CIVIL SOCIETY FINANCING FOR DEVELOPMENT GROUP

Elements for the Outcome Document of the 2022 ECOSOC Forum on Financing for Development

Inputs by Civil Society Financing for Development Group

24 March 2022

This document has been collectively developed by the Civil Society Financing for Development (FfD) Group (including the Women's Working on FfD), a very broad platform of civil society organizations, networks and federations from around the world, that followed closely the Financing for Development since its origins, facilitated civil society's contribution to the Third International Conference on Financing for Development, and continues to provide a facilitation mechanism for the collective expression of civil society in the FfD Follow-up process. More information can be found on the Civil Society FfD Group's website: https://csoforffd.org/about/

While the group is diverse and positions might differ on specific issues, this document expresses the elements of common concern.

The column in the middle contains alternative text suggestion. <u>Text underline in red</u> represents additions, ~~strikethrough~~ = suggested deletions. The column on the right contains summaries of comments – further elaboration is available on request.

Zero Draft	Alternative Suggestion	Comments
1. We, Heads of State and Government, Ministers and high-level representatives, have met from 25 to 28 April 2022 at the Seventh Economic and Social Council Forum on Financing for Development follow-up.		
2. We express our resolve to continue to scale up our efforts towards the full and timely implementation of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development. We reaffirm the paramount importance of the Charter of	We express our resolve to continue to scale up our efforts towards the full and timely implementation of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, <u>the Doha Declaration and the Monterrey Consensus</u>. We reaffirm the paramount importance of the Charter of the United	Para 2 of AAAA commits to following up on all FfD outcome documents.

the United Nations in the promotion of the rule of law among nations.	Nations in the promotion of the rule of law among nations.	
3. We are meeting against the backdrop of a highly fragile global economic outlook amid the ongoing COVID-19 pandemic and rising geopolitical tensions. We acknowledge that inflation, slowing growth, and ongoing supply chain disruptions further endanger development prospects and contribute to a further divergence in recovery.		
4. We commit to undertake further actions to end poverty and hunger and enhance developing countries' access to financing for crisis response and for investments in a sustainable recovery.		
Cross-cutting issues		
5. We note with concern that the world is not on track to achieve the target to vaccinate 70 percent of the population of every country by mid-2022 in line with the WHO Global COVID-19 Vaccination Strategy. We will take steps to significantly boost the supply of vaccines and essential medical products and inputs in developing countries and remove relevant supply and financing constraints. We will support increasing vaccine distribution, administration and local manufacturing capacity in low and middle-income countries. We reiterate our support for ACT-A and we further commit to help developing countries meet national immunization requirements, improve national health	We also commit to review current trade rules in order to promote the manufacturing of COVID-19 related medical products in developing and least-developed countries by promoting access to technology, raw material and finance.	

systems, preparedness and health infrastructure, and progress towards universal health coverage.		
6. We reaffirm our commitment to increase quality, sustainable investments in essential public services for all, including health, education, energy and water and sanitation. We will strengthen our social protection systems to reduce inequalities, eradicate poverty, support a just transition and reintegration in labour markets, and promote inclusive and sustainable growth. We will expand investment in social protection floors as a percentage of gross domestic product in national budgets and extend child-sensitive social protection for all, including workers in the informal economy. We commit to improved and gender-disaggregated monitoring of social protection coverage.	We reaffirm our commitment to increase quality, sustainable investments in essential public services for all, including health, education, energy and water and sanitation. We will strengthen our social protection systems to reduce inequalities, eradicate poverty, support a just transition and reintegration in labour markets, and promote inclusive and sustainable growth and decent jobs creation. We will expand investment in sustainable social protection protection systems including floors as a percentage of gross domestic product in national budgets and through enhanced development cooperation, and extend child-sensitive social protection for all, including workers in the informal economy. We commit to improved and gender-and-disability- disaggregated monitoring of social protection coverage.	
7. We commit to massively scale up our efforts to achieve gender equality, including through gender-responsive health, social and economic recovery programmes, especially with respect to COVID-19, and greater investment in the care economy.	We commit to massively scale up our efforts to achieve gender equality, including through gender-responsive health, social and economic recovery programmes, especially with respect to COVID-19, and greater investment in the care economy, equal pay for work of equal value and the eradication of violence and harassment at the workplace.	
8. We reaffirm our joint commitment to transition towards low-emission energy systems, including through the phase-out of inefficient fossil fuel subsidies. To reach the goals of the Paris Agreement, our policy mix toward		

