

First Draft

Outcome Document of the 2021 ECOSOC Forum on Financing for Development follow-up

This document has been developed by the Coordination Group of the Civil Society Financing for Development (FfD) Group, a very broad platform of civil society organizations, networks and federations from around the world, that followed closely the FfD since its origins, facilitated civil society's contribution to the Third International Conference on FfD, 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 CS FfD Group's website: <https://csoforffd.org/> While the group is diverse and positions might differ on specific issues, this document expresses the elements of common concern.

SUMMARY

- **We support the call for the next FfD conference in 2022 (Monterrey +20). We urge member states to agree on this as priority during the negotiations.**
 - 89. Towards this end, as decided in the intergovernmentally agreed conclusions and recommendations of the 2020 Financing for Development Forum, we ~~underline the need~~ **decide** to hold a follow-up conference in 2022 (Monterrey+20) with a focus on ~~the financing of Agenda 2030 and discuss~~**ing** transformative ways towards a new global economy
- **The call for “an inclusive platform on sovereign debt for all countries” remains a key actionable outcome. However, we are concerned with language that does not speak clearly about a Sovereign Debt Workout Mechanism and, more importantly, does not clarify that such a platform needs to be established under the aegis of the United Nations.**
 - 65. 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 on the international community~~ to initiate dialogue with a view to establishing a binding, UN multilateral framework towards ~~in~~-an inclusive platform on sovereign debt crisis resolution for all countries to advance the discussion on debt cancellation, debt restructuring, debt transparency and responsible lending and borrowing and the rules of engagement, including with the private sector.
- **We are deeply concerned with the movement in the revised draft towards more words and less action which fails to address today's urgent responses. While some of the language got strengthened, this happened in non-actionable propositions and most of the concrete actionable outcomes which had been proposed have been deleted or revised downwards. This generates a widening gap between the ambition that the moment requires and the weak/non-existing means of implementation.**
- **We remain deeply concerned with the assertion that regulators are elsewhere and UN just does capacity building. The revised draft does not show any progress in strengthening the centrality of the United Nations in the much-needed economic governance reforms.** In this respect, the reference to avoid duplication is out of place in the document, particularly when it refers to areas of governance where non-inclusive institutions claim to make decisions for all countries.
 - 26. We **call on Member States** to work to enhance financial accountability, transparency and integrity for sustainable development by strengthening international coordination. The United Nations provides a space for inclusive dialogue in this regard **and decide to**

establish a universal ECOSOC commission on international cooperation in tax matters and lead intergovernmental negotiations towards the adoption of a UN Tax Convention that addresses tax related illicit financial flows on a systemic level. ~~through existing mechanisms in accordance with their mandates, without duplicating the work of other international standard setting bodies.~~

- 58. We call on all relevant stakeholders, including the United Nations 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..
- 73. We ~~request~~ decide to establish a Global Technology Assessment Mechanism at the the United Nations to support developing countries through knowledge sharing and capacity building in order to better understand the implications of emerging digital technologies for fiscal and monetary policies and harness the opportunities offered by technologies.
- 76. We therefore underscore the urgent need to accelerate investment in the digital transition and strengthen efforts to bridge the digital divide, especially for women and build an open, free and secure digital world. We call for strengthened international cooperation and call on the Science, Technology and Innovation Forum 2021 and the 24th session of the ECOSOC Commission on Science and Technology for Development to present recommendations to member states on global governance of digital technologies and digitalization to address the digital divide and ~~to~~ support developing countries in strengthening science, technology and innovation, including financing investment in ICT infrastructure.

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1. We, Ministers and high-level representatives, have met from 12 to 15 April 2021 at the Sixth 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 further reaffirm our commitment to strengthen multilateral cooperation and solidarity to combat the consequences of the pandemic. We recognize that recovery strategies out of the crisis need to be designed to accelerate the implementation of the 2030 Agenda in the Decade of action, building a sustainable and inclusive economy, as well as helping to reduce the risk of future shocks.
 3. We note with concern that while even before the COVID-19 pandemic, the world was not on track to achieve the SDGs by 2030 and the Paris Agreement, we are now facing a multidimensional crisis of health, socio-economic, climate change and environmental challenges.
 4. The pandemic has caused immense human suffering across the globe and triggered the worst economic and social crisis in generations. It has exacerbated pre-existing inequalities and vulnerabilities within and between countries. Although the virus has impacted everyone everywhere, developing countries, especially the most vulnerable countries and people, have been disproportionately affected. We recognize the urgent need to support in particular those who are vulnerable or in vulnerable situations, including women and girls, youth, persons with disabilities, older persons, indigenous peoples, local communities, refugees, displaced persons, migrants, to protect human rights for all and to ensure that no country or person is left behind.
 5. At the centre of a global recovery is equitable, affordable access for all to the COVID-19 vaccines, therapeutics and diagnostics. We stress the need to develop international partnerships particularly to scale-up manufacturing and distribution capabilities, in recognition of differing national contexts, and recognize the role of extensive immunisation against COVID-19 as a global public good for health. We resolve to work tirelessly to ensure ensure universal, free, safe

