



Proposed roadmap to build on key milestones of the international agenda as a follow-up to the Summit on a New Global Financing Pact

Participants to the Summit preparatory work, i.e. more than 180 representatives from 32 countries and regional organisations, 27 international organisations and financial institutions and 54 representatives from civil society, comprising non-governmental and philanthropic organisations and businesses, have shared their assessment of our current global challenges and of the most promising avenues of work, through various discussion formats including 40 meetings of four thematic working groups and a group of 13 economists from the One Planet Lab.

Based on that open and inclusive consultation process, several potential workstreams and goals were identified by France and discussed at the Summit. They could contribute to tangible results on the Sustainable Development Goals and the objectives of the Paris and the Montreal-Kunming agreements on climate and biodiversity.

This document, established under the responsibility of the Summit's chair, lays down key international milestones in 2023 and 2024, where stocktake on announced commitments and key policy actions presented at the Summit could be discussed, and where further progress could be made.

By the 3rd meeting of the G20 Finance Ministers and Central Bank Governors – 15-16 July 2023

- G20 partners to give an additional push to the **Capital Adequacy Framework (CAF) Review Agenda**, guided by the G20 roadmap on the CAF implementation with both short-term measures and a medium-term agenda aiming to optimise the use of capital by MDBs and encourage them to pursue innovative measures (callable capital, hybrid capital, guarantee mechanisms, enhanced Global Emerging Market Risk Database – GEMs, enhanced dialogue with Credit Rating Agencies...).
- **G20 and Paris Club creditors should make progress on coordinating debt restructuring processes**, in particular by strengthening the implementation of the Common Framework and delivering in a predictable, timely, orderly and coordinated manner on the country cases under the **Common Framework** for debt treatment (Zambia, Ethiopia, Ghana) and progress on strengthened coordination for middle-income countries.
- **G20 partners and the IMF should strengthen efforts on channelling Special Drawing Rights (SDRs) for vulnerable countries** by building on the achievement of the US\$100bn ambition of voluntary contributions, mobilising more countries to channel at least 20% of the value of their SDRs received in August 2021 and calling for the operationalization of all pledges at the earliest opportunity.
- **G20 partners and MDBs** should also make further progress on the mechanisms under development by the African Development Bank and Interamerican Development Bank to **channel SDRs through MDBs**, and calling other MDBs to work on similar mechanisms, and



encouraging exploring further the possibility to provide a liquidity support to countries engaging in the AfDB-IDB scheme, while respecting national legal frameworks.

- **G20 partners** could put forward a proposal for the establishment, with the **support of the International Monetary Fund**, of a tracker on SDR reallocation identifying pledges, effective realization and financing delivered on the ground to track concrete progress towards the **20% target** for SDR rechanneling to vulnerable countries (including through equivalent budget contributions).

By the Africa Climate Summit – 4-6 September 2023

- **Donors** (countries, multilateral, regional and national development banks, philanthropists, private sector and other institutions) to examine and possibly announce additional support for early-stage project preparation through the new African Development Bank's **Africa Green Infrastructure Alliance**, and the World Bank's **Global Infrastructure Facility**.

By the Finance in Common Summit in Cartagena – 4-6 September 2023

- **The networks of financial institutions** (such as FiCS, GFANZ, OPSWF) should develop and adopt a common framework for alignment on sustainable development goals (SDGs), which would include the promotion of tools for ex-ante assessment of environmental, social and governance risks and SDGs impacts to guide and monitor sustainable investment decisions.
- **The network Finance in Common, under the leadership of the Inter-American Development Bank** and other supporting partners, should work to improve the responsiveness and adaptability of financial instruments by (1) sharing recent experiences of making available no-cost crisis-resilient debt clauses, as well as **debt swaps combined with buyback** to facilitate the use of these instruments by debtor countries and other innovative instruments; (2) providing suitable **guarantees and support** to countries engaged in such operations.
- **The network Finance in common** should prepare the necessary conditions towards a future **platform for sharing project preparation assessments and sectorial studies** by countries, public development banks and development financial institutions, including a public version for non-sensitive data, building on the project preparation platform SOURCE.