carbon neutrality and net zero should include a full range of fiscal, market and regulatory mechanisms including, if appropriate, the use of carbon pricing mechanisms and incentives.		
9. We emphasize the need to mobilize climate finance from all sources to reach the level needed to achieve the goals of the Paris Agreement, including significantly increasing support for developing countries, beyond $100 billion per year. We urge developed countries to fully deliver on the goal to mobilize jointly $100 billion per year urgently and through 2025, and we encourage further efforts to enhance access to finance. We further urge developed countries to at least double their collective provision of climate finance for adaptation to developing countries from 2019 levels by 2025, in the context of achieving a balance between mitigation and adaptation, and we will strengthen our efforts to prioritize grant finance for developing countries.	We emphasize the need to mobilize climate finance from all sourcesto reach the level needed to achieve the goals of the Paris Agreement, including significantly increasing support for developing countries, beyond $100 billion per yea<u>r and in addition to the standing ODA commitments.</u> We urge developed countries to fully deliver on the goal to mobilize jointly $100 billion per year urgently and through 2025, and we encourage further efforts to enhance access to finance. We further urge developed countries to at least double their collective provision of climate finance for adaptation to developing countries from 2019 levels by 2025, in the context of achieving a balance between mitigation and adaptation, and we will strengthen our efforts to prioritize grant finance for developing countries.	
10. We will explore innovative platform approaches to coordinate, scale up, and channel public and private finance and technical assistance for sustainable, quality and resilient infrastructure development. We resolve to address investment barriers to developing bankable project pipelines and will take steps to deploy blended finance at scale,	We will explore innovative platform approaches to coordinate, scale up, and channel public and private finance and technical assistance for sustainable, quality and resilient infrastructure development. <u>We recognize that infrastructure is key to strategies for socioeconomic transformation and a resilient recovery. We acknowledge that private investment cannot replace public investment in infrastructure, and that there is</u>	Considering the systemic nature of the FfD process in its recognition of structural and interconnected barriers to expanding fiscal and policy space and achieving sustainable development, policy measures to encourage private sector engagement in sustainable development should also consider those systemic dimensions. For instance, it would be important to consider infrastructure as key to strategies for socioeconomic

as appropriate, to leverage all infrastructure financing sources.	a need to move away from a project-by-project approach to a more systemic one, which also addresses commodity dependence and contributes towards economic diversification and long-term national development strategies. We resolve to address investment barriers to ~~developing bankable project pipelines and will take steps to deploy blended finance at scale, as appropriate, to leverage all infrastructure financing sources.~~ scale up private investment in infrastructure, in line with national development plans and priorities.	transformation and a resilient recovery. This means stressing the importance of systemic solutions that address the barriers to domestic resource mobilisation by developing countries – including debt cancellation, international cooperation to address tax abuse, financial sector regulation and capital market controls. This would expand countries' fiscal and policy space to finance infrastructure projects and can in turn contribute to economic diversification and industrialisation, leading to less dependence on aid and commodity trade. Thinking about infrastructure investments through the lens of a sustainable and resilient recovery, might also entail considering types of infrastructure that actually serve to reduce countries' commodity dependence and promotes economic diversification and socio-economic transformation.
11. We commit to support the implementation of integrated national financing frameworks to align financing policies and strategies with national investment priorities and sustainable development strategies.	We commit to support the implementation of integrated national financing frameworks to align financing policies and strategies with nationally owned investment priorities and sustainable development strategies. At the same time, national development efforts need to be supported by an enabling international economic environment, including coherent and mutually supporting world trade, monetary and financial systems, and strengthened and enhanced global economic governance.	The edits reflect language endorsed with AAAA; Para 9 of AAAA on INFFs also includes this line on an enabling international economic environment.
12. We recognize the importance of addressing the diverse needs and challenges faced by countries in special situations, in particular African		

countries, the least developed countries, landlocked developing countries and small island developing states, as well as the specific challenges faced by middle-income countries.		
Domestic Public Resources		
13. We recognize that domestic resources are first and foremost generated by economic growth, supported by an enabling environment at all levels. Sound social, environmental and economic policies, including countercyclical fiscal policies, adequate fiscal space, good governance at all levels, and democratic and transparent institutions responsive to the needs of the people are necessary to achieve our goals.	We recognize that domestic resources are first and foremost generated by economic ~~growth~~ activity, supported by an enabling environment at all levels. Sound social, environmental and economic policies, including countercyclical fiscal policies, adequate fiscal space, trade and investment policies that would allow enterprises in developing countries to move up the global value chain, adequate wage policies including minimum living wages and equal pay, good governance at all levels, and democratic and transparent institutions responsive to the needs of the people are necessary to achieve our goals.	The line about economic growth is simply wrong – it's not growth but activity that underpins tax revenues. This also matters because of the point suggested for the following paragraph.
14. We recommit to strengthening the capacities of revenue administration through modernized, transparent, and progressive tax systems, and more effective tax collection. We call upon the international community to scale up support for related capacity building to countries, particularly developing countries, especially in building tax policy and administration capacity. We recognize that strengthening public financial management and budget execution can help maximize the effectiveness of government expenditure.	We recommit to enhancing ~~strengthening the capacities of~~ revenue administration through modernized, transparent, and progressive tax systems, improved tax policy and more effective tax collection. We call upon the international community to address the failings in international tax rules that allow multinational companies to separate their taxable profit from the location of their real economic activity. We will strengthen international cooperation to support efforts to build ~~scale up support for related~~ capacity ~~building to countries, particularly~~ in developing countries, including through enhanced official development assistance (ODA)~~especially in building tax policy and~~	Edits in first sentence: "enhancing" instead of "strengthening the capacities of", and adding "improved tax policy" makes the paragraph follow the wording of para 22 of the AAAA. Second sentence (split into two parts): making clear that tax systems are stymied primarily by the international rules, not a lack of capacity building and a new sentence edited to align with para 22 of AAAA Third sentence: to emphasise that tax itself is central to government accountability (this relationship is political, rather than a technical one that can be fixed only by