and timely access for all countries to COVID-19 vaccines, therapeutics and diagnostics. We fully support the Access to COVID-19 Tools Accelerator (ACT-A) initiative and its COVAX facility and **call on countries** to fill the funding gap of these facilities. We also encourage that countries, with the capacities to do so, take actions to actively support COVAX and the WHO, including by sharing excess doses with the COVAX facility to promote the fair distribution of the vaccine to developing countries. We welcome further support and access to concessional financing and other financial measures by multilateral financial institutions to help developing countries meet national vaccine requirements, improve national health systems, preparedness, and health infrastructure and progress towards universal health coverage.

6. We recognize that universal health coverage is fundamental for achieving all Sustainable Development Goals. We underscore that **public** investments in resilient health infrastructure and **public** health systems aligned with the 2030 Agenda are key to advancing prosperity and development and alleviating poverty.
7. We are deeply concerned that many developing countries are unable to meet the essential health and humanitarian needs of their people and to recover from the recession due to growing liquidity and fiscal constraints, growing debt servicing obligations and high borrowing costs. There is a grave danger of a sharply diverging world: a group of countries are recovering on the back of strong stimulus measures and digital transformation – with many others potentially facing a lost decade of sustainable development, if decisive action is not taken urgently.
8. Countries in special situations are facing enhanced vulnerabilities. We **call upon the international community** to provide LLDCs, LDCs and SIDS with targeted support measures that take into account their special challenges to be used as stimulus to fully implement the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024, SAMOA Pathway and address the impacts of COVID-19 and sustainable recovery.
9. The magnitude of the crisis demands a significant, timely and coordinated international response to achieve a resilient, sustainable and inclusive recovery everywhere. We recognize the significant role played by the Financing for Development in the Era of COVID-19 and Beyond initiative, convened by the Governments of Canada, Jamaica and the Secretary-General, and note its particular relevance to the UN development system, the G20, G7 and WBG/IMF in advancing the Financing for Development agenda. We express appreciation for the endorsement by the Governments of the G20 in its 2020 meetings for the G20 Support to COVID-19 Response and Recovery in Developing Countries.
10. We commit to undertake strong and coordinated global stimulus efforts that promote decent work and support the just transition to greener, healthier, inclusive, and more resilient economies and societies. We are resolved to overcome the systemic impediments including undertaking further deliberations on capturing the financing of global public goods in order to accelerate the achievement of the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda, the Paris Agreement, and the Sendai Framework for Disaster Risk Reduction. We restate that the 2030 Agenda is the global blueprint for building back better after the pandemic.

Cross-cutting issues

11. The COVID-19 pandemic has deepened pre-existing inequalities and increased pressure on persons in vulnerable situations, with the most vulnerable countries and people most at risk of being left further behind in the health and socioeconomic recovery efforts. We resolve to take action to reduce exclusion, tackle poverty and inequalities and end discrimination. We resolve to take action to prioritize **public** spending, among others, on essential health functions and social protection floors targeted to reduce exclusion, tackle inequalities and end discrimination, including in access to trade and capital markets, affordable energy and technologies for sustainable development.
12. The COVID-19 pandemic has severely impacted societies with women and girls being disproportionately affected. Women make up a significant portion of frontline health workers, continue to do the majority of unpaid care work and face increased risks of domestic violence and exploitation. Years of progress towards achieving gender equality are at risk of being lost. We

commit to massively lift our efforts to achieve gender equality and full realization of women's human rights by implementing the Beijing Declaration and platform for Action as well as gender responsive COVID-19 recovery health, social and economic programs that place those who have been disproportionately affected, including women and youth at the center, including by promoting care systems that recognize, value, reduce and redistribute unpaid domestic and care work.

13. We further commit to create an enabling environment for women's leadership and capacities, with the aim to address existing underrepresentation in decision-making processes. We are deeply concerned that the pandemic has increased existing inequalities in children's access to learning, hitting schoolchildren in poorer countries particularly hard. We recognize that investing in children and youth is critical to achieving inclusive, equitable and sustainable development for present and future generations.
14. We recognize the compounding effects climate change, biodiversity loss, desertification and environmental degradation have in the context of the recovery from COVID-19, including the severe impact on all economies and especially those of developing countries. We will strive to achieve the conservation of biological diversity, the sustainable use of its components and to mobilize appropriate financial resources to this end. We recognize the importance of a green, sustainable recovery from COVID-19 and putting countries on path to keeping 1.5 degrees within reach, and reiterate the need for increasing the support to the most vulnerable countries.
15. COVID-19 and climate change have demonstrated the importance of understanding risk across all sectors and at all levels of planning - global, regional, national, sub-national and local. Disaster risks are becoming more frequent, complex and systemic. There is an urgent need to shift the balance from investing in response, to investing in prevention and in risk reduction. Risk-sensitive public investment planning and risk financing policy can be supported through integrated national financing frameworks for sustainable development.
16. We further stress that investment in sustainable and quality infrastructure is critical for an inclusive COVID-19 recovery and for acceleration towards achieving the SDGs. The investment gap for the achievement of the 2030 Agenda is growing and investment in infrastructure in developing countries has declined by over \$50 billion last year alone. Private and public financing must be scaled up to catalyze long-term and non-debt creating investments in infrastructure that will help to achieve the 2030 Agenda.