By the G20 Summit in India – 9-10 September 2023

- **Multilateral development banks** should outline a first set of proposals for **work more efficiently as an ecosystem**, also in cooperation with regional and national development banks as well as UN agencies and philanthropies, forming the heart of a wider global financial architecture, based on comparative advantages, supported by civil society. These proposals should be completed and furthered during the following months.
- **G20 partners** could call for the launch of an **independent review** to provide recommendations to deepen cooperation among and between MDBs and concessional windows and thematic funds to improve co-financing, facilitate countries' access to financing, and achieve better leverage, in view of increasing efforts to optimise the climate finance architecture.



- **G20 partners and Paris Club creditors** to make further progress to provide a response to the call from debtor countries for **more clarity on the process of the Common Framework**, which could include a user manual on debt restructuring processes with indicative timelines.
- **The African Development Bank and the Inter-American Development Bank** could present a first coalition of countries willing to **channel special drawing rights** via their dedicated mechanism, with the possibility to include countries providing a liquidity support to partners engaging in the scheme, while respecting relevant legal frameworks as well as the need to preserve the reserve assets character and status of SDRs.
- **The World Bank** should present a study on existing **hybrid capital pilot projects** and first lessons-learned with a view to develop this high-leverage product.
- **G20 partners** should push for an ambitious **Global Emerging Markets database 2.0**, improving knowledge on key indicators such as probability of default (PD) or loss given default (LGD) for private investors and credit rating agencies, to avoid overestimation of the developing markets' risks and potentially reduce private sector financing costs in these economies.
- **The International Monetary Fund, the World Bank Group and The Currency Exchange Fund (TCX)** are invited to examine (1) options to better **cover foreign exchange risk** in low income and emerging economies in order to facilitate private investment, building on the experience of the Currency Exchange Fund (TCX) and other existing models; (2) concrete steps to increase the provision of **local currency financing** for projects and corporates with revenues in local currency.
- **The Organisation for Economic Cooperation and Development (OECD), World Bank** and other relevant international organizations should deliver a joint **action plan for supporting developing countries in the implementation of the solutions** to address the tax challenges arising from the digitalisation of the economy, especially on the 2-pillar solution.
- In close coordination with the Platform for Collaboration on Tax, **the World Bank and the OECD** should work towards an operational task force to increase and coordinate efforts on technical assistance and capacity building, in particular on digital tools, to **strengthen tax administration and increase tax collection and support informed tax policy reforms**.
- **G20 partners** should encourage businesses to follow the comprehensive, global **baseline of sustainability disclosures** for the capital markets published in June by the international Sustainability Standard Board (ISSB), taking into account specific needs of developing and emerging economies to ensure successful jurisdictional adoption of the standards.

By the Sustainable Development Goals Summit – 18-19 September 2023

- **Member States to adopt a strong declaration on the implementation of the 2030 Agenda** for Sustainable Development with clear references to the Means of Implementation.
- Members of the **Addis Tax Initiative 2025** should report on their commitments and present a **roadmap for next capacity building programs** for the fiscal authorities of partner countries.



- **The Task Force on Nature-related Disclosure (TNFD)** will publish in **September 2023** a **framework for nature-related risk management and disclosure**, which should pave the way for future nature and biodiversity standards.

By the World Bank and International Monetary Fund's Annual Meetings – 13-15 October 2023

- **The World Bank Group** should aim at continued **ambitious evolution reforms on a rolling basis** through the rest of the year and beyond, to better equip the institution to tackle global challenges with sufficient speed and scale.
- **Regional development banks** should take up the evolution agenda and **pursue relevant reforms** to their visions, incentive structures, operational approaches, and financial capacity to position themselves to better address global challenges, accounting for the unique missions, comparative advantages, and circumstances of each institution.
- **All donor countries** are encouraged to contribute to ensuring an adequate level of **concessional resources** in development operations by committing further, in particular through the upcoming 21st replenishment of the International Development Association, Green Climate Fund's 2nd replenishment, 14th replenishment of the Asian Development Fund and International Fund for Agricultural Development's 13th replenishment, as well as through the African Development Fund's leveraging scheme and subsidy contributions to reach the agreed 2021 fundraising target of the IMF's Poverty Reduction and Growth Trust.
- **The objective to gather 1,2bn USD of contributions to close the finance gap of the IMF's Poverty Reduction and Growth Trust** should be reached.
- **The International Monetary Fund** should deliver a thorough assessment of all the available options, including mobilisation of internal resources, to put the **Poverty Reduction and Growth Trust (PRGT)** on a sustainable footing so that low-income countries could have an increased access to PRGT financing in a context of growing financial needs.
- **Multilateral development banks** are asked to submit proposals to improve and extend blended finance instruments, including the **International Development Association (IDA)'s Private Sector Window**.
- The **Multilateral Investment Guarantee Agency** is called to report on concrete actions to enhance the use of its **insurance toolkit** in coordination with other risk sharing instruments, in order to maximize their impact
- **Members of the Alliance for Entrepreneurship in Africa**, building on the progress made these last 2 years with the support of the International Finance Corporation (IFC) secretariat to develop the Alliance, to present it in some African cities and incentivise project co-development and co-financings, should (1) **scale up** their activity through projects co-developed or co-financed, particularly in the riskiest and least-covered market segments, (2) **integrate new members** from both institutional and private sectors.
- **Multilateral development banks** are called to examine and possibly develop **simplified financing approval process for small private sector projects** in low-income countries in order to increase their support to local micro, small and medium enterprises.



