowing for economies of scale and sharing of skills rather than fragmented bilateral programmes.

Michael Jacobs addressed the intersection of development finance and climate finance. Views of climate finance had changed, with it now seen as requiring full integration into development planning rather than as an incremental cost on top of existing development plans and trajectories. However, the politics of climate change financing had not yet caught up with this reality, and it was still being discussed separately from the rest of the financing for development agenda.

ODI research in the run-up to Addis Ababa

November 2014 'The 2014 CAPE conference: Does money matter? The role of finance in achieving the Sustainable Development Goals' was held.

December 2014 **'Financing the post-2015 sustainable development goals: a rough roadmap'** is published.

January 2015 Financing for development: Lessons from Development Progress case studies is published.

February 2015 'What is the role of International Public Finance in contributing to the Sustainable Development Goals?' is published.

March 2015 ODI hosts, with a consortium of global partners, 'Financing the Future: Fresh perspectives on global development in Accra', which will introduce and debate a set of policy proposals for the role of international public finance in supporting the Sustainable Development Goals.

April 2015 Flagship ODI report on financing the Sustainable Development Goals is published, ahead of the Third International Conference on Financing for Development in Addis Ababa in July.

…and of private development flows

In terms of boosting private sector investment, Meenakshi Nath made the case the market failures (due to real or perceived risks or ideas that are untested) can inhibit private investment. Aid programs can target these market failures, and thus spur private investment.

In a similar vein, Stephany Griffith-Jones noted that perceptions of risk meant that institutional investors typically looked for a rate of return of around 25 percent for investments in Africa, whereas some successful Africa investors, such as Norfund, only looked for a return of 13 percent on investments in green energy projects. This example, she said, could be showcased more to attract additional investment.

Matt Lilley noted that the private sector finds it difficult to reach the very poorest as their purchasing power is so limited, but that the private sector is nonetheless innovating and providing services to consumers with relatively little purchasing power. 'You don't have to go very far from the bottom of the pyramid for the private sector to begin innovating to make profit,' Matt said.

Building on Romilly Greenhill's insight that not all development flows are equal, much of the discussion asked how private flows could be transformed into increased public funding. Matt Lilley noted that governments needed to play an active role in developing domestic capital markets, creating longer-term public bonds. If governments pursued the correct policies, he said, private investment would eventually follow.

Both he and Stephany Griffith-Jones noted that patient, long-term capital was needed to foster growth, and that there was a need for caution as we observe more countries taking on foreign-currency sovereign debt. The 'new trend' of African countries entering the sovereign debt markets is not a 'new trend' – it has been seen before in Latin America. What can Africa learn from the Latin American debt crisis? Among other things, there must be improved management of the resources gained from international financial markets so that they do not generate additional vulnerabilities. Resources should be used for investment rather than consumption, and particularly for investments that lead to increased production of tradable goods. Moreover, countries must look closely at the technical issues before signing any contracts.

Country perspectives

The final session focused on country-level experience in managing financial flows. Neil Cole set out two key lessons. First, finance must be predictable if it is to support country strategies. Much aid is still too unpredictable to support strong fiscal planning. Second, financing is not everything. South Africa has reached MDG 2 on universal primary education, and allocates far more per student than most other African countries. Yet it performs extremely poorly on indicators of education quality.

There was also a vigorous discussion, stimulated by Philipp Krause, of whether 'country ownership' of international goals was really possible. This led to the question of whether the international community should effectively pay governments to meet the goals it sets, as well as a more general question of who 'owns' such goals. Carolina Rentería highlighted Colombia's experience that the MDGs had stimulated much stronger data collection and thus led to a stronger understanding of public policy there. However, new instruments such as public-private partnerships (PPPs) will make it more difficult to account for and monitor a country's fiscal position. Use of targets, then, may well increase transparency, but new financing can reduce it. This represents a significant risk for countries that are still developing their bureaucratic capacity.

Day One

12 November 2014

Introduction, context and session reports

Panel presentation

Kevin Watkins opened the conference by highlighting the importance of the Financing for Development process and its profound implications for development. The conference, he said, is about creating an interface between the research conducted at ODI and the broader political context in which this research can inform decision making.

Kevin then provided a brief recap of some important lessons learnt from the MDGs. Firstly, they demonstrated that aid can make a difference, but also showed that there is room for improvement. Secondly, the MDGs experience illustrates future challenges such as uneven progress across sectors and countries. Behind headline progress, we have seen increasing inequalities, and these need to be at the centre of how we think about development finance. On the other hand, he also recognised that the context for post-2015 discussions differs from that of the MDGs, and there are new opportunities that may facilitate progress. These include high growth rates, technological advancements, low interest rates, and high savings levels. These could be linked with the huge infrastructure gaps in developing countries. Ultimately, context matters and change is possible.

Finally, Kevin cautioned that, while the post-2015 discussions have made progress in bringing together the sustainability and development agenda in a narrative sense, there are still tough issues and trade-offs to be considered; for example, climate change mitigation versus climate change adaptation, and energy security versus climate security.

Edward Hedger (Session Chair) noted that the purpose of the opening panel is to set the scene for the rest of the conference by posing provocative questions and exposing fault lines in opinion, setting out what is still up for grabs in the lead up to the Financing for Development Conference. He urged panellists and participants to focus their discussions on practical issues and to make sound evidence-based arguments throughout the conference.

In his presentation, **Jon Lomøy** noted that the process of setting the post-2015 goals is messy, with a broader agenda than that of the MDGs. He highlighted some the key questions in regards to financing the SDGs:

1. How can developing countries attract more commercial funding?

2. How can developing countries generate inclusive sustainable economic growth and how can they tax the income generated by such growth?

3. What is the role of IPF? More specifically, from the recipient perspective, how can developing countries manoeuvre themselves in an increasingly complex development finance landscape?

Opening Remarks:
Kevin Watkins, Executive Director, ODI.

Chair:
Edward Hedger, Director, Centre for Aid and Public Expenditure/Private Sector and Markets, ODI.

Speakers:
Jon Lomøy, Director, OECD Development Directorate; Kapil Kapoor, Director of Strategy, African Development Bank; Liz Ditchburn, Director Policy Division, DFID; Jesse Griffiths, Director, Eurodad.

Jon also questioned whether we even have the right measures to answer these questions. We have lots of data on ODA, for example, but little data on Other Official Flows (OOFs), nor any agreed measure for them.

In terms of the best use of IPF, he identified the following two potential uses: IPF can be allocated to LDCs to compensate them for their lack of access to other flows; and it can be used by countries to catalyse other sources of finance such as domestic revenues or private sector investments. Ultimately, to determine whether IPF should be used to compensate or catalyse, he recommended an evidence-based approach that gathers country-level data on what works and what the pitfalls are.

Kapil Kapoor provided a multilateral development bank (MDB) perspective on the evolving development finance landscape based on his experience in the African region. He began his presentation by echoing the sentiments of previous speakers regarding the rapidly-changed environment in which developing countries and MDBs exist in today: a fourfold rise in domestic revenues in the last decade; significant expansion of non-OECD countries' share of global GDP; and the rise of alternative sources of finance and new bilateral actors. He drew attention to the evolving role of MDBs in managing this increasingly complex landscape in order to yield the most benefit for its clients. In particular, he noted that, while foreign direct investment and remittances are increasing, these flows tend to be concentrated in specific countries. As a result, MDBs face the challenge of facilitating flows to other countries. In this respect, he briefly outlined the following recent initiatives undertaken by the AfDB to facilitate these flows:

- Creating the Africa50 Infrastructure Fund to mobilise equity finance for private infrastructure investment.

- Providing African Development Fund countries (that previously only accessed concessional finance) access to the non-concessional sources of financing by the African Development Bank subject to strict criteria.
- Developing new guarantee instruments.
- Developing the Gender and Fragile States Strategies in order to focus resources on these often marginalized areas.

He concluded by noting that these initiatives are unlikely to be sufficient and as a result he posed the question: What would a transformational agenda look like, and how can we best help countries to raise finance?

Liz Ditchburn summarised the strategic approach and work of the Intergovernmental Committee of Experts on Sustainable Development Financing (ICSDF). The ICSDF was formed under the auspices of the UN General Assembly to propose options on effective sustainable development financing strategies. Liz noted that the ICSDF's approach was to bring the real world into UN politics. This involved starting with data rather than political discourse and also harnessing the perspectives of finance ministries in developing countries, whose goals are beyond simply requiring more ODA. ICSDF discussions focused on the finance ecosystem. This involved thinking about how flows move around the world and which factors and policies affect these flows. Ultimately, the ICSDF adopted a clear strategic approach in order to finance multiple objectives and maximise synergies.[1] Liz also drew attention to the critical importance of actions that are not related to financing in altering the financing ecosystem, including policy change at the national and international level.

