



Financing a Sustainable Future: Proposals for a Renewed Global Development Finance Agenda

Report of the International Commission of Experts for the Fourth Conference on Financing for Development (FFD4)

Key Proposals of the International Commission of Experts on FFD

The report presents proposals across the following nine key areas:

- 1. Tax Cooperation and Combatting Illicit Capital Flows:** the Commission proposes increasing the agreed global minimum tax rate from 15% to 25%, banning tax incentives for natural resource exploitation, and ensuring adequate taxation of very rich individuals, including through a minimum tax on the very wealthy. To combat illicit financial flows, the Commission proposes mandatory country-by-country reporting by MNEs, a publicly accessible global registry of beneficial ownership, and a UN protocol on illicit flows.
- 2. Enhance the Role of Multilateral and National Development Banks:** the Commission puts forward proposals to triple MDB lending capacity, enhance local currency lending, through mechanisms such as currency hedging mechanisms, and strengthening national development banks.
- 3. Official Development Assistance and Concessional Financing:** the Commission proposes embedding the 0.7% of GNI ODA target into national laws or binding strategic frameworks of donor countries, calls for commitments to increase country-programmable aid, and for strengthening South-South cooperation through institutional support at global and regional levels.
- 4. Environmentally Sustainable Finance:** the Commission proposes casting aside the artificial divide between climate, biodiversity and development financing, while ensuring additionality through enhanced public climate finance and fiscally responsible de-risking for private investments in the climate transition, including a common taxonomy, enhanced transparency in de-risking costs, ceilings on contingent liabilities to mitigate fiscal risks and de-risk debt rules (similar to public debt rules). It also proposes that central banks exclude investments in activities and firms that generate adverse environmental effects in their bond portfolios.
- 5. Trade, Industrialization, and Investment Issues:** the Commission advocates for the WTO to work towards an agreement on industrial policies. It also recommends that property agreement (TRIPS) include an automatic waiver of all disease-related intellectual property rights (IPR) during epidemics, and IPR waivers for climate and biodiversity technologies. It also proposes buffer stocks and stabilization funds for commodity price volatility and calls the UN to develop an investment agreement model.

6. **Sovereign Debt Restructuring:** the Commission calls for improving the Common Framework along six dimensions, and for exploring the establishment of a permanent sovereign debt restructuring mechanism. Complementary measures include strengthening the regulation of credit rating agencies, including requiring disclosure of their methodologies and inclusion of long-term risks, and support for the development of an independent international public credit rating agency.
7. **Strengthen the Global Safety Net:** the Commission urges integrating the spillover effects of large economies' macroeconomic policies into IMF agendas, calls for robust instruments to manage private capital flow volatility in developing countries, including support for capital account management techniques. It further proposes strengthening the Special Drawing Rights (SDR) system by eliminating the IMF's dual accounting, allowing unused SDRs to be treated as country deposits for credit operations, and supporting the creation of regional monetary funds.
8. **Pending Issues in Financial Regulation:** the Commission recommends adapting prudential regulations to incorporate financial risks associated with high-carbon activities, which could include higher provisions and/or increased capital requirements for those loans and a framework for regulatory penalties on dirty assets. It also calls for regulation of digital financial markets, particularly those involving secrecy.
9. **Critical Institutional Issues:** the Commission recommends enhancing the voice and participation of developing countries in the Bretton Woods Institutions through measures such as introducing double majority voting systems, eliminating veto power (85% rule), and adopting open election systems for leadership positions. Additionally, it proposes the creation of a UN Global Economic Coordination Council. Additionally, it recommends reforming the governance structures of (MDBs) by clearly defining responsibilities between the Board and management, professionalizing Board Director recruitment, and appointing independent directors.

About the International Commission of Experts on FFD

The independent International Commission of Experts on FFD was established in September 2024. The initiative follows the example of previous International Conferences on Financing for Development, where expert reports played an important role in informing substantive preparations.

The Commission consists of experts selected based on their professional expertise, while ensuring diversity and inclusive representation across regions, gender, and generations. It is chaired by José Antonio Ocampo and includes José Antonio Alonso, Ishac Diwan, Barry Eichengreen, Daniela Gabor, Jayati Ghosh, Stephany Griffith-Jones, Carlos Lopes, Léonce Ndikumana, Annalisa Prizzon, Joseph Stiglitz, Fiona Tregenna, Dzodzi Tsikata, and Jiajun Xu.