	~~administration capacity~~. We recognize that strengthening public financial management and budget execution can help maximize the effectiveness of government expenditure, and that tax is at the core of the social contract that allows people to hold their states accountable for inclusive and effective spending.	'strengthening public financial management' etc).
15. We stress that international tax cooperation must be strengthened to ensure no countries are left behind. We commit to improve international sharing of tax information, especially for least developed countries, and to scale up assistance for improving systems and related capacity building.	We stress that international tax cooperation should be universal in approach and scope. We commit to scaling up international tax cooperation ~~must be strengthened~~ to reverse the stark inequalities in taxing rights between countries, and ensure no countries are left behind. We also commit to ~~improve~~ end the related inequalities in access to international sharing of tax information, especially for least developed countries, and to scale up assistance for improving systems and related capacity building. We recognize with concern that there is still no single global inclusive forum for tax cooperation at the intergovernmental level.	Para 28 of AAAA: "We stress that efforts in international tax cooperation should be universal in approach and scope" Para 27 of AAAA: "We commit to scaling up international tax cooperation."
16. We acknowledge that any consideration of tax measures in response to the digital economy should include a careful analysis of the implications for developing countries with a special focus on their unique needs and capacities. We note the diverse proposals in this area, including the work of the UN Tax Committee on a model tax treaty provision on taxation of automated digital services.	We acknowledge that any consideration of tax measures in response to the digital economy should include a careful analysis of the implications for developing countries with a special focus on their unique needs and capacities. We note the diverse proposals in this area, including the work of the UN Tax Committee on a model tax treaty provision on taxation of automated digital services, which highlights the potential for globally inclusive processes under UN auspices to deliver effective and timely outcomes, even as we continue to respect the sovereign right of each country to levy taxes	

	on the revenues of any entity that conducts business within its jurisdiction.	
17. We recommit to preventing and combating illicit financial flows and strengthening international cooperation and good practices on assets return and recovery. We reaffirm our commitment to strive to eliminate safe havens that create incentives for the transfer abroad of stolen assets and illicit financial flows. We will implement our obligations to prevent and combat corruption and money laundering enshrined in existing international architecture, particularly those prescribed in the UN Convention against Corruption and UN Convention against Transnational Organized Crime.	We recommit to preventing and combating illicit financial flows and strengthening international cooperation and good practices on assets return and recovery. We reaffirm our commitment to strive to eliminate safe havens that create incentives for the transfer abroad of stolen assets and illicit financial flows, in particular by closing down the mechanisms for anonymous wealth ownership [that are predominantly available in developed countries and their dependent territories] by promoting public beneficial ownership registries and global financial registries. We will implement our obligations to prevent and combat corruption and money laundering enshrined in existing international architecture, particularly those prescribed in the UN Convention against Corruption and UN Convention against Transnational Organized Crime. With a view to effectively addressing tax-related illicit financial flows, we commit to exploring the potential for a UN tax convention to address the many gaps and loopholes in the international architecture.	
18. We recognize that the digitalization of money brings both new risks of tax avoidance, tax evasion and illicit financial flows as well as new enforcement possibilities. We will enhance global coordination and alignment of regulatory, supervisory and oversight frameworks for digital assets to avoid revenue leakages and	We recognize that the digitalization of money brings both new risks of tax avoidance, tax evasion and illicit financial flows as well as new enforcement possibilities. We will enhance global coordination and alignment of regulatory, supervisory and oversight frameworks, under the auspices of the UN, for digital assets to avoid revenue leakages and strengthen domestic resource mobilization.	