Liz then identified the weaknesses of the ICSDF's report; chiefly, the fact that it did not provide policy recommendations for national and international change to be considered during the Financing for Development process and the overall post-2015 agreement. Moreover, developing countries must better articulate the issues that will make the most difference to them, and challenge international actors and systems to address these issues. Liz concluded by identifying five areas where further work is needed: domestic resource mobilisation; infrastructure financing, including attracting financing from pension funds; ODA targeting; transparency; and fossil fuel subsidies. The big question she ended with was: how do we ensure that politics catches up with the real world?

Jesse Griffiths began by echoing the sentiments of Kevin Watkins regarding the critical importance of a successful Financing for Development conference. This would increase the likelihood that follow-on conferences (e.g. conferences on the SDGs and climate change) will also produce good outcomes. He proceeded to make three points:

1. **Evidence shows us that there is no substitute for public finance and investment.** He stated that between 80 and 85 percent of infrastructure investment is publicly financed. This suggests that we should focus attention on maximising the impact of public spending and tackling tax evasion, avoidance and competition. He strongly supports establishing a UN Intergovernmental Committee on Tax.

2. **We need to focus on the quality rather than the quantity of private investment.** He recommended developing tools, such as capital controls, to manage the volatility that can trigger financial crises, although these are typically seen as a last resort. He also recommended that the debate should be more about how to mobilise domestic saving than about how to attract foreign investment.

3. **The concept of leveraging is a distraction and has very little country ownership.** According to Jesse, the leveraging agenda is driven by rich countries and their institutions; moreover, the concept is poorly defined with no robust way of measuring whether additional private flows are attracted, or whether public funds simply replace other financing flows. There is also little evidence of the development impact of this type of financing. Given these weaknesses, he recommended considering national development banks when thinking about leveraging.

Discussion

During the discussion, several questions focused on whether the differentiation of aid makes sense and the extent to which private and public flows are substitutes. There was general agreement that private and public sources of finance are not perfect substitutes and, as suggested by Jesse Griffith, it is therefore important to identify when public finance is needed and when it cannot be substituted for. Liz Ditchburn noted that there are areas where we can leverage private funding and that it was important to go beyond a public versus private finance debate.

In addition, participants called for a discussion of financing for development that is more bottom-up than top-down in terms of identifying what exactly development is, and what sort of money we need to meet the SDG agenda. The issue of absorptive capacity was also raised. If aid is increasingly focused on the poorest countries, is there a limit to what they can receive? If so, what are the implications for the case for aid?

1 See paragraph 61, ICSDF, 2014.

Session 1: What lessons did the MDG era yield for development finance?

Panel presentations

Chair:
Lord Mark Malloch Brown.

Speakers:
Richard Manning, Senior Research Fellow, Blavatnik School of Government; Dr. Garry Conille, Head of UNOPS Africa (former Haitian Prime Minister); Annalisa Prizzon, Research Fellow, ODI.

In opening the session, **Lord Malloch-Brown** noted that the MDGs were the product of a very particular moment in history. ODA was declining at the time of their agreement, but there was nevertheless a wider optimism about global affairs in the post-Cold War environment. The aim was for the goals to be clear on overall ambitions, but not to be prescriptive about how countries should get there. This would allow for a range of national economic, social and political models to demonstrate results. The global development community seized this as a moment of opportunity.

Richard Manning noted that the MDGs have received a great deal of attention, both positive and negative. On the negative side, the charge sheet against them includes too much focus on the social sectors and not enough on infrastructure, partly in an effort to 'sell' development spending to Northern publics. Nevertheless, on the positive side, the MDGs were an important product to guide the global development debate and allowed for some degree of focus and consensus among the development community. In particular, they led to the creation of data about development outcomes. Before the MDGs, we had very little idea about what was happening in poor countries; after them, countries had comparators. This enabled citizens to ask politicians why they were faring so much worse than other countries; this has sometimes served as a powerful force for change. Richard wondered whether the SDGs – with their numerous goals and sub-indicators – might be too broad to keep this focus going.

He also argued for the continued importance of ODA in the post-MDG era. The 0.7 percent target still has the power to motivate behaviour, even if the rationale for it and its historical provenance are perhaps less relevant to the current global context. He further noted that the context for aid is changing, but that it is nevertheless still needed. Inequality between countries is still very large, even if overall inequality among the global population as a whole is decreasing. It is hard to imagine how the world can move ahead on key collective issues without significant transfers from richer to poorer countries.

He concluded that, while aid may not be crucial for most middle-income countries (MICs), it remains significant for many low-income countries (LICs), and particularly for fragile states. However, aid requires active management and leadership by government. He noted that some countries, for example Rwanda, while being aid dependent are also assertive about their aid management. Successful countries are ones that have learned to say 'no' to donors, and to use aid to fulfil their own ambitions rather than let aid determine what those ambitions are.

In his contribution, **Garry Conille** stated that the influence of the MDGs has been significant. Poverty reduction strategies, sector strategies, and assistance frameworks, have all been influenced by the MDGs over the past ten years. While the price tag for the SDGs will certainly be much higher than the MDGs, the challenge will be to keep stakeholders focused on a common framework. He suggested that politicians in developing countries had committed to the MDGs in part because they had funding attached, and asked what the president of a developing country is going to do differently when she or he wakes up the morning after the SDGs are signed in New York. The MDGs had led to a shift towards a discussion of the social sectors, compared to the pre-MDG era where the focus was often on infrastructure. Gary noted particular progress in health as a result of the MDGs. However, the MDG focus on 'outputs' and 'targets' had led to a focus on delivering the required numbers, rather than building resilience in the surrounding systems. For the SDGs to be successful, there must be greater government ownership and leadership, a focus on implementation, a mix of funding modalities, and for aid to be a 'broker' between government and the market.

In her presentation, **Annalisa Prizzon** discussed emerging findings from ODI's multi-year research project 'Development Progress' and its relationship with the MDGs and SDGs financing (Rabinowitz and Prizzon, forthcoming 2015). The approach of the Development Progress project allowed for detailed case study reviews of the drivers of developmental change. On the importance of finance in supporting development progress, she noted three conclusions from this work. First, all examples of progress were associated with general sustained economic growth leading to an increase in domestic revenue and an increase in the allocation of public expenditure to the targeted sector. Second, progress occurred at the same time as the cost burden was progressively shifted to government and away from households, for example, through the abolition of user fees. Third, progress was associated with growing support from development partners in the countries studied. These conclusions provide insight into the financing conditions in which progress – if not necessarily unqualified success – is possible.

Discussion

In discussing these findings, Lord Malloch-Brown suggested this means we shouldn't 'throw the ODA baby out with the bathwater'; and that the idea that ODA can or should gradually wither away is unfounded. There is still a role for public funding of universal basic public services, and in many contexts ODA remains the best mechanism to support this. However, he also argued that the time had come to switch our focus back to growth. Only growth will lift countries out of poverty and deliver social services on a sustainable, self-sufficient basis. Gary Conille observed that every politician in a developing country runs on a growth platform and it does not need external prompting. The advantage of a global platform is to get key stakeholders to focus on issues that may otherwise be neglected. While a goal on growth might not be useful, a goal on equitable growth would be.

On the MDGs, Lord Malloch-Brown agreed with Richard Manning about the role of information, and said that part of the intention behind the MDGs had been to give citizens a scorecard that they could literally keep in their back pockets and use to challenge politicians. The problem, he said, is that the SDGs are so voluminous they no longer fit into a pocket. He asserted that the SDGs process has seen the global development community go a little overboard on ambition, perhaps becoming unanchored from reality. Other participants agreed with this viewpoint. It was suggested that, while both the MDGs and SDGs are pushing in the same direction, the MDGs were 'easier to handle' given that they were few in number. The SDGs, on the other hand, are shaping up to be far more numerous – possibly too numerous.

The importance of MDG 8 (Develop a Global Partnership for Development) on holding donors and the international community accountable for their actions was noted, with the suggestion that the SDGs do not go far enough in maintaining this focus. It was observed by more than one participant that there is a potential contradiction in setting global-level targets but also calling for country-level ownership. It was suggested there could be a role for 'regional' targets to be agreed among neighbouring countries so as to translate the global targets into something more deliverable, an approach that could also potentially harness the effects of 'peer group competition'.

The political nature of the MDGs was also highlighted in the discussion. The origin of the MDGs in a particular point in time, and their purpose as a global symbol of development – regardless of their actual content – was noted. The audience also asked whether the MDG/SDG approach was really suitable for fragile states, given their specific needs in terms of security (which the MDGs did not cover) and the fact that building effective institutions in these environments takes longer than the 15 year timescale currently being considered for the SDGs.

