



The FfD Chronicle

The CS FfD Mechanism is an open civil society platform including several hundreds of organizations and networks from diverse regions and constituencies around the world. CS FfD Mechanism's core principle is ensuring that civil society can speak with one collective voice.

CHAMPIONS STEP UP AS SECOND PREPARATORY COMMITTEE SESSION FOR FFD4 BEGINS

As the second Preparatory Committee Session for the Fourth International Conference on Financing for Development (FfD4) kicks off, we celebrate the champions who are calling for real ambition and action. These governments are driving forward bold calls and commitments to elevate the FfD4 agenda.

The FfD Chronicle commends these calls and encourage others to join in, amplifying support for these calls to ensure impactful outcomes at FfD4.

UN Convention on IDC: time for UN-centered governance reform

- Zambia: Agree on a UN Convention on International Development Cooperation, including establishing a mechanism for the fulfillment of the trillions in unmet 'aid debt' owed to the Global South through decades.
- G77: Stress the need for a transparent and inclusive multilateral process under UN auspices for agreeing on a common understanding of parameters and objectives of ODA flows.
- Pakistan/Egypt/Nigeria: Stress the need for a transparent and inclusive multilateral process under UN auspices for agreeing on a common understanding of parameters and objectives of ODA flows
- Brazil: We also encourage the establishment of an enhanced transparency framework, under the auspices of the UN, to harmonize concepts and standards as well as monitor ODA financial flows.

UN Framework Convention on Debt: time for UN-centered reform of the global debt architecture

- Africa Group: We advocate for an integrated approach encompassing the expansion of debt relief and restructuring programs (...) and the establishment of a global legal framework.
- Pakistan, Egypt and Nigeria: Initiate negotiations on a multilateral legal framework for debt restructuring, Create a multilateral sovereign debt workout mechanism, Establish a global debt authority, Adopt a new approach to debt sustainability analyses that puts development at its center.

Multilateral agreement for the coordinated and permanent cessation of Investor-State-Dispute-Settlement (ISDS) provision in international investment agreements (IIAs).

- Pakistan, Egypt and Nigeria: Commit to reforming international investment treaties as well as the investor-state dispute settlement mechanisms, and launch a working group under UN auspices to this end. Pursue a multilateral approach for the reform of Investor-State-Dispute Settlement provision in international investment agreements.
- Brazil: There have been several instances where public environmental policies, for example, were hampered by court rulings that resulted in costly compensations. (...) Thus, we believe the topic of the relationship between investor-state litigation and the implementation of the 2030 Agenda could be included in the preparatory process of FfD4.

Ban unilateral trade measures (UTMs) on grounds of sustainability and adopt a balanced and equitable approach to trade and sustainability

- G77: Eliminate immediately all laws and regulations with extraterritorial impact and all other forms of coercive economic measures, including unilateral sanctions, against developing countries and emphasize that such actions not only undermine the principles enshrined in the Charter of the UN and international law but also severely threaten freedom of trade and investment. Express concern about trade restrictive measures imposed under the guise of environmental protection as they hinder free and fair trade, and violate the principles of Nationally Determined Contributions (NDCs), and Equity and Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC), in light of different national circumstances, thus negatively impacting developing countries.
- Africa Group: There is a rise of unilateral trade measures, including the Climate Border Adjustment Measures (CBAM), which discriminate against developing countries by unilaterally imposing sustainability standards on their exports, which threaten not only their exports but production processes within their economies. Such measures should be stopped.
- AOSIS – Alliance of Small Island States: Refraining from promulgating and applying any unilateral economic, financial or trade measures not in accordance with international law and the Charter of the United Nations (...).
- Brazil: While fully acknowledging the critical importance of addressing climate change, we reaffirm the imperative to ensure that climate actions, whether undertaken unilaterally or collaboratively, do not unfairly discriminate against any trading partners or serve as disguised barriers to international trade. (...) Moreover, many developing countries face unilateral coercive measures, which not only undermine the principles enshrined in the UN Charter and international law but also severely threaten the freedom of trade and investment, invariably disrupting trade flows, exacerbating poverty, racial and gender inequalities, and hindering development efforts in targeted countries. There is an urgent need for their elimination.
- India: (...) trade restrictive measures in the guise of environmental protection must not be imposed as they hinder free and fair trade. India is deeply concerned about the increasing use of protectionist unilateral measures impacting trade, such as the EU's Carbon Border Adjustment Mechanism.

- South Africa: The introduction of unilateral policy measures, such as the Carbon Border Adjustment Mechanisms (CBAMs), is a concerning trend considering their unilateral nature and incompatibility with international trade law.

Establish a universal, intergovernmental ECOSOC Commission to regulate Credit Rating Agencies (CRAs), including exploring establishing an international public credit rating agency at the UN

- Pakistan, Egypt, Nigeria: Revamp the credit rating system by establishing mechanisms under UN auspices for discussing international institutional innovations to ensure transparency in ratings, address conflict of interest, and promoting competition. Such mechanisms could include an ECOSOC intergovernmental commission on the topic, a public credit rating agency or an annual dialogue with credit rating agencies.
- G77: Enhance transparency and reform of credit ratings agencies to help increase opportunities for developing countries to access long-term private investments and credit flows for sustainable development to have fair credit ratings for all. Reform the credit rating system to ensure accuracy of risk assessment, transparency and encourage investment in the sustainable development priorities of developing countries.
- Colombia: Inaccurate ratings can impact the cost of borrowing and the stability of the international financial system, as demonstrated during the 2008 global financial crisis. Given the wide reach of private credit rating agencies and their decisive role in either facilitating or hampering progress on debt treatment and affecting the cost of borrowing, note that member states may consider the feasibility of establishing public rating agencies.
- India: Global coordination is needed to ensure that the Sovereign Rating Agencies rectify fundamental problems in their rating models, which are necessary for optimal financing for sustainable development in emerging and less developed economies.
- Bangladesh: Additionally, the current credit rating system restricts access to funds for low income countries. A comprehensive review of global credit rating system is therefore essential.