strengthen domestic resource mobilization.		
Domestic and international private business and finance		
19. We will take concrete steps to incentivize and scale-up long-term affordable private finance for investments that contribute to the Sustainable Development Goals. We note that sustainable investment flows reached record levels in 2021, with the global outstanding amount of sustainability-labeled bonds now over $2.5 trillion. We recognize the constraints faced by developing countries in accessing investment products with sustainability features. We call on donors to strengthen capacity building support for countries, particularly developing countries, to integrate sustainable investment approaches in capital market development plans through regional and global approaches to avoid market fragmentation.	We will take concrete steps to incentivize and scale-up long-term affordable and responsible private finance for investments that contribute to the Sustainable Development Goals. We note that sustainable investment flows reached record levels in 2021, with the global outstanding amount of sustainability-labeled bonds now over $2.5 trillion. We recognize the limitations of relying on capital markets as a source for long-term financing and the constraints faced by developing countries in accessing investment products with sustainability features. We call on ~~donors to strengthen capacity building support for countries, particularly developing countries, to integrate sustainable investment approaches in capital market development plans through regional and global approaches to avoid market fragmentation.~~ governments to develop public policy options and regulations for private business and finance to serve sustainable development and place the focus on promoting structural transformation at the country level, especially those that would allow developing countries to produce high value-added goods and provide high-value added services.	Based on the FSDR 2022, the overall push to increase the role of private investment should be reconsidered given the report's own admissions of (1) finance capital's prevailing short-termist behaviour (e.g., risk-aversion in developing countries); (2) the superficial quality of so-called ESG investing (which despite being in the trillions, were "not designed to go beyond financial returns"); (3) the current volatility of financial markets and the risks of capital flight in the global south. This below-optimal situation for 'sustainability'-driven financialisation actually presents a window of opportunity to rethink the overall narrative reliant on private finance and place the focus on the public policies needed to promote structural transformation at the country level and regulate the financial sector.
20. We call on regulators to adopt globally consistent corporate sustainability reporting standards for both privately-owned and listed companies to allow policymakers, consumers and investors	We call on regulators to adopt globally consistent corporate sustainability reporting standards for both privately-owned and listed companies to allow policymakers, consumers and investors to integrate sustainability issues	While some have high expectations about making capital markets a reliable source of long-term financing, it is important to acknowledge that recent developments in the field of the financial sector are more

to integrate sustainability issues into their decisions. We note the International Sustainability Standards Board (ISSB) launched during COP26 and call for complementary policies to enhance the alignment of corporate reporting with the Sustainable Development Goals.	into their decisions. We recognize, however, that ESG investment strategies have their limitations as they are not designed to go beyond financial returns. We note the International Sustainability Standards Board (ISSB) launched during COP26 and call for complementary policies to enhance the alignment of corporate reporting with the Sustainable Development Goals. We recognize furthermore the need for developing mandatory business and human rights and environmental due diligence, and accountability of business and human rights violations at a binding treaty level globally to ensure that business practices do not harm the enjoyment of human rights or environmental protection objectives.	complex than the headlines anticipate. As the FSDR suggests "ESG investment strategies were not designed to go beyond financial returns" (p. 86-87). In light of this, we call for ambitious proposals with the view of regulating the financial sector. Trusting that private business actors will pave the way towards sustainable development is not smart policy, especially considering unsustainable business models are at the core of many challenges the SDGs respond to. Key risks include greenwashing and SDG-washing of business activities, natural resource governance and land ownership disputes, displacement and land-based violence, among others.
21. We stress the need for greater transparency, comparability, and reliability of data and methodologies to measure the impact of sustainable investment products. We call upon institutional investors to disclose the environmental and social footprint of and the physical risks within and created by their portfolios.		
22. We are concerned that remittance costs remain far above the Sustainable Development Goal target of 3 per cent or lower. We further express our concern at the continued decline in correspondent banking relationships, due to de-risking trends, and its adverse consequences on low-value remittance flows. We will work on innovative ways to improve the access to, usage and quality of financial services to lower the		