The challenge of 'getting to zero' and dealing with the residual poor as economies continued to expand and lift people out of poverty was also noted. In particular, the audience observed that extreme poverty will increasingly be focused in fragile states, mostly in sub-Saharan Africa. The importance of tackling this 'last mile' poverty is something the SDGs can usefully continue to put a focus on, although they must remain flexible enough to avoid the risk of suggesting a single 'global plan' to get there.

Other points were also raised, such as concerns that the MDGs were too 'neutral' about politics, human rights and democracy, allowing oppressive countries to appear to succeed while mistreating their populations. It was also noted that the MDG/SDG approach was silent on the important issue of corruption, a problem which potentially undermines all development efforts.

Session 2: Domestic revenue mobilisation, international public finance and the SDGs – do all good things go together?

Chair:
Alison Evans, former Director, ODI.

Speakers:
Oliver Morrissey, Professor of Development Economics, University of Nottingham; Michael Keen, Deputy Director, Fiscal Affairs Department, IMF; Kieran Holmes, former Commissioner, Burundi Revenue Authority.

Panel presentations

In the introductions, **Alison Evans** explained that there has recently been a great deal of discussion about taking a holistic approach to financing development. This session would look at one of the most important sources of such financing – domestic revenues – to discuss how this stream should be considered in the post-MDG/SDG world. She outlined one overarching point and two overarching questions:

- Not all financing flows are equal. The different financing modes vary in their impacts, positive and negative, and also in their potential magnitudes.
- Can global initiatives both encourage increases in domestic financing *and* promote global public goods?
- How do domestic and international finance interact? Will domestic flows be crowded out by international ones? How can international finance help build domestic revenues?
  cool beans!

The first presentation was made by **Oliver Morrissey,** who shared his views on two main issues: the challenges of growing domestic revenues; and the role of donors in domestic revenue raising.

In Oliver's view, the fundamental problem is that the overall growth of the tax base in sub-Saharan Af4ica has not kept pace with rapid increases in GDP. This is partly because GDP in many countries has been statistically revised, or increased predominantly by natural resource extraction; it is also partly because the economic bases that are easier to tax, in particular formal employment, have not grown as fast as the ones that are harder to tax, such as informal employment and high net worth individuals. At the macro level, he suggested that there is no strong statistical relationship between aid levels and domestic revenues (either positively or negatively correlated) but that donors do have an impact on revenue raising through other channels – most notably through policy recommendations such as trade liberalisation and advice to adopt value-added taxes (VATs) and independent revenue authorities. He noted that the multiplicity of aid providers complicates overall fiscal management, but rejected the notion that aid fuels corruption more than other financial flows, since in general aid is more carefully monitored than other flows.

To conclude, he suggested two areas where aid is most likely to be useful in the future. First, aid can support reforms where there are regional (or global) spill-overs; and second, aid can support actions where short-term costs need to be compensated in order to realise long-term benefits, as in the case of trade liberalisation or funding universal primary education. Regional spill-overs can probably be managed through existing regional institutions, but social sector expenditures and associated revenue costs are probably best compensated through budget support to avoid the problems caused by the multiplicity of aid agencies and procedures.

Michael Keen followed. Michael first reflected on recent trends in domestic revenues in developing countries, and second on three particular areas that deserve closer thought: conditionality, innovative financing, and protecting tax bases.

In terms of recent trends, tax revenues in the poorest quartile of countries have been increasing over the past decade and have been remarkably resilient to global shocks. Overall, sub-Saharan Africa has performed more strongly in this regard than low-income Asia. However, he reminded the audience that the composition of revenues also matters: in this, there has perhaps been even more change. On aggregate, revenues have increased from the introduction of VAT; remained robust for corporate taxes; grown from personal income taxes; and fallen for trade taxes. For Michael, one particular conundrum was why the introduction of VATs has not always compensated for loss of revenue from the trade taxes they are often intended to replace. This has been a general observation, though VATs differ significantly in their design and effects between regions and countries.

Turning to the three areas where further thought is needed, Michael began by considering whether the global community could use conditionality to encourage countries to raise more domestic revenues. Not all IMF programmes have conditions relating to domestic resource mobilisation. Where they do, conditions are mostly focused on taxing goods and services. However, statistical analysis by the IMF suggests that these have had some effect on tax revenue in LICs, especially those with generally better governance indicators. On options for innovative financing, he was less optimistic. Michael believed that the political challenges of new global taxes such as a financial transactions tax will be significant because it will be difficult to compensate domestic losers and persuade national governments to forego the proceeds of new taxes. He proposed that one exception could be to tax international aviation and maritime fuels, since no country has a clear right to revenue from these sources. Finally, he believed that it was essential to help LICs protect their tax bases against base erosion and profit shifting— as the current 'BEPS' (Base Erosion and Profit Shifting) program of the G20 and OECD is trying to do. Most widely publicised estimates of the value of illicit flows, a term he felt was much too loose, lack credibility. Importantly, however, many LICs rely more on corporate taxes than high-income countries. By extension, this means that LICs are also more affected (relatively, rather than absolutely) by corporate tax evasion and avoidance. To address this, it is important to find ways to, for instance, minimise the abuse of tax treaties or to simplify 'arm's length' pricing.

The final presentation was by **Kieran Holmes,** who reflected on his experiences of working in tax administrations around the world. For him, domestic revenue mobilisation is the only way to achieve sustainable development: it has bigger potential than other forms of public finance, is generally less volatile, and has stronger positive governance incentives. It is also more effective at supporting the delivery of services to the poorest people in the hardest-to-reach areas than private finance.

He noted that in many developing countries there are opportunities to make relatively straightforward revenue-raising gains. He highlighted the taxation of the domestic income of non-residents (through a withholding tax) and more effective taxation of property rental incomes, both of which are generally taxes evaded by elites. He also recommended cutting down tax exemptions and incentives – estimated at around 4 percent of GDP in Burundi – which have generally been shown to have limited impact on investment while being prone to corrupt practices. There were also potential improvements that could be made in the application of withholding taxes on personal incomes (which even some governments avoid paying), in improving the generally poor administration of consumption taxes, and in encouraging greater transparency to restrict opportunities for corruption.

However, despite these relatively straightforward revenue possibilities, comparatively little aid (estimated at around 0.8 percent of ODA) is directed at strengthening revenue institutions. The donor community could do more to support revenue administration authorities and to raise tax policy issues with high-level government decision makers, as Kieran himself had done by organising the donor and diplomat 'Friends of the Burundi Revenue Authority' group. He pressed donors to consider making the strengthening of revenues a core component of their development projects.

Discussion

The presentations prompted a discussion about **local government taxation**. It was suggested that the good governance effects of taxation are probably more immediate at the local government level, compared to the central government, and that donors could invest more in fiscal decentralisation and strengthening local property taxation. The trouble is that administrations often lack capacity at the national level, and inevitably even more so at the local level. Increasing property tax is a standard recommendation by most technical advisers, but it is slow and expensive to implement. Realistically, the value of local taxes is also small because governments face a difficult choice in keeping rates low, or increase the rates and face resistance to changes in property valuations. There is also the challenge that the IMF and other technical advisers on revenue have most contact with finance ministries, so are generally less focused on the problems of local governments.

The audience raised questions about **donor support** to domestic revenue raising. The audience first asked whether donors should direct aid for revenue reform to countries with poor governance and/or limited transparency. Oliver Morrissey responded that corruption and transparency might need to dictate *how* donors provide support rather than *where* they provide it. Another member of the audience raised the issue of why donor funds were expected for tax reform at all. This is an area that should be able to fund itself because the return on tax administrations is typically high and governments can decide themselves where to spend the additional revenue. While there seems to be some truth in this, Kieran Holmes explained that in practice it is difficult to get countries to invest in revenue raising for political reasons. External advisers and the offer of aid can help overcome these problems.

Questions were also raised about **corporate taxes.** Some thought these could, or were likely to be, phased out in the long run, as we have seen with trade taxes. There was some agreement from the panel on the challenges for developing countries of levying corporation taxes, and a belief that many policy reform recommendations in this area have not been suited for the conditions of LICs. It was noted that such taxes could perhaps be replaced by a cash-flow tax, or a type of VAT. Another suggestion from the panel was that donors should also help build capacity for tax policy analysis, not simply tax administration, because current gaps in capacity even in emerging economies are limiting the design of reform options.

One participant pointed out that many tax reforms have failed simply because of **weak political buy-in** or subversion by vested interests. The panel raised in discussion the important point that 'politics' can play out at different levels within developing countries. As an example of varied political interests within government, it was suggested that, while revenue administrations have tended to support automatic sharing of tax information, finance ministries have generally been reluctant to do so. Notably, if a government is serious about raising tax revenues, it will inevitably need to deal with – and ultimately challenge – the elite. One participant asked if aid might therefore promote poor governance by reducing the need for governments to confront elites.