Domestic Public Resources

17. Public finance is crucial for health and social-economic recovery. Domestic and international efforts have to go hand in hand in creating the fiscal space to invest in the immediate COVID-19 response and recovery, and to drive the achievement of the SDGs. We reiterate that these exceptional fiscal measures should be maintained for as long as needed to secure health, social and economic recovery.
18. Social protection systems have been the first line of defense against the negative impact of COVID-19. We are committed to scale up financing to protect the livelihood and health of vulnerable communities and to close the financing gap faced by vulnerable countries including the LDC's and SIDS. We call on governments to extend social protection for all, including workers in the informal economy, promoting fiscally sustainable and nationally appropriate social protection systems and measures for all, including floors, with a focus on those furthest below the poverty line and the vulnerable, persons with disabilities, indigenous persons, children, youth and older persons.
19. We reiterate that recovery programmes must advance the SDGs, the Addis Ababa Action Agenda and the and the goals of the Paris Agreement. ~~We will take concrete steps to phase out inefficient fossil fuel subsidies and introduce carbon pricing.~~ Progressive Fiscal policies such as financial transaction tax, corporate tax, wealth tax, excess profits tax, property tax can ~~environmental and carbon pricing~~ help countries generate revenues, reduce climate and environmental risks and help achieve the commitments of the Paris Agreement, SDGs and Addis Ababa Action Agenda, while also generating co-benefits on growth, jobs, health, environment, and equity, as well as

strengthening the competitiveness of domestic industries. Multilateral solutions and international cooperation on carbon taxation should support national actions.

20. We recognize the importance of transparent fiscal systems in combating inequality and recommit to strengthening the capacities of revenue administrations through modernized, progressive tax systems, in line with the Addis Ababa Action Agenda. We acknowledge that any consideration of tax measures in response to the digitalization of the economy should include a thorough analysis of the implications for developing countries, taking into account their inputs, with a special focus on their unique needs and capacities. We **call on the United Nations**, ~~working with other International Organisations~~, to support countries, particularly developing countries, in enabling space for norm-setting, building policy and administrative capacity for the effective and efficient taxation of the digital economy including the imposition of customs duties on electronic transmissions, which should be discussed at the UN and not at the WTO, tariffs being an extremely important source of revenues for developing countries and an essential component of taxation of the digital economy. We welcome the work of the UN Committee of Experts on International Cooperation in Tax Matters on this issue and urge the committee to complete its work on a new Article 12B of the UN Model Tax Convention before the end of its current mandate. We welcome the work, including capacity development by the United Nations, on tax policy and administration ~~as well as on infrastructure asset management~~ for sustainable development.
21. We note the work of the Addis Tax Initiative (ATI) in fostering collective action to strengthen capacities of developing countries for closing recognised gaps in development finance and urge developed countries to ensure policy coherence to combat tax-related illicit financial flows.
22. We reiterate our deep concern on the growing illicit financial flows internationally ~~and domestically~~. We note the report of the High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI Panel). We welcome the Special Session of the General Assembly against Corruption, to address the challenges and measures to prevent and combat corruption and strengthen international cooperation. We note the work of the Financial Action Task Force (FATF) in this area. We look forward to the Secretary General's forthcoming policy brief on illicit financial flows.
23. We will also work to lower barriers to cross-border access to beneficial ownership information for recovery and return of stolen assets and reiterate our support for full implementation of the UN Convention against Corruption. We reaffirm our commitment to eliminate safe havens that create incentives for the transfer abroad of stolen assets and illicit financial flows. We propose that policy actions be taken to ensure timely return of stolen assets, and invite UNODC in collaboration with the World Bank Group to present a full proposal for a multilateral mediation mechanism for asset recovery and return before the next FFD Forum.
24. We call for more concerted efforts at the national level, ~~where appropriate~~, to address the role of the financial institutions, lawyers, accountants and others in enabling corruption, crime and tax evasion and avoidance. In addition, we consider the possibility of waiving or reducing to the barest minimum the processes and costs of the recovery of assets, in particular by reducing the administrative and legal bottlenecks in the recovery of illicit assets.
25. We call on Member States to recommit to addressing the challenges of preventing and combating illicit financial flows and strengthening international cooperation and good practices on assets return and recovery, including by more effective measures to implement existing obligations under the United Nations Convention against Corruption and the United Nations Convention against Transnational Organized Crime and the Protocols thereto, and to implement effective, inclusive and sustainable measures to prevent and combat ~~corruption~~ illicit financial flows within the framework of the 2030 Agenda.
26. We call on Member States to work to enhance financial accountability, transparency and integrity for sustainable development by strengthening international coordination. The United Nations provides a space for inclusive dialogue in this regard and decide to establish a universal ECOSOC commission on international cooperation in tax matters and lead intergovernmental negotiations towards the adoption of a UN Tax Convention that addresses tax related illicit

financial flows on a systemic level, through existing mechanisms in accordance with their mandates, without duplicating the work of other international standard setting bodies.

