

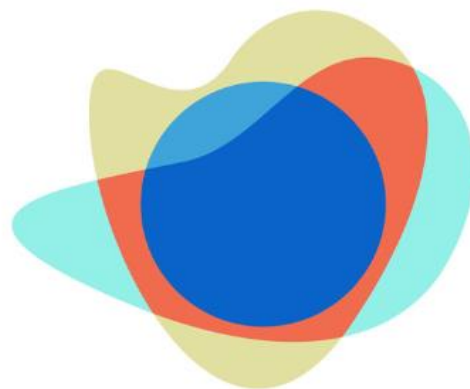


Department of Economic and Social  
Affairs



# Session 6: The road to the Fourth International Conference on Financing for Development (FFD4)

New York, 9-10 December 2024



# Key messages / principles

## 1. Vulnerability:

- Mainstreaming the concept of vulnerability throughout the FFD4 outcome document, with a focus-on climate vulnerability.
- Including tailored measures that are responsive to SIDS' vulnerabilities.
- Defining vulnerability in a way that doesn't dilute its relevance for SIDS (e.g. not conflating with fragility).

## 2. Capacity building:

- All financing should be accompanied by technical assistance to build capacities.

### **3. Country-leadership:** *in identifying the challenges and solutions for SIDS*

- All financing and development assistance is aligned with SIDS' national development priorities and strategies.
- Access procedures for SIDS are streamlined and simplified and responsive to their national systems and circumstances.

### **4. Enabling international economic environment:** *global North takes action to improve external conditions for SIDS*

- SIDS' partners take meaningful action through FFD4 to improve the enabling environment for SIDS, particularly on issues outside of the control of SIDS governments.
- The international financial architecture must be reformed.

### **5. Integrating ABAS throughout the FFD4 outcome:**

- Partners' engagement in FFD4 outcome document negotiations should be guided by priorities that SIDS have already identified which are well understood (ABAS).
- SIDS-led initiatives should be embedded in the FFD4 outcome document and their relevance elevated more broadly (Center of Excellence, Debt Sustainability Support Service).

# Applying the principles to FFD Action Areas

	Vulnerability	Capacity-building
<b>International Development Cooperation</b>	Using INFFs to mainstream vulnerability in financing policy-making	Using budget support to strengthen national systems
<b>Debt sustainability</b>	Reform debt sustainability assessments	Technical assistance to engage with credit rating agencies (DSSS)
<b>International trade as an engine for development</b>	Support for measures to respond to remoteness: e-commerce, digitalization, access to international markets	Expanding productive capacities
<b>Domestic and international business and finance</b>	Shifting the approach to risk	Support for SMEs and MSMEs

	<b>Country-leadership</b>	<b>Enabling external environment</b>
International Development Cooperation	Onerous budget support processes with MDBs	Separating climate and development finance
Debt sustainability	Global initiatives on debt are responsive to countries' national debt strategies	Debt transparency
International trade as an engine for development	Supporting sectors where SIDS have a comparative advantage	WTO issues, subsidy regimes
Domestic and international business and finance	Bottom-up private sector development approach	Correspondent banking