cost of remittances, including through digital channels.		
International Development Cooperation		
23. We express concern that although official development assistance (ODA) reached its highest level in 2020 during the unprecedented crisis, the rise could be temporary. We call upon development partners to scale up and meet their ODA commitments with new and additional resources, including the commitment by many developed countries to achieve the target of 0.7 per cent of gross national income (GNI) and 0.15 to 0.20 per cent of ODA/GNI to the least developed countries. We emphasize that grant finance rather than loans should be prioritized for vulnerable countries, such as least developed countries and small island developing States.	We express concern that although official development assistance (ODA) reached its highest level in 2020 during the unprecedented crisis, the rise could be temporary. We call upon development partners to scale up and meet their ODA commitments with new and additional resources, including the commitment by many developed countries to achieve the target of 0.7 per cent of gross national income (GNI) and 0.15 to 0.20 per cent of ODA/GNI to the least developed countries. We note with concern the development partners' intentions to report as ODA the donations of in-excess Covid 19 vaccine doses as this may, inter alia, distort primary access to vaccines by developing States. We emphasize that grant finance rather than loans should be prioritized for vulnerable countries, such as least developed countries and small island developing States. (new para) We call on providers of development assistance to steadily close the gap to the internationally agreed targets, including 0,7% of the ODA/GDP by 2030, with additional resources to match the growing demand for quality resources due to competing global crises. To realize the Agenda 2030's ambitions, we invite providers not to inflate their ODA volumes by reporting donations of Covid 9 in-excess doses, SDRs allocations, and spikes in in-donor refugee costs due to the on-going geopolitical crises.	NB language on grants vs loans is very important and should be ringfenced. It balances the messages in para on blending.

24. We will improve the effectiveness of development cooperation and commit to support developing countries in strengthening their capacities at the national and local levels to manage and reduce risks.	We will improve the effectiveness of all forms of development cooperation and commit to support developing countries in strengthening their capacities at the national and local levels to manage and reduce risks. We look forward to the GPEDC High Level Meeting in Dec 2022.	
25. We welcome the appointment by the President of the General Assembly of the High-Level Panel of experts to finalize a multidimensional vulnerability index by the end of 2022. We call upon the international community to use multidimensional vulnerability as criteria to access concessional finance.		
26. We welcome the adoption by the UN Statistical Commission of the proposed new indicator 17.3.1 under SDG target 17.3 "Mobilize additional financial resources for developing countries from multiple sources". We will continue to hold open, inclusive and transparent discussions on the modernization of ODA measurement and on the proposed measure of "total official support for sustainable development" and we affirm that any such measure will not dilute commitments already made.		
27. We note the growing scale and scope of South-South Cooperation and its significant contributions to short-term pandemic response and long-term recovery. We welcome the development of an initial conceptual framework for		

South-South cooperation, which marks a breakthrough in its measurement and encourage further work in this regard.		
28. We call upon development partners to provide multilateral development banks with additional capital funding and support the reform of capital adequacy requirements and balance sheet optimization approaches to increase lending capacity.		
29. We will increase the scale and effectiveness of blended finance by focusing on need and the potential for development impact, including for least developed countries.	29. ~~We will increase the scale and effectiveness of blended finance by focusing on need and the potential for development impact, including for least developed countries~~.	See previous comment on grants vs loans. The latest FSDR confirms skepticism about the utility of blending to LDCs. Research has also cast serious doubts over the compatibility between blended finance and existing commitments and obligations on 'leaving no one behind' and on fulfilling the human rights of groups who have historically faced discrimination.
International trade as an engine for development		
30. We reaffirm the important role of open, fair, equitable, sustainable, nondiscriminatory and inclusive rules-based multilateral trade system in restoring growth, job creation and industrial productivity and promoting sustainable development.		
31. We are concerned by the ongoing disruption in trade logistics that continues to hamper global value chains and the high cost of international supply chains. We will enhance the sustainability and resilience of supply	We are concerned by the ongoing disruption in trade logistics that continues to hamper global value chains and the high cost of international supply chains. We will enhance the sustainability and resilience of supply chains that foster the sustainable integration of developing countries and promote	

chains that foster the sustainable integration of developing countries and promote inclusive economic growth, including through increased participation of micro-, small- and medium-sized enterprises in international trade and investment.	inclusive economic growth, including through increased participation of micro-, small- and medium-sized enterprises based in developing countries in international trade and investment. We decide to implement a temporary global moratorium on all provisions in all current trade and investment agreements that impede governments' policy space to implement necessary COVID-19 measures, including, but not limited to the international investment agreements (IIAs) and the dispute settlement mechanism thereof, that are forcing developing countries to pay huge compensation in the time of a pandemic.	
32. We are concerned about the widening trade finance gap between developed and developing countries and call for international cooperation to address trade finance access barriers including in bank regulations, anti-money laundering regulations and data collection.		
33. We welcome progress on the ratification and implementation of the World Trade Organization (WTO) Trade Facilitation Agreement and will take steps to enhance the movement of goods, including medicines and foodstuffs and reduce trade costs.	We welcome progress on the ratification and implementation of the World Trade Organization (WTO) Trade Facilitation Agreement and will take steps to enhance the movement of goods, including medicines and foodstuffs and reduce trade costs. We look forward to financial and technical assistance promised to developing countries and LDCs being delivered.	
34. We reaffirm the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) as amended,	We commit to review current trade rules in order to promote the manufacturing of COVID-19 related medical products in developing and least-developed countries by	"We reaffirm the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) as amended" - This is unclear.