Domestic and international private business and finance

27. We express concern about the deep decline in global FDI flows. The crisis provides an opportunity to build a new business model that works for everyone under a new social contract that focuses on long term gains. We recommit to taking collective actions to further align private business and finance with the SDGs and channel investment where it is most needed.
28. We also recognize the need to make private business more accountable for its impact on sustainable development which requires regulation and the extensive implementation of ex-ante evaluation of human rights, social, environmental and gender equality impacts. We encourage progress towards globally consistent and comparable international standards for sustainability-related disclosure, by leveraging existing principles, frameworks, and guidance. We will strive to develop a common framework of definitions and criteria for sustainable economic activities.
29. We further emphasise the private sector's role in advancing gender equality by ensuring women's full and productive employment and decent work, equal pay for equal work or work of equal value, and equal opportunities, as well as protecting them against discrimination and harassment in the workplace.
30. We will take into account the crucial role of MSMEs in contributing to SDG implementation through job creation for the poorest and most vulnerable to improve livelihoods, and promote support measures to engage MSMEs in recovery efforts.
31. We welcome the initiatives of the UN system on SDG financing and **call on the United Nations system** to advance innovative solutions that can further unlock investment in SDGs. In this regard, we welcome the Secretary-General's ongoing efforts, through a series of Roundtables on Extractive Industries, to maximize extractive industries' contribution to sustainable development.
32. We further welcome the work of the GISD Alliance convened by the UN Secretary-General.
33. We will explore the role of credit-rating agencies in the context of the COVID-19 recovery and implementation of the 2030 Agenda and invite the Inter-agency Task Force on Financing for Development to include analysis in this regard in its 2022 report.
34. We acknowledge the ongoing work by the United Nations system, in line with the provisions of GA resolution A/RES/75/215 undertaken to analyze and develop the multidimensional vulnerability index (MVI) of SIDS considering deteriorating credit ratings due to high indebtedness and limited export revenues. We also **call on the Inter-Agency Task Force on Financing for Development** to include in its 2022 report an analysis of the potential use of the multidimensional vulnerability index (MVI) for SIDS' debt restructuring with the aim to build credit worthiness and expand access to financing, including concessional financing.
35. We are concerned about the decline in remittances, an important source of income for receiving families in developing countries, which has decreased by about \$40 billion due to the Covid-19 crisis. We further express our concern at the continued decline in correspondent banking relationships, due to de-risking trends, and the consequences on low-value remittances flows. We welcome the ongoing work on the G20 Roadmap to enhance cross-border payments, and to coordinate on regulatory, supervisory and oversight frameworks. We will work to improve the access to, usage and quality of financial services to lower the cost of remittances in line with the Global Compact for Safe, Orderly and Regular Migration. We recommit to taking concrete actions to reduce the average transaction cost of migrant remittances by 2030 to less than 3 per cent of the amount transferred, as agreed in the Addis Ababa Action Agenda.
36. We recognize that investments in low-emission, resource-efficient technologies and sustainable and resilient infrastructure can spur growth and economic recovery, address inequalities, and at the same time accelerate just transition towards climate-resilient and sustainable economies. We recognize the importance of investing in nature-based solutions, ecosystem restoration, sustainable resources and land use as well as that better consideration of climate and nature-related risks will help promote sustainable economy. We acknowledge and support the Italian G20 Presidency's proposal to assess merits and challenges related to SDG financing strategies

and to put forward concrete proposals on how to fill the SDG-financing gap by mobilising innovative financing instruments, such as sustainability, SDGs and green bonds, in line with national development priorities.