Some points were made about **the progressiveness of taxation** in LICs. There is a general belief that tax systems in LICs are not very progressive, except insofar as poorer households are liable to few taxes because incomes are very low and activities are informal; however, limited information means that the academic community does not really know with certainty. It is clear, however, that informal sectors are large and that many of the poor are likely to live completely outside the tax system, while income taxes and corporate taxes affect only the wealthier elites. On a more practical level, the recommendations proposed by Kieran were considered to be highly progressive because they would generally affect elites.

There was a concern from the panel that countries need to think twice before **signing tax treaties.** In many countries these have been driven from outside of the finance ministry, and can erode the tax base while offering only limited benefits. An obvious recommendation is to hire a good lawyer – something that many countries ignore even when they know what potentially could be at stake.

Session 3: What role for international public finance?

Chair:
Nuria Molina, Director of Policy, Advocacy and Campaigns, ActionAid UK.

Speakers:
Romilly Greenhill, Research Fellow, Centre for Aid and Public Expenditure, ODI; Michael Jacobs, Visiting Professor, London School of Economics & University College London and Senior Adviser, Institute for Sustainable Development and International Relations; Gail Hurley, Policy Specialist, Development Finance, UNDP; Martín Rivero, Executive Director of the Uruguayan Agency of International Cooperation.

Panel presentations

In her introduction **Nuria Molina** described IPF as the 'poor parent' of tax and private investment in terms of quantity, but noted that each of these flows have their own value-added and additionality. She noted the remarkable rise of domestic resource mobilisation in countries across income categories and asked what role was left for IPF and what countries and sectors those international public flows should focus on.

Gail Hurley presented the findings of a paper written with Jonathan Glennie (Glennie and Hurley, 2014). Her starting point was that there needs to be a radically different and much broader appreciation of IPF and of what it can achieve beyond 2015. She made three observations. First, although ODA is underfunded, IPF is on the rise. Second, and contrary to perceptions, IPF continues to undergo a process of innovative change with new instruments, original ways of collaborating, and innovative institutional arrangements. IPF is no longer the preserve of governments as we see new actors entering this arena. Third, IPF and aid continue to be thought of as residual gap fillers, making up for short falls in budgets until other sources of finance become available. However, this is not their only function: IPF has a counter-cyclical role to play, and it also provides resources that fund long-term and riskier interventions allowing for investment in areas like research or leveraging of private sector finance.

Gail made the point that a conceptual shift is needed for IPF to move away from the MDG mindset in which aid is seen as a temporary necessity that will end in the future. With the SDGs, the goals are only partially about traditional development. Gail argued that IPF has a crucial role to play in underpinning structural transformation at all income levels, implying that IPF needs to go far beyond development aid to scale up longer term finance in areas such as science, innovation, new technologies, and climate. Increasing activity in those areas will have major implications on where the money is spent in the future and what modalities are employed to be most effective. The focus may not always be on the poorest countries: for instance, climate finance will tend to go to MICs, meaning that some countries will lose out. As for modalities, better effectiveness will require large-scale pooled mechanisms that allow for economies of scale and sharing of skills rather than fragmented bilateral programmes.

Romilly Greenhill began by stressing that not every dollar is equal and it is therefore a mistake to assume that the many flows available in the world are all equivalent. In fact, they each have their own comparative advantage. She then offered the following definition of IPF: 'financial interventions by a nation state, or by a multilateral organisation acting on behalf of nation states, to secure desired public policy outcomes outside the boundaries of that state'(Glennie and Hurley, 2014: 13). IPF is much larger than ODA in volume and can take the form of, for example, grants, concessional and non-concessional loans, equity investments or guarantees. However, IPF represents a small share of all financial flows in developing countries and is behind tax, remittances, domestic private investment and FDI.

Romilly made the case for the continued importance of IPF, drawing on the economic theory around market failures and illustrating this with sectoral examples. She explained that developing countries often lack the means to address market failures with domestic resources and IPF therefore plays a key role. IPF is also important at the global level where market failures do take place and where everyone has to gain when public money is invested in global public goods (for example, developing a vaccine for Ebola). Romilly explained that, due to its qualities, IPF does better than private finance in terms of counter-cyclicality, concessionality and debt impacts, accountability and transparency.

With regard to using IPF as a catalyst for private finance, she called for caution before scaling up this mechanism. Romilly noted that research provides very little evidence of positive developmental impact. Furthermore, 'catalytic aid' has a cost for developing countries and presents risks (debt risks, for example). There is still an enormous financing gap in poorer countries to provide social provisions such as universal social protection, universal health and basic and primary education. Finally, she concluded that there is a need to refocus IPF if we are to achieve the SDGs and this must be done in a climate-compatible way.

Martín Rivero concentrated on two points. First, he considered the challenges that limit the effectiveness of IPF from an institutional perspective. At the global level, if IFIs continue to play a prominent role on the development agenda, then their governance system needs to be reformed to allow all countries to participate equally. He also pointed to the particular models of development these institutions tend to promote, which are grounded on economic growth and have less emphasis on social policies and the multidimensional nature of poverty. Martín talked about market failures and agreed that public finance, both domestic and global, must intervene, but warned that once the failure exists it is often already too late – such considerations should have been integrated in development processes from the beginning. At the national level, Martín touched on the challenge of policy coherence within governments and institutions of the same country, both at the donor and the recipient level.

Second, Martín turned to South-South cooperation and his experience in Latin America. He gave a picture of the evolution of South-South cooperation and its rapid growth since 2000. Martín described it as a powerful support instrument that emerges from collaboration across countries. Moreover, he stressed that a growing share of IPF comes from Southern institutions. For instance, successful fiscal policies in one country can be a good example to share with other countries trying to improve their own systems. However, given the heterogeneity of the countries involved and their conditions, instruments have to be tailored on a country-by-country basis.

Michael Jacobs described the concept of climate finance and the distinction between mitigation and adaptation finance. Adaptation finance was classically thought of as the payment required to compensate developing countries for the effects of climate change because they were subject to more extreme weather events, rising temperatures, and other climate-related phenomena. Mitigation finance, on the other hand, assumed that countries should move toward cleaner, but more expensive, sources of energy, and should be compensated for this more costly development trajectory. However, over time other benefits associated with moving toward lower carbon development have become clearer. The obvious example is pollution: many countries move toward lower carbon not because of climate costs but rather to reduce pollution (and, for example, to reduce health-related impacts); this in turn has positive effects on the climate. So the fundamental model of climate change financing is breaking down in countries across all income groups, including poorer countries. Climate change should be much more integrated into development planning rather than being considered as an incremental cost.

Climate change politics, however, do not appear to have caught up with the reality on the ground. Climate finance negotiations have focused on the $100 billion target which was arbitrarily decided during a round of negotiations, and which includes both public and private flows which are to be delivered by a variety of different institutions, like the Green Climate Fund. Once the SDG process and the United Nations Framework Convention on Climate Change (UNFCCC) Conference in Paris have taken place, it will be time to think about linking climate with development in a more integrated way. Michael concluded by noting that climate finance has been subjected to a lot of innovation, for example, payment for results through REDD+, new institutions like the BRICS Bank or the Asian Infrastructure Investment Bank, catastrophe bonds, and so on. There are also innovations on the recipient side with the creation of national climate funds that are responsible for channelling climate finance and using it in a coherent way at the national level.

Discussion

The discussion raised a number of issues. There were interrogations around **the creation of new IFIs** and the implications this could have on the level of representation for developing countries in well-established IFIs. Some thought the creation of institutions such as the BRICS Bank would lead to further competition. This would be a good thing that would be likely to force older IFIs to review their governance structures in order to remain attractive. Others took a more nuanced view and wondered whether the new development banks really are more equally governed, have higher standards and better represent recipient countries, than the traditional IFIs.

There was broad consensus around the fact that **meeting the SDGs will require more than business as usual.** There was a call for shaking off the complacency as to the extent of the change that is required. Major transformations will have to take place together with long term fiscal transfers. This raises questions on how these will be resourced and by whom. The European Union regional and cohesion funds were cited as an example that could provide lessons. Moreover, it was noted that the SDGs have a focus on extreme poverty which characterises a shift away from the MDGs and will require a very different set of actions.

Participants raised the issue of **whether ODA should fund development only, or whether it should also fund climate actions.** There was no agreement on whether ODA could be allocated for climate mitigation in MICs, or whether it should just focus on poverty eradication in the poorest countries. This is a critical question for this agenda: there is a fixed pot of ODA and allocating some to MICs will mean that less is available for LICs. That being said, it is becoming increasingly clear that low carbon and climate-resilient development looks like a good development path, superior to a high carbon model because of the multiple benefits that derive from it. That is not to say that it costs less – on the contrary, it will cost more. That is why IPF will remain important.