and also reaffirm the 2001 World Trade Organization Doha Declaration on the TRIPS Agreement and Public Health, which recognizes that intellectual property rights should be interpreted and implemented in a manner supportive of the right of States to protect public health and, in particular, to promote access to medicines for all, and notes the need for appropriate incentives in the development of new health products.	promoting access to technology, raw material and finance.	Does this refer to the Waiver or the Doha Declaration? There is no agreed text on the Waiver. The current text pushed by DG as Quad text is totally ineffective and not yet agreed to by India and South Africa themselves. The outcome document should instead endorse a strong outcome on the Waiver that includes all developing countries and LDCs, and delivers on therapeutics and diagnostics in addition to vaccines
35. We recognize that trade and investment policy actions are intricately connected to climate action. We acknowledge that reducing emissions worldwide would require a speedier transition to more efficient production and transport processes. We call upon the international community to continue supporting developing countries' capacity building in reducing carbon contents of their exports.	We recognize that trade and investment policy actions are intricately connected to climate action. We acknowledge that reducing emissions worldwide would require a speedier transition to more efficient production and transport processes. We call upon the international community to continue supporting developing countries' capacity building in reducing carbon contents of their exports through the transfer of technology and finance.	
Debt and Debt Sustainability		
36. We are concerned that surging global public debt is compounding debt vulnerabilities that predated the pandemic. We note with concern that about 60 percent of least developed countries and other low-income countries are now assessed to be at high risk of or already in debt distress, while around a quarter of middle-income countries remain at high risk. We are further concerned that interest costs are rising in the poorest countries and	We are concerned that surging global public debt is compounding debt vulnerabilities that predated the pandemic. We note with concern that about 60 percent of least developed countries and other low-income countries are now assessed to be at high risk of or already in debt distress, while around a quarter of middle-income countries remain at high risk. We are further concerned that ~~interest~~ debt servicing costs are rising in the poorest countries and remain elevated in small island developing States, as they grapple with higher interest rates, slower	The text does not include anything on the actual impact of this increasing debt distress on people's rights and wellbeing

remain elevated in small island developing States, as they grapple with higher interest rates, slower recoveries, and persistent revenue shortfalls.	recoveries, and persistent revenue shortfalls. Increasing debt payments are already hampering developing countries' investment in public services, climate adaptation and mitigation, gender equality, social protection and food security, particularly in a context of increasing food and other commodity prices.	
37. We welcome the multilateral response to the pandemic, including the progress achieved by the Debt Service Suspension Initiative (DSSI) and the Common Framework for Debt Treatments beyond the DSSI (Common Framework).	We ~~welcome~~ note the multilateral response to the pandemic, including the progress achieved by the Debt Service Suspension Initiative (DSSI) and the Common Framework for Debt Treatments beyond the DSSI (Common Framework). However, these mechanisms have been proved insufficient, and further action, including debt cancellation, is urgently needed.	Important not to just uncritically welcome these, as they have been insufficient
38. We stress the importance of stepping up efforts to improve and implement the Common Framework in a timely, orderly and coordinated manner. We call on the G20 and Paris Club creditors to task the IMF to develop options for implementing comparability of treatment of private and other official bilateral creditors, expanding access to additional heavily indebted vulnerable countries, providing debt standstills throughout negotiations, and facilitating rapid recovery of capital market access following restructuring. We further call for enhancements to give more certainty to debtor countries and facilitate the IMF's and multilateral development banks' quick provision of financial support.	We stress the importance of stepping up efforts to improve and implement the Common Framework in a timely, orderly and coordinated manner. We are deeply concerned that participation of the private sector is not secured within the Common Framework, and that many developing countries remain excluded. We call on the G20 and Paris Club creditors, ~~to task the~~ as well as on the IMF and multilateral lenders to provide financial support to debtor countries that default on recalcitrant creditors not willing to accept the terms of debt restructuring and cancellation, allowing bilateral and multilateral debt restructuring and cancellation to go ahead. Relevant jurisdictions should promote legislative protection for borrowing countries from non-collaborative private creditors. These measures should support the implementation of ~~develop options for implementing~~ comparability of treatment of private and	