37. We acknowledge the availability of capital in the market seeking investment opportunities in sustainable infrastructure, but most developing countries are unable to access this capital. At the same time, investors have been unable to adequately access viable investment projects in most developing countries. We reaffirm our strong political commitment to create an enabling environment at all levels that is conducive to delivering on the Sustainable Development Goals.
38. We will incentivize additional financing and investment in infrastructure and facilitate efforts to channel long-term sustainable investment to developing countries. We commit to help developing countries benefit from cheaper financing sources, develop a pipeline of investable projects, aligned to local, national and regional priorities and that are conducive to public services provisioning for a resilient recovery, and use risk-sharing mechanisms to incentivize private investment, where applicable. Projects involving blended finance, including public private partnerships, should share risks, reward fairly, include clear accountability mechanisms and capacity building for accounting and budgeting for contingent liabilities, and meet social and environmental standards. These projects have to avoid creating detrimental impacts on long term fiscal space of developing countries.
39. We underscore that investments in resilient public health infrastructure and public health systems aligned with the 2030 Agenda are key to advancing prosperity and development and alleviating poverty.
40. We call on all relevant stakeholders to place a focus on diagnostics for infrastructure needs to help identify gaps and financing requirements, and to create an enabling environment that accounts for resilience, adaptation to and mitigation of climate change. We recognize the important role of the UN development system to work with the World Bank and regional multilateral development banks in addressing the funding gaps in sustainable and quality infrastructure investment, complementing existing initiatives.

International Development Cooperation

41. We stress that official development assistance (ODA), as the main channel for international cooperation, is key and indispensable for achieving the sustainable development goals. We express our concern that ODA as a share of donor country gross national income (GNI) has declined and urge developed countries to fulfil their unmet ODA commitments to developing countries, in keeping with their previous undertakings, and to scale up those efforts to play a meaningful role in eradicating poverty in all its forms and dimensions, including to achieve the national target of 0.7 per cent of gross national income and 0.15 to 0.20 per cent of ODA/GNI to the least developed countries. ~~All development partners should align their support with the priorities of recipient countries, as identified in the national sustainable development strategies and integrated national financing frameworks of developing countries. We also acknowledge the need to mainstream a risk informed approach in the planning and implementation of ODA.~~ (moved to para 43)
42. We recognize the central role of international public finance in supporting the global recovery from COVID-19 and advancing the provision of global public goods, including vaccine development, manufacturing, and distribution, and building resilient and sustainable health systems. We call on development partners to support the COVID-19 recovery efforts of developing countries, especially the poorest and most vulnerable among them.
43. We welcome continued efforts to improve the quality, effectiveness and impact of development cooperation and other international efforts in public finance, including adherence to agreed development cooperation effectiveness principles. All development partners should align their support with the priorities of recipient countries, as identified in the national sustainable development strategies and integrated national financing frameworks of developing countries. We also acknowledge the need to mainstream a risk-informed approach in the planning and implementation of ODA.

44. 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. We note the establishment of the IAEG-SDGs Working Group on Measurement of Development Support. ~~We note the first publication of data utilizing the measure of “total official support for sustainable development” (delete).~~ We welcome continued efforts to improve the quality, effectiveness and impact of development cooperation and other international efforts in public finance, including adherence to agreed development cooperation effectiveness principles. (moved to para 43)
45. We recognize that South-South cooperation is an important element of international cooperation for development as a complement to, not a substitute for, North-South cooperation, and in this regard, we welcome the outcome of the second High-level United Nations Conference on South-South Cooperation. We also commit to strengthening triangular cooperation as a means of bringing relevant experience and expertise to bear in development cooperation.
46. ~~We recognize the central role of international public finance in supporting the global recovery from COVID-19 and advancing the provision of global public goods, including vaccine development, manufacturing, and distribution, and building resilient and sustainable health systems. We call on development partners to support the COVID-19 recovery efforts of developing countries, especially the poorest and most vulnerable among them. (moved to para 42)~~
47. We recognize that in order to support the most finance-constrained countries, immediate steps must be taken by the international community to expand concessional financing and deliver it to where it is most needed. We encourage development partners to prioritize grant finance for the most vulnerable countries. We note the potential of blended finance, while recognizing that for different SDGs investment areas, ~~different~~other types of finance may represent ~~the most~~ more effective financing modalities.
48. We call on national and regional development banks to join forces with International Financial Institutions (IFIs) to provide a long-term coordinated response to the crisis and help countries to rebuild better, focusing on promoting an inclusive and sustainable recovery, in line with the Addis Ababa Action Agenda (AAAA) and the 2030 Agenda.
49. We recognize the need for increased longer-term financing for sustainable development that takes advantage of the current low interest environment. In this regard, we welcome the recent capital increases of Multilateral Development Banks (MDBs). We welcome further action to optimize MDBs’ existing resources, as necessary. We encourage official lenders to explore options to provide ultra-long term fixed rate financing to developing countries for investment in long-term growth and development.
50. MDBs play a crucial role in supporting developing countries, providing long-term and technical assistance finance, which is critical to stimulating growth and sustainable development. We invite MDBs to scale up its financial support and ~~leverage private finance~~ that aligns with and respects to decrease vulnerabilities in support of efforts aligned with the national sustainable development goals and priorities of developing countries. In line with the AAAA, we encourage all development banks to establish or maintain social and environmental safeguards systems, including on human rights, gender equality and women’s empowerment.
51. We stress the importance of scaling up and improving access to climate finance, which is additional to ODA, for countries that are particularly vulnerable to the impact of climate change, including through direct finance to communities, indigenous peoples, women and youth, and other relevant groups, to accelerate the implementation of climate change mitigation and adaptation policies. We will strengthen our efforts to increase adaptation finance and prioritize grant finance for developing countries, in particular those most vulnerable to the adverse impact of climate change such as LDCs, LLDCs, SIDS, MICs and countries graduating to a higher per capita income.
52. We stress that achieving the SDGs and building a low-emissions, climate resilient global economy requires the mobilization and alignment of finance and capital at scale. We recognize the catalytic role that domestic resource mobilization and international development finance can play in this regard, We recognize the importance of meeting the commitment by developed