- A first report by MDBs, under the **leadership of the World Bank**, to outline proposals (1) to **explore a common definition of vulnerability** in view of issuing common guidelines for the use of concessional finance to address vulnerabilities; (2) to present eligibility frameworks defining the cases where it could be necessary to use concessional resources beyond LICs to address global challenges such as climate and biodiversity, pandemic preparedness fragility and conflict.
- **The International Monetary Fund and the World Bank** should report on progress in the work toward better including **climate vulnerability in its debt sustainability analyses** in order to take into account infrastructure and project investments aimed at increasing resilience.
- **A Global Expert Review on Debt, Nature and Climate should be launched by COP28**, which will report, by no later than COP 29, on its assessment of the way in which the structure, volume and analysis of sovereign debt impacts the ability of low and middle income countries to conserve nature, to adapt to climate change and to decarbonise their economies, and how it can be made more sustainable, both fiscally and environmentally.

By the 6^h edition of the Paris Peace Forum – 10-11 November 2023

- **The OECD**, ahead of the Development Assistance Committee High level meeting taking place on 16-17 November 2023, in coordination with relevant IFIs and MDBs, should (1) propose a **new narrative and metrics for development international support**, better integrating climate, biodiversity and water issues, and better reflecting private sector involvement, to improve accountability, coherence and effectiveness of official donors' assistance, in the framework of achieving the sustainable development goals ; (2) set up a **Task Force** of interested OECD members to discuss progress and assess best practices that are being used **to mobilize private finance** to achieve sustainable development, address climate change and protect biodiversity.

By COP 28 – 30 November-12 December 2023

- Building on the work of the COP 27 Presidency and on the preparatory work of the COP 28 Presidency, the **UNFCCC Transitional Committee on Loss and Damage**, should present recommendations to COP 28 on operationalizing the **(1) the funding arrangements, including a fund, for responding to loss and damage, (2) Options for capitalizing the fund from both public and private sources** as well the potential options for innovative finance, to support developing countries that are particularly vulnerable to the adverse effects of climate change, to address the losses and damages arising from the negative impacts of climate change.

These options could include **taxation**, focusing possibly at first on some large greenhouse gas-emitting sectors, the proceeds of which could be channeled in part a) towards international climate finance, bearing in mind the financing needs for adaptation and actions responding to loss and damages; b) towards just and resilient transitions particularly in the most vulnerable countries; and c) towards the decarbonization of targeted sectors. They should also include options to **build on and strengthen voluntary coalitions of additional contributors** supporting countries most vulnerable to climate change, through contributions of the largest greenhouse gas-emitting sectors.