	other official bilateral creditors. We believe that the design of such a debt treatment framework and its improvements, should be taking place in a truly democratic, multilateral and inclusive institutional space, such as the UN, and not in exclusive forums with the predominance of creditors, such as the G20 or the Paris Club. We note the implementation of short term improvements in the Common Framework, including expanding access to additional heavily indebted vulnerable countries, providing debt standstills throughout negotiations, and facilitating rapid recovery of capital market access following restructuring. We further call for enhancements to give more certainty to debtor countries and facilitate the ~~IMF's and multilateral development banks'~~ quick provision of financial support. We commit to further improve the debt resolution architecture and build a more comprehensive, timely, fair resolution framework for sovereign debt challenges under the auspices of the UN.	
39. We express concern that as monetary conditions tighten, more countries may be in need of debt resolution to safeguard critical expenditure and preserve prospects to invest in a sustainable recovery. We will work towards a more comprehensive solution to sovereign debt resolution challenges, guided by the shared principles for debt resolution in the Addis Ababa Action Agenda.	We express concern that as monetary conditions tighten, more countries may be in need of debt resolution to safeguard critical expenditure and preserve prospects to invest in a sustainable recovery. We will work towards a more comprehensive solution to sovereign debt resolution challenges, guided by the shared principles for debt resolution in the Addis Ababa Action Agenda and aligned with the gender equality commitments under Beijing Action Plan and the goals of the Paris Agreement. We stress that debt treatments should create an enabling environment for investing in the SDGs, including gender	Important to note debt treatments are not only to be aligned with the SDGs but also particularly with gender equality commitments and with Paris Climate goals.

	equality, in climate resilience and in a sustainable and inclusive recovery.	
40. We recognize that high vulnerabilities, as reflected in a multidimensional vulnerability index, could contribute to the calibration of debt relief needed to restore sustainability in the context of debt restructuring.	We recognize that high vulnerabilities, as reflected in a multidimensional vulnerability index, could contribute to the calibration of debt relief needed to restore sustainability in the context of debt restructuring. We understand that debt sustainability analyses (DSA), as used by the IMF and World Bank, could be improved by incorporating the analysis of multidimensional vulnerabilities. We therefore call on governments, the IMF and the World Bank to urgently promote an open review of the approach to debt sustainability, with UN guidance and civil society participation, in order to move towards a debt sustainability concept that has at its core environmental and climate vulnerabilities, human rights, gender and development considerations. Debt sustainability evaluations must take into account a human rights-based approach, and consider the capacity to meet the needs for inclusive and sustainable recovery, to meet the SDGs and tackle adaptation and mitigation imperatives brought by the climate emergency.	Include the call for reviewed DSA
41. We acknowledge that debt transparency enables more effective debt management by debtors and better risk management by creditors, which are important tenets of responsible borrowing and lending principles. We call upon the international community to further (a) coordinate data collection processes; (b) provide support to strengthen debt management capacity,	We acknowledge that debt transparency enables more effective debt management by debtors and better risk management by creditors, which are important tenets of responsible borrowing and lending principles. We reiterate our call to work towards a global consensus on guidelines for debtor and creditor responsibilities in borrowing by and lending to sovereigns. In this regard, we note the United Nations Conference on Trade and Development	

and (c) enhance debt transparency through actions by both creditors and debtors.	principles on responsible borrowing and lending. We also note that Principles point at the adequacy to promote sovereign debt audits in order to improve the debt management practices, and ensure transparency and accountability in debt management. We call upon the international community to ~~further~~ take the necessary steps to create a public debt registry, created and housed in a permanent and independent institution, under the UN auspices. A global debt registry should start with (a) ~~coordinate~~ further coordination in data collection processes; (b) provide support to strengthen debt management capacity, and (c) enhancing~~e~~ debt transparency through actions by both creditors and debtors.	
42. We call upon the international community to strengthen inclusive dialogues and mechanisms on sovereign debt to advance the discussion on debt transparency and responsible lending and borrowing and the rules of engagement, including with the private sector.	We recognize that the existing tools and mechanisms are insufficient to provide long term solutions to the increasing debt vulnerabilities in a timely, orderly comprehensive and fair manner. In this regard, We agree to establish an open-ended intergovernmental working group under the auspices of the UN ~~call upon the international community~~ to ~~strengthen~~ initiate inclusive dialogues ~~and~~ with a view to establishing a binding, UN multilateral framework ~~mechanisms~~ on sovereign debt crisis resolution, to advance the discussion on debt restructuring, debt cancellation, debt transparency, and responsible lending and borrowing and the rules of engagement, including with the private sector.	
Addressing systemic issues		
43. We call upon Member States with strong external positions to implement,	We call upon Member States with strong external positions to implement, in a timely manner, the voluntary channeling of special	