countries to jointly mobilize US\$ 100 billion per year through 2025, additional to standing commitments to fighting poverty and inequality.

53. We **invite the international community and all relevant stakeholders** to cooperate and mobilize resources, including through financial and in-kind assistance, as well as direct aid to host countries and refugee populations, with a view to enhancing the capacity of and reducing the heavy burden borne by countries and communities hosting refugees and displaced persons

International trade as an engine for development

54. We are concerned by the disruption of supply chains and the sharp reduction and slow recovery in world trade triggered by COVID-19. This has significantly affected developing countries. We will ensure that any emergency trade measures designed to tackle COVID-19 are targeted, proportionate, transparent, and temporary, protecting the most vulnerable and do not create permanent barriers to trade or disruption to global supply chains, and are consistent with WTO rules and the actual needs of countries. In particular, we will review current trade rules in order to promote the manufacturing of COVID-19 related medical products including vaccines, especially in developing and least-developed countries, by promoting access to technology, raw material and finance.
55. We are concerned about the adverse impact of the pandemic on tourism-dependent economies. We encourage Governments to facilitate the resumption of essential cross-border travel to normalize trade and services, in accordance with national laws and regulations, while safeguarding public health in line with our efforts to combat the pandemic as well as to minimize the socio-economic impacts of COVID-19.
56. We recognize the need to increase the sustainability and resilience of national, regional, and global supply chains that foster the sustainable integration of developing and least developed countries into the trading system, by facilitating their access to technology and raw material, and share the objective of promoting (gender) inclusive economic growth including through increased participation of micro-, small-, medium-sized enterprises (MSMEs) in international trade and investment.
57. We recognize the need to scale up trade finance and trade-facilitation measures for the developing countries. We will continue to promote a universal, open, non-discriminatory and equitable international trading system under the WTO and recommit to advancing the necessary reform of the WTO and to improve its functioning as an essential step in reviving dynamic growth in global trade, especially of the developing countries.
58. We **call on all relevant stakeholders, including the United Nations**, to support developing countries in building capacity in promoting e-commerce while enabling effective policy space to implement domestic regulation including on data rights. We are convinced that the closing of the digital gap will contribute to achieving the goals and targets of the 2030 Agenda, as outlined in the Secretary General's Road Map for Digital Cooperation. We will continually consider the need for modernization of multilateral and regional trade agreements and international investment agreements with a view to enhancing their contribution to sustainable development. We call on all relevant stakeholders, including the United Nations 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..

Debt and Debt Sustainability

59. We are concerned that the COVID-19 pandemic has exacerbated debt risk and exposed fragilities in the global financial architecture, with many IDA countries at high risk of or already in debt distress and a narrowing fiscal space in many developing countries. We note with concern that the pandemic and its particularly adverse effects on developing countries dependent on commodities,

remittances and tourism could significantly increase the number of countries in or at risk of debt distress. Debt distress has hampered developing countries' capacity to address health issues, [including Covid19 vaccination](#), food security, growing unemployment and poverty rates. Ensuring debt sustainability and liquidity can play an important role in achieving a sustainable, inclusive and resilient recovery.