There were a number of points made around political will and **how to gather more support for IPF.** Some felt that when given the choice, LICs and lower middle-income countries had a clear preference for IPF. However, with the financial and economic crisis, they have tended to turn toward the private sector because they did not think IPF was available. To harness political will around IPF, its distinctive features must be brought to the fore in order to show that it cannot be easily replaced by other flows such as private finance.

Day Two

13 November 2014

Session 4: Mobilising private development flows

Chair:
Kevin Watkins, Executive Director, ODI.

Speakers:
Matt Lilley, CEO Africa, Prudential plc; Magdalene Apenteng, Director, Public Investment Division, Ministry of Finance, Government of Ghana; Meenakshi Nath, Head of Private Sector Department, DFID; Stephany Griffith-Jones, Financial Markets Program Director, Initiative for Policy Dialogue, Columbia University.

Panel presentations

In his opening remarks, **Kevin Watkins** framed the session in terms of looking at the private sector as an actor for development. He cited the example of M-Pesa and its impact in Kenya. He also noted that Ghana was 'at the cutting edge of most changes' particularly in relation to its return to the sovereign debt markets and its well-developed PPP policies.

Matt Lilley noted that a strong life insurance industry can make a significant contribution to development, particularly in relation to investments in education, health and infrastructure where there are large funding shortfalls. His company, Prudential, sees long term investment as the 'only way to make money' in developing countries, where there are massive emerging middle classes that both want and need insurance. Matt also expressed the opinion that the private sector feels a 'moral obligation' towards development, which is often articulated through charity work, but that the biggest impact it can have is through its core businesses: they are large employers, providing sustainable jobs and long term prosperity, and can raise business standards, particularly in relation to lobbying for the better regulation of their industries.[2]

Matt also made the point that when credit is tight in developed countries it dries up in developing countries. Therefore, developing countries need to develop their own capital markets. He further noted that governments can play a role in developing these capital markets by pursuing the right investments as well as regional integration. In relation to regional integration, he cited the example of how Rwanda's membership of the East African Community makes it a much more attractive market for investors. In relation to the current debate on the global governance of financial markets, Matt made the point that developing countries must insist on having a place at the table so that they do not continue to suffer from unintended consequences.

In summary, he pointed out that the private sector is a major driver of development, that the MDGs achieved a lot, and that he is hopeful the SDGs can achieve even more. However, he noted that there is 'not enough money in the world' to fund the SDGs in the absence of private sector-led economic growth.

Magdalene Apenteng opened by outlining how Ghana is pursing greater transparency in public investment management because the 'private sector wants to know what we are doing, so they are comfortable investing in our country'. In the past public investment management in Ghana was not well co-ordinated; therefore a policy framework which prioritised projects was required. This has been put in place with support from DFID.

Magdalene believes that state owned enterprises (SOEs) tend to exacerbate or even cause most of Ghana's fiscal problems. She argued that board appointments need greater scrutiny so that the right people are appointed. Some interesting steps are being taken to bring SOEs' expenditure under control, including getting them to set up escrow accounts to pay independent power producers. Ghana is also considering the installation of pre-paid meters in all government enterprises.

In 2011, Ghana approved a PPP policy and the draft law is currently with the Cabinet. PPP is seen as a way of delivering infrastructure without overburdening the economy with debt. They are co-ordinated with the ministries who own the projects, and there are PPP teams in the major ministries, including health, roads, and infrastructure. A pipeline of projects has been compiled which identifies risks and who should bear them. However, she noted the conflict between politicians and policy makers, who want to see results relatively quickly, and that of the PPP project cycle, which may last up to four years.

Meenakshi Nath began by pointing out that a substantial proportion of DfID's work remains focussed on building capacities of the public sector and basic services, but that it engages in work with the private sector across a broad range of areas. She highlighted that good policies are the most important factor in promoting the development of the private sector, but sometimes policies are not sufficient by themselves. Market failures, due to real or perceived risks or ideas that are untested, can inhibit private investments. This can be addressed through special programs. She further highlighted that market failures are evident even in advanced economies like Europe and the United States, with corporations like

2 Matt noted that Prudential's business is largely face-to-face and cited examples of job creation – 450,000 in Asia; 300 in Ghana – its first African venture; and the expectation of increased employment in Kenya by 2020.

Google and Apple which have at one time received state support from government. Most advanced economies have special concessions for small and medium-sized enterprises and provide them with capital support.

Meenakshi then described DFID's India programme, where DFID partners with local development finance institutions. The focus is on the eight low income states which have disproportionately low private investment flows given their population and levels of poverty. Meenakshi shared some case studies:

India has a shortage of almost 25 million homes. Working with the National Housing Bank, DFID is helping improve housing policies so that construction of affordable homes is encouraged. Specialist construction and small home loan companies need to be promoted simultaneously. In the last two years, DFID's lending support has led to an additional six home loan companies in the eight low income states. Moreover, almost 6,500 affordable housing units have been constructed, creating 5,700 direct and indirect jobs in a sector that tends to employ poor/lower income groups. Demonstration effects, she believes, will lead an increasing number of construction and home loan financing companies, in turn leading to millions of homes and jobs being created.

The private sector can play a role in addressing human development issues as well. Tribal groups in India, for example, often suffer due to chemically contaminated water near their homes. Unfortunately, government-sponsored water filtering has not gotten off the ground at the scale and quality needed. A professionally managed company has started supplying pure drinking water to certain tribal groups free of charge, as a result of a PPP with the government. Following a £150,000 investment by DFID, this company will be able to expand supply from 150,000 people to 1.5 million people.

Meenakshi concluded by highlighting that the challenge, as DFID sees it, is to demonstrate success so that regular private capital can replicate it. Equity and loans should 'come back to DFID and get redeployed'. However, to manage these new instruments, DFID needs to develop a new set of skills and to ensure that programmes are addressing market failures and not just substituting for private capital. Overall, Meenakshi highlighted the need to 'move cautiously'.

On measuring the success of DFID's interventions in markets, Meenakshi noted that DFID looks at results in terms of the benefits and savings they provide to people and not just at financial returns. For the Samridhhi fund, for example, profits were shared with partners not only on the basis of financial returns but also based on their development impact.

In a response to a question, Meenakshi pointed out that there are clearly some roles that the private sector can play which the government cannot, and vice versa. Civil society also played a distinct role on, for example, women's rights. However, practitioners in the development sector needed to be more imaginative about the role that the private sector could play in delivering development impact – and she asserted that there is a role for it in delivering in each of the SDGs. For example, even services delivered by the public sector usually require private goods as inputs, and greater efficiency and innovations can reduce the cost and/or improve impact. In concluding, Meenakshi expressed the view that we should avoid generalising 'public only' and 'private only' solutions.

Stephany Griffith-Jones pointed out the lack of representation of LICs in the broad regulatory framework, noting that these countries have a strong incentive to avoid being subjected to any further financial crises. She also noted that 'banking sectors are different across countries', therefore any broad regulatory framework must be adaptable across countries. A positive development has been the IMF's reversal of opinion on the appropriateness of developing countries regulating capital flows.

As with all previous speakers, Stephany noted that 'patient capital' is what is needed and wanted in developing countries. However, she highlighted that in discussions she has held with institutional investors she has found that they see 'Africa' as a risky proposition requiring a return of around 25 percent. While investors profess to want to help the poor and also making sustainable profits, this is not always possible. Therefore, if the profit requirement is too high it is better that the government undertake the underlying investment. In contrast, she mentioned the example of Norfund which makes investments in green energy projects in Africa typically requiring a return of only 13 percent. This example should perhaps be showcased more in order to attract the private sector.

In relation to the 'new trend' of African countries entering the sovereign bond market, Stephany made several observations:

African countries should first focus on mobilising domestic resources and turning the natural resource curse into a 'natural resource blessing', citing the examples of Norway and Chile and their success in implementing countercyclical rules.

The so-called 'new trend' has been seen before, in the European periphery and in Latin America. It is in fact an 'old story' of surges and reversals and 'fair weather friends' and that again 'caution is important'.

While the new trend 'reflects success' and reduces aid dependence. On top of this, she observed that Christine Lagarde among others has said that additional finance generates additional vulnerabilities, while Joseph Stiglitz has expressed the opinion that there is a large downside with limited upside to such financing.

Stephany subsequently laid out a number of considerations for the management of these flows. First, that they should be used for investment rather than consumption and particularly for investment that will lead to the increased production of tradable goods. Second, the international environment is always uncertain, citing the effect on developing countries when Volker increased interest rates in the 1980s. Finally, countries must look closely at the technical issues before they sign anything, citing the current predicament Argentina faces in dealing with vulture funds. In summary, Stephany noted that more needs to be done to 'put finance at the service of development and not development at the service of finance'.

