

TERMS OF REFERENCE FOR THE WORK OF THE INTERNATIONAL COMMISSION OF EXPERTS ON FINANCING FOR DEVELOPMENT

1.- Background

In these almost ten years since the Third International Conference on Financing for Development, held in Addis Ababa (Ethiopia) in 2015, the international community has had to face the adverse effects of serious and largely unexpected events, such as the crisis stemming from the Covid-19 pandemic or the succession of open armed conflicts in different parts of the planet. All of these factors have caused countries to deviate from the path towards fulfilling the 2030 Agenda. With five years remaining in the implementation period of the 2030 Agenda, it is an opportune time to: i) take stock of the progress made in financing for development since the Third Conference; and ii) identify new sources of resources and capacities that could accelerate the process of bringing countries closer to the Sustainable Development Goals. To further this reflection, the UN Member States have decided to convene a Fourth International Conference on Financing for Development, to be held in Spain in 2025, with the mandate to: “assess the progress made in the implementation of the Monterrey Consensus, the Doha Declaration and the Addis Ababa Action Agenda, identifying obstacles and constraints encountered in the achievement of the goals and objectives agreed therein, as well as actions and initiatives to overcome these constraints, and to address new and emerging issues, including in the context of the urgent need to accelerate the implementation of the 2030 Agenda and the achievement of the Sustainable Development Goals and to support reform of the international financial architecture.”¹

The Financing for Development process has always sought to engage a wide range of stakeholders. In addition to the UN Member States, these have always included the so-called major institutional actors (IMF, UNCTAD, UNDP, World Bank and WTO), as well as civil society and the business sector. The experience of previous conferences (Monterrey, Doha and Addis Ababa) has also shown that, in order to facilitate the work of the international conference, it has been very useful to have an inspiring technical document prepared by a pluralist group of experts, created on an ad hoc basis to identify the most relevant issues, facilitate the search for new approaches and instruments, and suggest useful proposals.

2.- Rational and objectives

Based on the successful experience of the report issued by the High-Level Panel on Financing for Development (chaired by Ernesto Zedillo)², for the First International Conference on Financing for Development and that of the Intergovernmental Committee of Experts on Financing for Sustainable Development (chaired by Petti Majanem and Mansur Muhtar)³, for the Third International Conference, the Spanish Government has decided to set up a Commission of Experts, selected on the basis of their personal merits, with a plural and balanced composition (in terms of expertise, regional origin and gender), in order to produce a coherent and comprehensive document that can provide some stimulating inputs to the intergovernmental negotiation process that will lead to the final agreement of the Fourth International Conference on Financing for Development. The Secretary-General of the United Nations has endorsed the establishment of a Commission of Experts and UN DESA will provide substantive and secretariat support. The

¹ A/RES/78/231 on the “Follow-up to and implementation of the outcomes of the International Conferences on Financing for Development”, available from: [N2343002.pdf \(un.org\)](#)

² A/55/1000, available from: <https://documents.un.org/api/symbol/access?s=A/55/1000&l=en>

³ <https://sustainabledevelopment.un.org/intergovernmental/financecommittee>

document will be presented before the start of the intergovernmental negotiation process in January 2025.

The technical document should:

- Provide an assessment of the achievements of the Addis Ababa Action Agenda, highlighting both the progress made over the past decade and the challenges facing development financing over the next five years in order to achieve the Sustainable Development Goals.
- Revise the basis of the comprehensive approach to financing for development defined in the Third Conference in order to achieve a more effective mobilisation of the resources needed to achieve the SDGs in the new international context.
- Explore the possibilities of new sources of resources and capacities to accelerate development processes, fight inequalities and promote a just social, environmental and digital transition in developing countries.
- Analyse the best ways to finance the provision and management of international public goods (regional and global) and address key systemic challenges.
- Identify the more crucial reforms needed in the global governance frameworks and rules to enable developing countries to better use the resources they generate in the benefit of their sustainable and inclusive development.