60. We welcome the G20's Debt Service Suspension Initiative (DSSI) as a welcome short-term initiative in alleviating liquidity pressures. However, further action, [including debt cancellation](#), is needed ~~for~~ to provide developing countries, ~~where needed and~~ with special regard to low-income countries, ~~with the capacity and necessary time to tackle the crisis~~. We **call for expansion of the DSSI** to include all developing countries facing fiscal and liquidity challenges and request for relief. We also **call for extension of the DSSI expanded to all countries in need and including debt payments cancellation** beyond 2021, particularly for SIDS, which are among the countries experiencing the highest levels of indebtedness and multidimensional vulnerability.
61. We invite official bilateral, [multilateral and private](#) creditors to include state-contingent debt instruments in their own lending, building on existing experiences. [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 principles on responsible borrowing and lending.](#) We encourage creditors and debtors to ~~expand~~ [explore](#) debt swap initiatives for sustainable development and climate action, [noting past experiences and ensuring country ownership and transparency at every stage. These initiatives should always be developed additional to existing ODA commitments.](#) We encourage the exploration of [debt cancellation mechanisms](#), ~~credit enhancements and debt buy backs in specific circumstances to incentivize creditor participation without reducing relief for the debtor.~~
62. We are concerned about the lack of participation of private creditors in DSSI. Without their participation, public resources are likely to be used to bail out private creditors rather than for recovery and development. We encourage the international community to consider measures to incentivize greater private sector participation on comparable terms, when requested by eligible countries. [We call on multilateral institutions to engage in the different debt cancellation and restructuring initiatives. Possibilities to fund multilateral participation in debt relief, as it has happened in the past, should be explored, including IMF gold reserve sales, donor countries donations to a trust fund and SDR reallocation.](#)
63. We welcome the G20 Common Framework for Debt Treatment beyond DSSI, which [should](#) offers a platform for transparent and broad-based creditor participation and for deeper debt treatment than currently provided by the DSSI. We welcome the operationalization of the "Common Framework for Debt Treatments beyond the DSSI" to address debt vulnerabilities comprehensively and on a case-by-case basis and commit to its full and transparent implementation. [We are deeply concerned that participation of multilateral institutions and private sector is not binding within the Common Framework, and that many developing countries remain excluded.](#) Debt treatment should be aligned with the SDGs [Addis Ababa Action Agenda](#), [gender equality commitments under Beijing Action Plan](#), and the goals of the Paris Agreement.
64. We stress that debt restructuring, [including debt cancellation](#), should create an enabling environment for investing in the SDGs while maintaining sustainable debt levels. Debt restructuring should be coupled with addressing the systemic debt vulnerabilities, improving fiscal policies and ultimately managing debt in a more transparent and sustainable manner and enabling vulnerable countries to access the borrowing needed to finance the SDGs.
65. [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 on the international community~~ to initiate dialogue [with a view to establishing a binding, UN multilateral framework](#) ~~towards~~ [in](#) an inclusive platform on sovereign debt [crisis resolution](#) for all countries to advance the discussion on [debt cancellation](#), [debt restructuring](#), debt transparency and responsible lending and borrowing and the rules of engagement, including with the private sector.

Addressing systemic issues

66. We recognize the urgency to strengthen global coordination and policy coherence to protect global financial and macroeconomic stability. We acknowledge the role of monetary policy and financial regulation in ensuring financial stability, including by strengthening the resilience of the financial system to climate-related risks.
67. We recognize that climate change poses risks to the stability of the financial system. Climate risk considerations need to be further included in global financial regulation in a timely fashion. We invite central banks to continue integrating climate risks into policy frameworks, through methods that avoid penalizing countries with climate vulnerabilities. We further encourage regulators to support climate risk management of financial institutions, in tandem with the climate finance obligations under all international frameworks. We recognize the need to expand the notion of risk to that experienced by marginalized communities, women and other groups that are disproportionately impacted by multidimensional crises. Therefore we encourage central and regional banks, as well as International Financial Institutions, to develop a common framework to address these dimensions in a comprehensive manner.
68. Even as international financial markets have since recovered, many developing countries—in particular the poorer and more vulnerable—continue to face difficulties in accessing international liquidity. We note with concern the record capital outflows from developing countries in early 2020, and the spectre of a repeat episode of outflows as interest rates begin to rise. Recognizing the direct relationship between volatile capital outflows and debt unsustainability and crises, Credible measures such as capital account regulations, are needed to keep liquidity and capital volatility problems from turning into solvency problems.
69. We underscore the importance of a functioning and adequate global financial safety net and a well-funded IMF to ensure liquidity for health and economic recovery in developing countries ~~to building forward better~~, while including pro-poor and climate considerations. We continue to support a strong, quota-based and adequately resourced IMF through a quota increase as well as strengthening the voting rights of developing countries.
70. We recognize that to urgently unlock much needed liquidity, a new general allocation of Special Drawing Rights (SDRs) could be a critical first step. We welcome the progress made on the path to a new general allocation of SDRs, which we are willing to support on the basis of the IMF Articles of Agreement and of a detailed and convincing IMF proposal. We therefore call for a new and sizeable SDR allocation of at least US\$ 3 trillion ~~650 billion~~. To ensure this primarily benefits low-income and middle-income countries, we call for voluntary reallocation of SDRs in line with their role and functioning from countries with sufficient international reserves to support countries most in need. We also call for strong collaboration among donor countries to find efficient and transparent options for these SDR reallocations. We stress the need to improve the transparency and accountability of how SDRs are used as well as the inequality built into SDR allocation whereby low-income countries receive only approximately 3% of total SDRs issued.
71. We call on Member States and IFIs to provide more liquidity in the financial system, especially in all developing countries, including by increasing access to concessional finance for developing countries, and, in this regard, note the ongoing discussions regarding emerging initiatives, including the proposal for creation of the Liquidity and Sustainability Facility (LSF) and the Fund to Alleviate COVID-19 Economics (FACE). With regard to the LSF facility, we call for a careful approach to potential macrofinancial and institutional risks for African governments and central banks
72. Rapid technological change—manifested by growth of the digital finance ecosystem and emergence of novel digital assets—is creating new challenges for monetary authorities and regulators, including the rise of digital currencies and digital finance. We call on regulators to continue to monitor these changes and support enabling environments that take due account of risks speculation and volatility while still fostering competition and innovation in the financial system.
73. We ~~request~~ decide to establish a Global Technology Assessment Mechanism at the the United Nations to support developing countries through knowledge sharing and capacity building in

order to better understand the implications of emerging digital technologies for fiscal and monetary policies and harness the opportunities offered by technologies.