Discussion

A vigorous debate followed the presentations. Responding to a question on whether or not the **private sector** recognises it has a role to play in financing the SDG's, Matt Lilley noted that 'there is a line somewhere', expressing the opinion that the private sector may not have a role in the development of the hardest to reach areas and people. However, he noted that the private sector can still make a contribution, citing the example of Prudential facilitating mobile phone payments of insurance premiums in Ghana, despite the fact that this service makes very little profit. He also noted that 'you don't have to go very far from the bottom of the pyramid for the private sector to begin innovating to make profit' and that there is no real limit if customers have some disposable income. Matt pointed out that, from the private sector's point, of view the market structure of today doesn't really matter: the private sector is interested in how the market will look 10 to 15 years from now.

Responding to a question on the difficulty of operating in markets where matching local currency liabilities with local currency assets to effectively hedge foreign exchange risk, Matt pointed out that if you create the demand for long-term investment opportunities, then such opportunities will follow. For example, in Vietnam 10 to 15 years ago, Prudential discussed with the government the need for more long-dated bonds, and the government subsequently created these.

Responding to discussion and questions on the observation that **Ghana's recent bond issue** was used to service existing debt, Magdalene noted that while a portion of the new bond issue is servicing an older bond issue, and that some is going to refinance more expensive domestic debt, a portion will also be used to invest in commercially viable projects. She noted again that the SOEs are the principal drivers of the increase in Ghana's debt; and that steps are being taken to restructure these companies so that they can manage their own debts. Picking up on this point, Stephany noted that foreign debt is not necessarily cheaper, as it is denominated in foreign currency and the effect of shocks could be particularly high, citing the example of what happened to Hungarians who took out mortgages in Swiss Francs. On Ghana's decision to borrow from the market at 8 percent rather than the International Bank for Reconstruction and Development (IBRD) at 2 to 3 percent, Stephany pointed out that it can take up to two years to get an IBRD loan. Magdalene noted that Ghana had a capable debt management division, which analysed the risks and decided the new bond issue was the optimal option at the time.

Expanding on **Ghana's PPP policy**, based on a question about the risks that are identified in Ghana's PPP bill, Magdalene noted that the PPP bill does not look at individual risks but rather global risks. However, when it comes to projects, individual risks are identified and each project is required to solicit the input of a transactions adviser. It was further noted that while Ghana has a priority list of projects to prevent the private sector from bringing its own projects to politicians, they will review the ideas coming from the private sector to encourage innovation within the sector.

Following on from this, there was also some discussion amongst participants on **what Africa can learn from Latin America's experiences with debt instruments and crises,** and what the international community could do to support national finance ministries in the management of debt.

A number of points and questions related to the dangers of 'financial innovation' for developing countries, particularly with regard to infrastructure-related debt contracts. Stephany expressed the view that, as well needing 'fewer financial engineers and more real engineers', debt contracts should be simple to understand and that opaqueness is used to hide risks.

Summing up the debate on private sector financing, Stephany pointed out that 'a diversified solution is favourable' and raised the following five points for consideration. First, development banks have gone out of fashion and it is not clear why this is the case. Second, the multi-faceted German financial system delivers well for the real economy and may have a lot to offer as a model. Third, there are currently a lot of asymmetries of power within the financial system, particularly in relation to big banks. Multilateral financial institutions should focus on strengthening the bargaining position of developing countries to ensure they get good deals. Fourth, a key difference between IFI lending and private sector lending is that with the former there is conditionality at the start, whereas with the latter there is conditionality at the end. Finally, the Japanese model, despite its high level of debt, has yet to generate a debt crisis due to its heavy reliance on domestic debt.

Session 5: Managing external and domestic finance flows – the country perspective

Chair:
Marta Foresti, Director, Politics and Governance, ODI.

Speakers:
Neil Cole, Executive Secretary CABRI; Carolina Rentería, Lead Economist World Bank Group (former Minister of Planning and National Budget Director, Colombia); Philipp Krause, Team Leader, Public Finance Management, ODI.

Panel presentations

Opening the session, **Marta Foresti** indicated a move away from the focus on sources of finance in the previous sessions, to the question of how to use these sources to achieve development outcomes. The session would concentrate on the government level and make the country voice heard, one which must have greater say in the SDG process. The session would also touch on the topic of capacities, but always with focus on the country perspective.

Neil Cole began his presentation with the quotation 'conscience is the knowledge that someone is watching'. He linked this quote to the fact that the end of MDG era is only one year away, we must now admit that monitoring and evaluation towards the achievement of the targets was weak and needs to be changed for the SDGs. Neil further noted that, although international goals and targets such as the SDGs are valuable inputs for national plans, they nonetheless cannot replace them. Development needs ownership and well-planned expenditure, and also needs systems in place so that value for money is monitored across the whole implementation cycle. Mutual accountability and meaningful communication between government and donors is another crucial point for development and the effective use of money. This includes being honest about what can be achieved, since a one-time intervention will not produce long-term development successes.

Moreover, Neil said, donors should make more use of country systems, both to strengthen them and to make forward looking planning easier for the government. He stressed that the most important question for development is not how much money is available but where it is spent and how constraints caused by poverty have been targeted. One problem with the MDGs and the emerging SDGs is the particular focus of these goals, which may not describe any one individual country's full situation. For example, the MDGs' emphasis on enrolment rates may serve to mask high drop-out rates or days that teachers are absent – factors that contribute to South Africa's surprisingly poor performance against indicators of educational quality. He therefore reaffirmed the need to look beyond the goal itself, and highlighted that money is not the only barrier to better services.

Carolina Rentería presented the experience of Colombia in implementing the MDGs. She noted that, though money matters for development, it does not ensure successful development per se. First, the money has to be used effectively. Second, government ownership of development is needed. When the MDGs where approved, Colombia already possessed a national strategy and strong systems of policy coordination so the goals were streamlined into the existing strategy. Adapting the goals to the country context, rather than vice versa, ensured the government's ownership; this was an important determinant of success. She emphasized that implementation of cross-sectoral goals, such as the MDGs and the new SDGS, requires coordination between different line ministries; this is a challenge to many countries. Crucial for Colombia's success in achieving progress against the MDGs was constant monitoring. This was possible after significant data collection efforts in order to determine the baseline against which progress could be measured. She considered Colombia's significant investments in data collection to be one of the principal successes, and a lasting legacy, of this period of reforms. Notably, most of the development strategy in Colombia was financed through domestic resources rather than foreign aid. The country also managed to involve the private sector through precise planning of how to finance the MDGs, and a clear a communication and outreach strategy to the private sector so that it knew where its contributions lay.

Philipp Krause then focused on the tension between international agreements and ownership at the domestic level. He noted that the international discussion always refers to 'we' without clarifying who is actually meant. Given that a lot of the proposed SDGs focus on obligations for developing countries, he noted that when talking from the perspective of the international development community it is surely more appropriate to refer to 'they', since ultimately much of the work will be undertaken by someone else. This would change the notion dramatically and would underline how international agreements affect the governance of developing countries.

Philipp emphasized that no literature exists that provides evidence on the relationship between aid provision and achievement of the MDGs. From a more theoretical point of view, while decisions in democracies are always a compromise and do not exactly reflect the concrete position of many people, the incongruence between the decision and every single opinion becomes stronger with every additional party included in the agreement. Therefore, international agreements are not reflective of voters' preferences. He argued that the international aid industry could not assume that countries will use their domestic resources to fulfil targets set by other people. Aid should therefore be seen as an incentive for countries to buy into this international agenda and be used to achieve the goals. It must be accepted that the SDGs would not be domestic targets.

Discussion

The discussion raised several points ranging from ownership, to quality of development, to the complexity of new financial instruments. Regarding **the tension between international agreements and ownership**, the audience focussed on whether international agreements are meant to create priorities that governments would not otherwise have, or even whether they would discourage policies that individual governments might want but which are not seen as beneficial from a global perspective. If this were the overarching goal of international agreements, it would be expected that countries would not always own the goals. However, Carolina again emphasized the importance of Colombian ownership of its own development, without which no such results would have been achieved. Neil reaffirmed this view, noting that countries absolutely require ownership of the goals, as well as the procurement and the financial means to achieve progress. Ownership, not the international agreement, is the crucial part, though international goals can help a government to set priorities when the circumstances are right.

The discussion on ownership raised another set of questions focusing on whether **the SDGs** might be seen as a shopping list from which countries could pick the priorities that are most aligned with their government's priorities. If this were true, then it would be best if a country already had a strategy in place and could identify those SDGs that it saw as important. This might prove risky if such a choice led to an unbalanced composition of goals and did not reflect the broad spectrum of the SDGs.