3.- Main subjects

Although the final structure of the technical document will be defined by the Commission itself, it is considered that there are some aspects that should be part of its reflections. These include:

- The reforms needed to improve the capacity of global and regional institutions to respond to the economic, environmental and social challenges of the immediate future and to lay the foundations for inclusive and effective international governance, based on multilateralism.
- The measures concerning the provision, distribution, use and convertibility of Special Drawing Rights in order to strengthen the role of this mechanism in providing international liquidity, promoting financial stability and, where appropriate, financing global public goods.
- Actions aimed at strengthening the role of official development financing (ODA and beyond ODA), ensuring that donors' commitments in this field are met and the distribution and effectiveness of resources are improved; in this reflection the role of South-South and Triangular cooperation should be considered, as well as improvements in the levels of inclusion and representativeness of the governance structures in the international system of development cooperation.
- Measures required to more effectively advance in the field of international tax cooperation, in order to avoid regulatory loopholes that allow tax evasion (and tax elusion), while considering those actions aimed at strengthening the national tax system in developing countries.
- Measures aimed at promoting the reform of international financial institutions, especially regional development banks and national development banks, in order to confirm their role as pillars of development financing, which involves strengthening their resources, revising their operating model and improving their flexibility and innovation in their financial services.
- Actions aimed at mobilising resources to finance fair transitions both in the environmental field and in the implementation and development of digital technologies

in developing countries. In the environment field, it should be considered how to improve the institutional panorama in order to guarantee the required volume and additionality of the resources that are dedicated to these purposes.

- Measures aimed at improving the debt sustainability of developing countries in difficulty and to offer more effective and fair treatment of sovereign debt crisis.
- Measures aimed at a broader involvement of companies and private sector resources in financing the sustainable development agenda. In the same line, raise proposals based on the review of successful experiences in the use of blending finance, as well as in the resort to mechanisms (such as guarantees) oriented to derisking investment in developing countries.

4.- Composition

The Commission will consist of 12-16 members, with a Chair, all of whom will have one voice and one vote. All members will be appointed in their personal capacity and selected in accordance with their expertise in areas related to financing for development. The Commission is intended to provide a pluralistic view of development issues, representing different visions, experiences and sensitivities. Therefore, the selection of the members of the Commission will take into account their expertise, regional origin, gender and generational affiliation. It is not intended that the final document of the Commission should be approved in all its provisions by consensus; it is sufficient that the Commission agrees to endorse the final document, even if there are members who disagree on specific aspects of its content.

5.- Organizational aspects

The working period of the Commission will be from August 2024 to April 2025. Throughout the working period, it is envisaged that the Commission will hold two face-to-face meetings, in addition to those deemed to be online. The first of these face-to-face meetings will take place in October 2024 and the last around February 2025, when the document will be close to its final version.

At least two members of the Commission, one of them the Chair, are expected to participate in the intersessional multistakeholder hearing with civil society, scheduled for October in New York. At that meeting, the Chair is expected to report on the work of the Commission and the status of the document at that moment. At the same time, the meeting will allow the Commission to take into account the concerns and proposals of civil society.

Likewise, at least two members of the Commission, one of them the Chair, should participate in the PreCom scheduled for December in New York. At this meeting, the basic contents of the document will be presented, even if the text is still subject to modifications.

Finally, the final version of the document will be delivered ahead of the third session of the preparatory committee in mid-February in New York, and presented during this session, which will commence intergovernmental negotiations on the outcome document.

Both the Chair and the other members of the Commission could be invited to give a lecture on the contents of the document, both at the February PreCom and at the Conference. However, these invitations are at the discretion of the organisers of both meetings and the availability of the invited expert.

The fees of the members of the Commission and the costs of travel and accommodation at the venues of the face-to-face meetings will be covered by the fund foreseen to support the Commission. The same fund shall cover the travel and accommodation expenses of members participating in the meetings scheduled to report on the progress of the Commission's work.