Science, technology, innovation and capacity building

74. We recognize that the COVID-19 pandemic has accelerated the digital transition and a shift towards digital business models. We are concerned about the risks of a widening of the digital divide in- and between countries, especially related to gender, and the possible negative impact of emerging digital technologies on job creation, social protection and equality.
75. We further recognize the contribution of digitalization to development while acknowledging that digitalization can amplify pre-existing inequalities if we do not make concerted efforts to foster open, secure, and inclusive digital ecosystems.
76. We therefore underscore the urgent need to accelerate investment in the digital transition and strengthen efforts to bridge the digital divide, especially for women and build an open, free and secure digital world. We **call for strengthened international cooperation and call on the Science, Technology and Innovation Forum 2021 and the 24th session of the ECOSOC Commission on Science and Technology for Development to present recommendations to member states on global governance of digital technologies and digitalization to address the digital divide and** to support developing countries in strengthening science, technology and innovation, including financing investment in ICT infrastructure.
77. We urge strengthening of digital skills, as they are a prerequisite for inclusive participation in the digital economy, and provide data protection and online security as a prerequisite for a new digital ecosystem for inclusive development. We encourage greater cooperation to implement the recommendations in the Secretary General's Road Map for Digital Cooperation.
78. We acknowledge that the benefits of the emerging digital economy need to be more widely shared. Collective efforts towards new rule setting are needed that not only favors large digital enterprises, but provides for an open, fair, and non-discriminatory business environment, including support for access of MSMEs to finance, information and markets, while protecting and empowering consumers.
79. We welcome the role of financial innovation in enhancing financial inclusion, while recognizing its associated challenges for consumer protection, new forms of exclusion, cyber security, and financial stability. We also underscore the need to grasp the opportunities and tackle the challenges associated with financial technology, especially for women who are disproportionately affected by it.
80. We will strengthen dialogue, including at the United Nations, between policymakers, regulators, and innovators to promote mutual learning and create awareness of the opportunities for financial inclusion.

Data, monitoring and follow-up

81. We underline the importance of data in assessing the impact of the COVID-19 pandemic and in identifying gaps for accelerated action. Timely, quality, open, age, sex, and disability disaggregated and geospatially enabled data and statistics are needed to understand, manage, and mitigate the human, social and economic effects of the pandemic and make progress towards achieving the SDGs.
82. We will further strengthen efforts to collect, analyze and disseminate disaggregated data, which is critical in measuring the disparate impacts of the pandemic on communities and groups.
83. We underscore the need to scale up financial support, equipment and infrastructure and technical assistance to strengthen capacities of national statistical offices and fill data gaps. In this regard, we recognize that civil registration and vital statistics systems and geospatial information sources must be a priority to prepare for future disasters and make progress on the SDGs.
84. We recognize the opportunities and challenges around new sources of data for public policy. We **call for increased support from all sources**, including international cooperation, to strengthen

capacity building and technical support for data monitoring and follow up, that ensures the safety and privacy of data subjects, particularly for developing countries. We recognize the importance of data as a strategic asset to prepare for future risks and disasters and for achieving sustainable development.

85. We request the IATF to issue an advance unedited version of its 2022 report, no later than the end of February 2022, to be updated with the latest data upon its release, in order to facilitate the timely preparation of the draft conclusions and recommendations.

86. The devastating impact of the pandemic demands bold solutions. We are committed to tackle this unprecedented crisis through unprecedented leadership, determination, and solidarity with the 2030 Agenda as our roadmap to achieve a resilient, sustainable and equitable future for all.
87. The UN and the FFD Forum have critical roles to play in harnessing and shaping international consensus in order to address the extraordinary crisis.
88. We decide that the 7th ECOSOC Forum on Financing for Development follow-up will convene from 25 to 28 April 2022 and will include the special high-level meeting with the Bretton Woods institutions, the World Trade Organization and the UNCTAD. We also decide that the forum's modalities will be the modalities that applied to the 2019 Forum.
89. Towards this end, as decided in the intergovernmentally agreed conclusions and recommendations of the 2020 Financing for Development Forum, we ~~underline the need~~ decide to hold a follow-up conference in 2022 (Monterrey+20) with a focus on ~~the financing of Agenda 2030 and~~ discussing transformative ways towards a new global economy.