Part of the discussion also focussed on **the quality of development** and whether international goals place too much emphasis on the outcome rather than the development process. Development can be achieved in a good and bad way, and focussing on the outcome might risk neglecting crucial issues such as human rights violations undertaken during the course of achieving a development goal.

It was also acknowledged that the MDGs strengthened the role of the civil society within countries. However, the audience also noted that it is difficult to prove whether development progress in general was attributable to the MDGs rather than government interventions, since the counterfactual is missing.

Final comments focused on **the complexity of new financing instruments**, such as PPPs. There was an agreement that these instruments are often adopted without fully understanding how they work. This makes public spending less transparent and harder to monitor. However, governments are progressively building up their knowledge and capacity in handling these instruments.

Conclusions: Policy recommendations for Financing for Development and the SDGs

Panel presentations

Chair:
Andrew Norton, Director of Research, ODI.

Speakers:
Charles Kenny, Senior Fellow, Center for Global Development; Dirk Willem te Velde, Head of Programme, International Economic Development Group, ODI and author, European Report on Development; Andrew Rogerson, Senior Research Associate, ODI; Magdalene Apenteng, Director, Public Investment Division, Ministry of Finance, Government of Ghana.

Andrew Norton opened the session asking for the speakers to focus on specific and practical proposals for development finance – real actions that could make a difference.

Magdalene Apenteng noted that, whilst the SDGs were a positive global process, they would have to be focused on each country's own needs and priorities. Where domestic resources were insufficient, international action could help by establishing a comprehensive public investment system to act as a platform for matching domestic and international resources and identifying financing gaps. Such a system could also help countries organise their domestic priorities and ensure that projects met international benchmarks. Such systems should also aim to provide recipient countries with greater certainty over external flows.

Magdalene also identified the need to help countries develop the institutional capacity to identify and prepare projects to attract private investment. Countries' capacities also needed strengthening in monitoring and evaluation to ensure that projects met their expected returns, to support debt management offices to lengthen debt profiles, to bolster macroeconomic stability, and to review the frameworks for pension funds so that they can provide long-term financing for infrastructure.

Finally, to ensure that SDGs can take root and make a difference in all countries, Magdalene emphasised the need to get buy-in from all economic and social stakeholders. This would require effective consultation and communication before decisions are taken.

Charles Kenny began by noting that a conference about financing the SDGs is a conference about financing a mess. The SDGs are simultaneously both too much and not enough: too much, as there are too many goals; but not enough because they do not have a growth goal. He noted that the purpose of the MDGs was fairly clear – it was about giving direction to aid. However, it was not clear what the SDGs are about: are they about making politicians feel slightly guilty when they do not do something?

On finance, Charles noted that costing studies had been undertaken for the MDGs showing how much would have to be spent if they were to be achieved. He stated that we need to do this for the SDGs, and this would show that they would cost trillions of dollars. In turn, this would show how little financing for the SDGs will come from donors: resources will need to be found domestically.

So what, Charles asked, does this mean for the Addis Ababa Conference on Financing for Development? First, despite the concerns raised, Addis Ababa needs to be seen as a success because of the important effects that it would have on subsequent SDG conferences as well as the UNFCCC Paris Conference. These conferences matter, he said, and positive momentum for them must be built. Second, Addis Ababa is a chance to discuss important issues, including how to better target aid; how to measure and target non-aid official finance flows; how loans and guarantees can support development; and how to deal with the long record of largely unsuccessful PPPs.

Charles then put forward his own proposals on these issues. To increase non-aid flows, for example, the World Bank could be less conservative on leverage. The Multilateral Investment Guarantee Agency could be reabsorbed into the World Bank, allowing it to make use of the Bank's far larger balance sheet and thus enabling it to make far larger guarantees. To improve use of non-aid flows, there could be a 'grand bargain' of donors offering more guarantees and loans for infrastructure, and recipients committing to price services at cost. This would ensure their financial sustainability, rather than subsidising them. He noted that general subsidies tended to be regressive, and that subsidies targeting the poor needed to be developed instead.

To make private finance flows work better, Charles proposed increasing tax transparency so that developing countries could raise more public funds from them; and to establish the principle that all PPP contracts should be made public so that everyone may see how public funds are being spent.

Finally, he noted that the Financing for Development conference in Addis Ababa does not need to be all about financing – if discussions were broadened it could come up with a package that would make a huge difference to many international flows beyond finance. Examples include:

- increasing the development impact of migration, perhaps by increasing the proportion of migrants or overseas students coming from LICs;
- moving technology development away from reliance on inefficient and regressive monopolies towards a model of open research and development; and
- improving terms of trade, removing agricultural subsidies and granting duty-free quotas.

Andrew Rogerson drew on his forthcoming paper with Annalisa Prizzon and Homi Kharas, *Financing the post-2015 sustainable development goals: a rough roadmap*, to set out what some key priorities for the post-2015 development finance landscape should be. By 2030, there would remain around 30 'chronic donors', around 30 aid-dependent countries, and around 130 countries who would be neither. We need to consider which types of finance, and for what purpose, each country category will be interested in.

He set out three categories of finance – concessional public finance, market-related public borrowing, and private finance – for three purposes – infrastructure for sustainable development, basic needs and social progress and global public goods. On the financing side, much better metrics are required on other official flows (OOFs) such as loans and guarantees. On the purposes side, global public goods would be predominantly about climate change mitigation. Sustained low real interest rates, he asserted, should change the calculation for private finance and make long-term investments in renewable energy much more attractive.

It is also important to consider the interactions between these types of finance. There is a 'missing middle' of development finance. Countries face falling total revenues as they get richer (especially as they become lower middle-income countries) as ODA and OOFs decline, and are not adequately replaced with growing tax revenues.

From this analysis, Andrew drew out the following recommendations:

- grant assistance should be prioritised to the least creditworthy, lowest fiscal capacity and most vulnerable countries. He noted that being a LDC was a high predictor of being amongst the least creditworthy;
- within such countries, crowd in private actors via rule-of-law support and partnerships;
- mobilise much more market-related public finance – of which there was currently nowhere near enough – and encourage leverage of private finance in specific thematic areas.
- international public assistance for climate mitigation should be financed mainly on market-related terms to minimise allocation distortions as these will primarily be directed to MICs. Adaptation aid should be targeted towards LDCs and small island developing countries.

Dirk Willem te Velde set out the analytical framework underpinning ODI's *European Development Report*. For the MDGs, the framework had largely concentrated on filling the financing gap. However, the SDGs will be more ambitious, so we need to think about these challenges in a new way. This should focus on economic transformation rather than poverty reduction and on enabling long-term change rather than 'buying progress'. The Monterrey agenda was largely limited to aid flows, but now we need to deal with a wider range of flows. Moreover, policies matter:

First, policies matter to mobilise finance. A change in regulations can unleash financing. In Tanzania, for example, regulations on how energy was sold to the grid had to be changed before private finance would invest in wind farms. Better international policies can turn unproductive financial assets into productive ones. Stopping funds being held in tax havens and reducing transfer pricing would increase revenues for public investment.

Second, policies matter for the effective use of this finance. There is a trillion-dollar financing gap for infrastructure, but the size of this can be reduced if projects are implemented more efficiently.

If policies matter, then we also need to consider implementation. This was reflected in the six country consultations carried out for the European Development Report. Participants were asked what they wanted to see in the post-2015 framework: most wanted to discuss institutional and governance reforms.

Discussion

Participants raised a number of provocative questions during the discussion. It was questioned whether **the finance for development process** works at all, and whether Monterrey in 2002 had any effect. Andrew Norton replied that ODA increased between 2002 and 2005, and that as the earlier presentation on Development Progress showed, this could be linked to tangible outcomes such as reductions in child mortality. Charles Kenny concurred and stated that even if changes were all only marginal in terms of lives saved, it still would have been worth it. However, he worried that the SDGs, in trying to be more transformational, risked being less relevant, more forgettable and less powerful.

Another participant noted that **the SDGs are aiming for a profound transformation**, but that there did not appear to be the institutions that could lead this. Charles Kenny agreed, stating that if an issue such as increasing IMF and World Bank equity shares and changing the leadership selection process cannot be addressed, then we should not have high expectations of any other multilateral institutional change.

Another question was raised as to whether **more development actors and more instruments will lead to greater complexity and could lead to less transparency.** A related point was whether the 0.7 percent of GNI ODA target was still relevant. Andrew Rogerson stated that the 0.7 percent target must remain and other funds should be additional to this. A target was needed for OOFs. Charles Kenny also supported this view, stating that the OOF target should be as large as possible. He also stated that greater transparency on OOFs would be in interests of new actors. For example, if there is a target for OOFs then China will want to be able to show that it is meeting that target.

