



## Summit of the Future Action Days Side Event

*"Pact for the Future and Beyond:*

*Towards the 4th International Conference of Financing for Development"*

21 September 2024

13:00 - 14:15

Conference Room 11, UNHQ, New York

### **Background on the event (one paragraph)**

The side event, ***"Pact for the Future and Beyond: Towards the 4th International Conference on Financing for Development"*** sought to provide a platform for dialogue and reflection on the progress made under the **Pact for the Future**, with a particular focus on **international financial architecture (IFA) reform** and **financing for development**. The session brought together key stakeholders, including representatives from **Member States**, the **UN system**, and **civil society organizations**, to evaluate the state of commitments made during the **Summit of the Future**, identify areas requiring further action, and explore strategies for the upcoming **4th International Conference on Financing for Development (4FFD)** in 2025. Organized by the **ImPACT Coalition on International Financial Architecture Reform and Financing for Development (IFA-FfD)**, in collaboration with the **Coalition for the UN We Need**, the Governments of **Spain and South Africa**, **UN DESA**, **UN Habitat**, **ECLAC**, and **UNCTAD**, the session built on the Coalition's efforts to support the UN's multilateral agenda, including the **Summit of the Future (SoTF)**. Co-led by **Club de Madrid** and the **Global Public Investment Network**, and representing over **60 civil society organizations and Member States**, the ImPACT Coalition is dedicated to advancing discussions on **financing for development**, **resilience**, and **climate action**.

### **Key issues discussed (5-8 bullet points)**

During the session, participants engaged in an action-oriented discussion on critical areas related to the implementation of the **Pact for the Future** and preparations for the **4th International Conference on Financing for Development (4FFD)**. The dialogue emphasized the need for political commitment, reforms in the international financial architecture, and enhanced cooperation across different stakeholders. Below are the main points raised during the discussions:

- The **Pact for the Future** was identified as a key framework for accelerating the implementation of the **Sustainable Development Goals (SDGs)**. Participants recognized that the Pact includes several valuable components that can guide international efforts, offering concrete strategies and actions to address global challenges. It was emphasized that this document provides not only a solid starting point but also a clear direction for aligning multilateral processes with the 2030 Agenda, ensuring momentum toward achieving the SDGs.
- Participants expressed strong support for the specific language in the Pact for the Future concerning **financing for development**. They underscored the importance of harnessing the momentum generated by the Pact to build a robust foundation for the upcoming **4FFD**. The discussions emphasized that the Pact's commitments and proposals should not only be sustained but also expanded upon at the 4FFD to ensure the adoption of bold and ambitious actions. This would reinforce global efforts to address both the **Sustainable Development Goals (SDGs)** and **climate action**, mobilizing the necessary resources to tackle development challenges and advance climate resilience.
- Regarding the political aspects of the **4FFD**, participants emphasized several key elements. Firstly, they underscored the importance of **supporting Spain, Portugal, Burundi, and the UN System** to ensure the conference delivers meaningful outcomes. Secondly, participants highlighted the necessity of **mobilizing political will** from all Member States to ensure the 4FFD serves as a **genuine platform for renewing global commitment to financing for development**. Achieving this is crucial for rebuilding **trust in the multilateral system**. Thirdly, they emphasized the need to **match political ambition with tangible actions**, stressing that the deliverables of

the 4FFD must reflect the scale of global challenges. Finally, participants called for an **inclusive approach** to the conference and its preparatory process, involving actors from **supranational, national, regional, and local levels**, as well as **civil society, academia, and the private sector**, to ensure broad participation and diverse perspectives in shaping the outcomes.

- Participants emphasized the importance of **networked multilateralism** and the need for greater **convergence among various intergovernmental processes** to address global challenges more effectively. They highlighted the central role of the **United Nations in global economic governance** and its complementarity with international financial institutions, stressing that these bodies must work together to drive meaningful progress. While participants acknowledged the ongoing reform efforts, they called for **greater ambition** to meet the scale of current crises. In this context, they underscored the importance of building **synergies with other intergovernmental platforms**, particularly with the **G20**, noting the key opportunities for alignment during the **Brazilian and South African presidencies**.
- Participants highlighted the **importance of sequencing** the upcoming summits to ensure **coherence across key processes**, such as the **Summit of the Future (SoTF)**, the **4FFD**, and the second **World Summit for Social Development (WSSD2)**. They stressed that aligning the timing and outcomes of these events will be critical for maintaining momentum and ensuring that the goals of each summit reinforce one another in driving global development and financing efforts.
- The **ImPACT Coalition** was highlighted as a key mechanism for contributing to **accountability** by ensuring that the commitments made under the Pact for the Future are effectively implemented. Participants emphasized that the **4FFD** must remain a platform for driving transformative change, with the Coalition playing a central role from the civil society in tracking progress and maintaining momentum toward global development objectives.

#### **Key recommendations for action (5-6 bullet points)**

The following key recommendations were put forward regarding the content for the **4FFD**: (1) discussions and commitments must address **inequality** both among and within countries; (2) Pursue **ambitious reforms** to the international financial architecture to make it more effective and inclusive, ensuring greater representation of voices from the **Global South**; (3) Expand and capitalize **Multilateral Development Banks (MDBs)** and **Public Development Banks (PDBs)** to a larger scale; (4) Ensure more effective use of **Special Drawing Rights (SDRs)**; (5) **Improve debt sustainability** by implementing short-term solutions for the **current debt crisis** and crisis prevention, along with a **permanent mechanism for debt renegotiation**; (6) Revise metrics to go beyond GDP, and promoting **Global Public Investments** over GNI; (7) Strengthen **international cooperation on taxation**; (8) Mainstream a **gender approach** throughout the FFD agenda; (8) Establish a robust **follow-up mechanism** to monitor commitments made in the 4FFD; (9) Create **enabling environments** to encourage private sector investment in the **SDGs**; (10) Promote the use of **blended financing** models; (11) Implement **sustainability ratings** to guide investments; (12) Conduct a comprehensive review of the **IMF** to improve its responsiveness to developing country needs; (13) Expand financing options in **local currencies** and enhance **risk management** capacity building (14) support the implementation of the recommendations of the G20 Independent Panel for Review of MDBs' Capital Adequacy Frameworks (**CAF**); (15) Provide better **guarantees for long-term affordable loans** to developing countries; (16) Facilitate non-financial enablers such as **trade and technology transfer** to support development; (17) Innovatively address financing for **social development** and **urbanization needs**; (18) Intensify efforts to **combat illicit financial flows**; (19) Improve engagement with **credit rating agencies** to support better financing conditions for developing countries (20) Establish **mechanisms for counter-cyclical private financing** for developing economies (21) Create **regional institutions** for the international monetary system and for **tax cooperation**; (22) Renew focus on **international public finance**, and ensure the **quality of financing**; and (23) Expand **grant-based funding** to support development initiatives.

#### **Webpage to find more information**

<https://clubmadrid.org/pact-for-the-future-and-beyond-towards-the-4th-international-conference-of-financing-for-development/>