in a timely manner, the voluntary channeling of special drawing rights to countries in need, including through the International Monetary Fund's Poverty Reduction and Growth Trust. We look forward to the operationalization of the International Monetary Fund's Resilience and Sustainability Trust as a new mechanism to voluntarily channel special drawing rights to finance sustainable development to low income and vulnerable middle-income countries. We will continue to explore options to voluntarily channel special drawing rights through multilateral development banks and other prescribed holders.	drawing rights (SDRs), to countries in need, including middle income countries, ~~including through the International Monetary Fund's Poverty Reduction and Growth Trust~~, while retaining SDRs characteristic of not being tied to economic policies conditionalities and provide debt-free financing. Such channelling should be additional to and do not come at the cost of existing ODA resources, nor compromise efforts by development partners to meet their international commitment to achieve the target of 0.7 per cent of gross national income (GNI).We look forward to the operationalization of the International Monetary Fund's Resilience and Sustainability Trust as a new mechanism to voluntarily channel special drawing rights to finance sustainable development to low income and vulnerable middle-income countries. We ~~will continue to explore~~ also encourage options to voluntarily channel special drawing rights that would support debt cancellation and strengthen financing schemes by multilateral development banks and other prescribed holders. We also recall the urgency of advancing progress with implementing art. 106 of the AAAA on strengthening the voice of developing countries in international economic decision-making and recognize the importance of overcoming obstacles to governance reforms at IMF.	
44. We express concern that developing countries may be most affected by unintended consequences of digital assets, including effects of central bank digital currencies on capital flow		

volatility, currency substitution, and monetary policy space. We will enhance international cooperation and coordination to develop appropriate designs for central bank digital currencies and regulatory frameworks for digital assets that address spillover risks to the global financial system.		
Science, technology, innovation and capacity building		
45. We are concerned that the digitalization of the economy and the progress in science, technology and innovation to support a sustainable energy transition may create new risks and worsen inequalities if not carefully managed. We will redouble our efforts to ensure universal and affordable Internet access, digital skills training, and targeted policies for specific groups, including women and girls and youth, to close digital divides within and between countries.	We are concerned that the digitalization of the economy and the progress in science, technology and innovation to support a sustainable energy transition may create new risks and worsen inequalities if not carefully managed. We will redouble our efforts to ensure universal and affordable Internet access, digital skills training, and targeted policies for specific groups, including women and girls and youth and persons with disabilities.~~,~~ We call for strengthened international cooperation and call on the Science, Technology and Innovation Forum 2022 to present recommendations to member states on global governance of digital technologies and digitalization to close digital divides within and between countries.	
46. We invite regulators and supervisors to build on financial technology to support financial inclusion while addressing growing risks, including from cyber incidents and digital fraud, by strengthening consumer protection and holding financial service providers accountable for safeguarding data.		

Data, monitoring and follow-up		
47. We commit to enhancing transparency and building a more complete information ecosystem to strengthen the ability of countries to manage risks and use resources well and in line with the Sustainable Development Goals.		
48. We acknowledge the important role of credit ratings in the capital market ecosystem and their impact on the volume, cost, and stability of access to market financing. We call upon credit rating agencies to clearly distinguish the discretionary components of sovereign ratings and to consider long-term sovereign ratings to complement existing assessments.	We acknowledge the important role of credit ratings in the capital market ecosystem and their impact on the volume, cost, and stability of access to market financing. We call upon credit rating agencies to clearly distinguish the discretionary components of sovereign ratings and to consider long-term sovereign ratings to complement existing assessments. We decide to establish a universal, intergovernmental ECOSOC commission to ensure coordinated action in regulating Credit Rating Agencies.	In addition to looking at the adequacy of CRAs rating methodologies and possible bias in its implementation that undermine developing countries' access to capital markets, CRA regulation would also need to focus on issues such as addressing conflicts of interest, promoting alternative structures to avoid quasi-monopolistic market dynamics, and tackling excessive reliance of investors on ratings. Such a commission should also further study recommendations such as establishing an international public credit rating agency at the UN that could provide long-term ratings as well as counterbalance the influence of private credit rating agencies. Joint civil society submission on Credit Rating Agencies: https://csoforffd.org/2020/12/03/submission-on-credit-rating-agencies/
49. We recognize that the pandemic and climate crises have revived discussions on measures of sustainable development beyond gross domestic product. We note the upcoming update of the 2008 System of National Accounts and the ongoing work on the System of Environmental Economic Accounts		

(SEEA) through the United Nations Statistical Commission.		
50. The United Nations, its Economic and Social Council, and the forum on financing for development follow-up, in coordination with all relevant actors, have critical roles to play in harnessing and shaping international consensus to work towards a more sustainable, inclusive and resilient global economy.		
51. We decide that the 8th ECOSOC Forum on Financing for Development follow-up will convene from xx to xx April 2023 and will include the special high-level meeting with the Bretton Woods institutions, the World Trade Organization and the UNCTAD.		
52. We considered the need to hold a follow-up conference in a rapidly evolving global environment and decide to hold the Conference in 2024.	We considered the need to hold a follow-up conference in a rapidly evolving global environment and decide to hold the Conference in 2024. (Retain)	We strongly urge all member states to support this decision to hold the next FfD conference in 2024.