A further question raised was where **climate change mitigation funds** might come from. In previous sessions, it had been suggested that these should not be part of ODA as they will largely be targeted to MICs. Andrew Rogerson pointed out that we are in a bad position on this, as most climate change funds are being scored in ODA, but that many were reluctant to change this because removing it from ODA flows would remove a currently pro-ODA constituency.

Another question raised was whether **broadening the Addis Ababa agenda may destabilise it and lead to a lack of momentum**. Instead, should we be thinking of the minimum we can get away with? Dirk Willem replied that we need to challenge the mind-set that simply increasing finance can buy poverty reduction. Addis Ababa should be about discussing the important policy and institutional changes that are needed and agreeing to monitor these. In response to Andrew Norton's challenge as to whether the Addis Ababa agenda could be broadened and remain with a clear political 'ask', Charles Kenny replied that it could, provided that policy-makers in Addis Ababa acknowledged the essential financing role to be played by Other Official Flows; and that policy makers developed a suitably ambitious target for such flows..

If the **multilateral development banks** did not scale up in a desirable fashion, could regional development banks be scaled up? Andrew Rogerson responded by reaffirming the essential role of multilateral banks. Reform of the multilateral development banks in general, and the World Bank in particular, would be an essential focus of attention for Addis Ababa, especially with respect to how to deliver financing for climate change. If the World Bank does not scale up, he said, it risks receding into irrelevance.

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Annex 1: Agenda

The conference framing paper and presentations are available here.

Day 1: Wednesday, 12 November 2014

8:30 – 9:00
Registration and coffee

9:00 – 10:30

Introduction, context and conference overview

Chair:
Ed Hedger, Director - Centre for Aid and Public Expenditure/Private Sector and Markets.

Panellists:
Liz Ditchburn, Director Policy Division, DFID, Jon Lomøy, Director, OECD Development Directorate, Kapil Kapoor, Director of Strategy, African Development Bank.

10:30 – 10:45
Break

10:45 - 12:30

Session 1: What lessons did the MDG era yield for development finance?

Chair:
Lord Mark Malloch-Brown, former UK Minister and UN Deputy Secretary General.

Panellists:
Garry Conille, Head UNOPS Africa (former Haitian Prime Minister), Richard Manning, Senior Research Fellow, Blavatnik School of Government, Annalisa Prizzon, Research Fellow, ODI.

13:45 – 15:30

Session 2: Domestic revenue mobilisation, international public finance and the SDGs – all good things go together?

Chair:
Alison Evans, former Executive Director, ODI
Panellists: Michael Keen, Deputy Director of the Fiscal Affairs Department, IMF, Kieran Holmes, Ex-Commissioner for Burundi Revenue Authority, Oliver Morrissey, Professor of Development Economics, University of Nottingham.

15:30 – 15:45
Break

15:45 – 17:30

Session 3: What role for international public finance?

Chair:
Nuria Molina, Director of Policy, Advocacy and Campaigns, ActionAid UK

Panellists:
Romilly Greenhill, Research Fellow, ODI; Michael Jacobs, Visiting Professor, London School of Economics & University College London; Senior Adviser, Institute for Sustainable Development and International Relations; Gail Hurley, Policy Specialist, Development Finance, UNDP; Martin Rivero, Executive Director of the Uruguayan Agency of International Cooperation.

17:30 – 19:30
Evening reception

Day 2: Thursday, 13 November 2014

9:30 – 10:30

Wrap-up: Policy insights and recommendations from day one

Chair:
Simon Maxwell, Senior Research Associate and former Director

10:30 – 10:45
Break

10:45 – 12:30

Session 4: Mobilising private development flows

Chair:
Kevin Watkins, Executive Director ODI.

Panellists:
Matt Lilley, CEO Africa, Prudential PLC; Magdalene Apenteng, Director, Public Investment Division (PID) Ministry of Finance, Government of Ghana; Meenakshi Nath, Head, Private Sector Department, DFID; Stephanie Griffith Jones, Senior Research Associate, ODI.

13:30 – 15:15

Session 5: Managing external and domestic finance flows – the country perspective

Chair:
Marta Foresti, Director Politics and Governance, ODI
Panellists: Carolina Rentería, Lead Economist World Bank Group (former Minister of Planning and National Budget Director, Colombia); Neil Cole, Executive Secretary CABRI; Philipp Krause, Team Leader Public Finance Management, ODI.

15:15 – 15:30
Break

15:30 – 17:30

Conclusions: Policy recommendations for Financing for Development and the SDGs

Chair:
Andrew Norton, Director of Research, ODI
Panellists and discussants: Charles Kenny, Senior Fellow, Center for Global Development; Dirk Willem te Velde, Head of Programme, International Economic Development Group, ODI and author, European Report on Development; Andrew Rogerson, Senior Research Associate, ODI; Magdalene Apenteng, Director, Public Investment Division (PID) Ministry of Finance, Government of Ghana.

Annex 2: Participants

Forename	Surname	Organisation
Yaw	Ansu	African Centre for Economic Transformation
Magdalene	Apenteng	Government of Ghana
Melanie	Archer	African Research Institute
Samantha	Attridge	Commonwealth Secretariat
Owen	Barder	Centre for Global Development
Catherine	Blampied	ONE
Laure	Blanchard-Brunac	European Bank for Reconstruction and Development
Mark	Bohlund	IHS
Kevin	Bohrer	Hewlett Packard
Mark	Brough	Publish What You Fund
John	Burton	KPMG
Mareen	Buschmann	Bond
Paddy	Carter	ODI
Richard	Clarke	UK Parliament
Ellie	Cockburn	DFID
Neil	Cole	Collaborative Africa Budget Reform Initiative
Dr Garry	Conille	UNOPS
Daniel	Coppard	Development Initiatives
Edel	Cribbin	Department of Foreign Affairs, Government of Ireland
Emily	Darko	ODI
Benjamin	Day	Australian National University
Isabelle	De Lichtervelde	ONE
Liz	Ditchburn	DFID
Amy	Dodd	UK Aid Network
Casey	Dunning	Center for Global Development
Julian	Egan	International Alert
Fredrik	Ericsson	OECD
Allison	Evans	Independent Consultant
Raphaelle	Faure	ODI
Björn	Gillsäter	OECD
Claire	Godfrey	Oxfam
Romilly	Greenhill	ODI
Stephanie	Griffith Jones	ODI
Jesse	Griffiths	Eurodad
Sierd	Hadley	ODI
Sara	Harcourt	ONE
Tine	Henriksen	SNV World
Sian	Herbert	University of Birmingham

(continued)

Forename	Surname	Organisation
Keiran	Holmes	Ex-commissioner, Burundi Revenue Authority
Chris	Hoy	ODI
Gail	Hurley	UNDP
Elaine	Ireland	Sightsavers
Michael	Jacobs	London School of Economics
Kamlesh	Jadeja	Crown Agents
David	Johnson	Department of Foreign Affairs, Government of Ireland
Tim	Jones	Jubilee Debt Campaign
Androulla	Kaminara	The European Commission
Kapil	Kapoor	African Development Bank
Machal	Karim	Oxford Policy Management
Michael	Keen	International Monetry Fund
Ruth	Kelly	Action Aid
Jo	Kemp	Crown Agents
Maia	King	Independent Consultant
Jenny	Lah	Gates Foundation
Amal	Larhlid	PwC
Matt	Lilley	Prudential PLC
Joost	Lina	Kings College London
Jeannet	Lingan	Publish What You Fund
Jon	Lomoy	OECD
Lord Mark	Malloch - Brown	House of Lords, UK
Richard	Manning	Blavatnik School of Government
Marcus	Manuel	ODI
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Tom	McDonald	The National Audit Office
Nicola	McIvor	Oxfam
Andres	Mejia	Kings College London
Christoph	Merdes	DFID
Nuria	Molina	Action Aid
Oliver	Morrissey	University of Nottingham
Meenakshi	Nath	DFID
Peter	Nicholas	Social Finance
Susan	Nicolai	ODI
Sean	Nolan	IMF
Earnan	O'Cleirigh	Department of Foreign Affairs, Government of Ireland
Sarah	O'Reilly	Independent Consultant
Edward	Paice	African Research Institute
Pelle	Persson	SIDA
Albert	Pijuan	Oxford Policy management

(continued)

Forename	Surname	Organisation
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Annalisa	Prizzon	ODI
Rachel	Rank	Publish What You Fund
Carolina	Renteria	The World Bank
Martin	Rivero	AUCI
Andrew	Rodgerson	ODI
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Jane	Wilkinson	European Institution Investor
Dirk	Willem	ODI
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ISSN: 2052-7209

All ODI Reports are available from www.odi.org

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