- The participants on the **Call to Action on climate resilient debt clauses** should take stock on progress achieved to extend the instruments to further partners (bilateral, multilateral and private creditors) and to mobilise multilateral development banks to scale up and facilitate contingent emergency component clauses, contingent lending arrangements, pre-arranged financings and other partnerships insurance tools. The extension of suspension clauses to other external shocks such as health crises should be explored.
- Under the leadership of **Germany**, public and private donors should be called to provide additional support to the **Global Shield against Climate Risks** in climate-vulnerable countries, meant to narrow protection gaps, making progress in preparing country protection packages against climate risks and agreeing on a methodology to prioritize countries to support.
- The multi-stakeholders and UN-supported **Net Zero Data Public Utility (NZDPU)** initiative will launch **an open, free and centralized data repository** that will allow all stakeholders to easily access key climate transition-related data, commitments and progresses of business and financial institutions towards these commitments.
- Participants to the **Call to Action for Paris-aligned Carbon Markets** will submit proposals for global frameworks to ensure convergence between existing initiatives aimed at strengthening the integrity of voluntary carbon markets around common high-level standards.
- **The Organization for Economic Cooperation and Development and the International Monetary Fund** should present their work on possible measures to support increased price transparency and effectiveness for domestic carbon markets, including through further analysis of **effective carbon prices**.
- **France and the UK** will provide an update on the **roadmap on bio credits** (biodiversity positive carbon credits and biodiversity certificates) to scale up private sector's investments in natural capital.
- **The Network of central banks and supervisors for Greening the financial System (NGFS)** should continue to guide on all aspects of climate and environment-related finance, developing and extending its **climate scenarios**, including short-term scenarios, and working towards its first **nature-related scenarios**, which will enable the financial sector to evaluate the impact of and dependencies on nature.
- **The Financial Stability Board** should **update its roadmap** for addressing the financial risks from climate change.
- Recognizing the need to support implementation of its standards, **the ISSB** will publish its strategic roadmap for capacity building. **Under the leadership of the World Bank**, a task force that includes private investors should prepare and share standard, replicable, balanced **contract guidelines for Private-Public partnerships in Sustainable Infrastructures**, to be adapted to each country legal framework.
- **Partners have called on the International Development Finance Club (IDFC)** to launch a pan international program of capacity building and staff secondment, which will aim to strengthen capacities of public development banks and local actors for sustainable and bankable project origination and development, building on the success of the IDFC's technical assistance facility on climate.



- **The International Finance Corporation should launch its collective initiative on water and climate.**

By the 2024 International Energy Agency 50th Anniversary Ministerial Meeting – 14-15 February 2024

- Building on the IEA-IFC report to the Summit on “Scaling up Private Finance for Clean Energy in Emerging and Developing Countries”, the IEA should make recommendations on how to **bring down the cost of capital for clean energy investments in emerging and developing countries**, taking into account the transparency and data availability to assess risks.

By the 2024 Spring meetings of the World Bank and the IMF – 19-21 April 2024

- **All multilateral development banks** are called to develop relevant and harmonized **metrics for private capital mobilization** and to set **quantified targets** at the institutional level within their Key Performance Indicator (KPI) but also at the management and staff level through the introduction of impactful performance-based indicators and bonuses

By the 2024 UN Forum on Financing for Development – April 2024

- Member States to adopt a strong outcome, including on proposals that could contribute to reform the international financial architecture, which will inform the Summit of the Future and be a basis for the Fourth International Conference on Financing for Development in 2025.

By the G20 Summit in Brazil – 12-14 July 2024

- **The Finance in Common initiative** should facilitate a continued conversation with the global community of public development banks on their respective priorities (1) acting as an aggregator of joint commitments, investments and actions from different networks of financial institutions, (2) advancing proposals to increase **access of domestic financial institutions to guarantee and derisking tools**, for more local savings invested locally.
- **Under the leadership of the International Finance Corporation** and with the support of the Alliance for entrepreneurship in Africa, a set of proposals should be published to support the development of **innovative micro, small and medium enterprises’ financial intermediaries in developing countries** such as e-banking mechanisms for private sector borrowers and token issuance schemes for small investors in local infrastructure and service projects, with a primary focus on renewable energy
- **The Sustainable Infrastructure Foundation** should further mobilize donors to deploy the **SOURCE platform** in more countries to support quality infrastructure standards
- **The Financial Stability Board**, through its discussions amongst its membership and with its Regional Consultative Groups, will continue to engage with developing countries on **financing challenges** as it implements its Roadmap for addressing the financial risks from climate change.



By the Summit for the Future – 22-23 September 2024

- **France**, as host of the Paris Summit, will organize, with interested partners and stakeholders, a **stocktake of progress achieved on the above roadmap** that should be updated by the UN Summit For the Future, with a view to assess which actions have best served advances on the Sustainable Development Goals and the objectives of the Paris and the Montreal-Kunming agreements on climate and biodiversity.