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## **Multistakeholder Round Table 6: Reforming the international financial architecture and addressing systemic issues**

**3rd July 2025: 10:00 AM – 1:00 PM**  
**Fibes 1, Sevilla, Spain**

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### **Background**

Despite efforts in recent years, the gap between development goals and available financing has widened significantly. The global economic outlook remains fragile, marked by high levels of uncertainty, heightened geopolitical and trade tensions, persisting inflationary pressures.

To strengthen governments' ability to respond to shocks and sustain essential development investments, FFD4 has an explicit mandate "to support reform of the international financial architecture" (IFA). As emphasized in the Compromiso de Sevilla, three interrelated areas of action stand out. First, the outcome document calls for strengthening global economic governance - by enhancing the voice and representation of developing countries in international financial institutions, ensuring they can participate more meaningfully in decision-making processes and crisis response mechanisms. Second, FFD4 supports strengthening the global financial safety net (GFSN) to address persistent gaps and uneven coverage. The document supports the role of the IMF at the center of the GFSN through calls for governance reforms, easier access to precautionary instruments, lower lending costs, and better use of Special Drawing Rights. It also aims to enhance the complementarity of the layers of the GFSN and emphasizes the need to strengthen existing and new regional financial arrangements and mechanisms - particularly in Africa. Third, the document also addresses IFA features that can, even unintendedly, impede the flow of crucial capital flows to developing countries, such as credit ratings and engagement with credit rating agencies, potential regulatory barriers in international financial standards, and frictions in cross-border payments.

### **Guiding Questions**

- 1) How do you intend to take forward key actions of the Sevilla outcome?

- 2) How can the international financial architecture be reformed to strengthen representation and voice for developing countries - beyond voting rights realignments alone?
- 3) How can the IMF play a more effective role in the global financial safety net? More specifically on SDRs, what should be the main components of the new 'playbook', which would facilitate more timely decisions on issuance and rechannelling of SDRs?
- 4) How should the international financial architecture evolve to better support long-term investment and sustainable development, including through prudential regulation and engagement with credit rating agencies that countries have committed to in the Sevilla outcome?