



**PARIS PACT
FOR PEOPLE &
THE PLANET**

PROGRESS REPORT

Paris Pact for People and the Planet: where do we stand one year after the Summit for a New Global Financing Pact?

September 2024

The urgency to reform the international financing system remains high

In June 2023, the Summit for a New Global Financing Pact, hosted by French President Emmanuel Macron and attended by world leaders, cemented consensus around the necessity to reform the international financial architecture. Together, world leaders launched the Paris Pact for People and the Planet (4P), a new ground-breaking alliance for renewing the international financial architecture. They acknowledged that an international financial architecture that is fairer, more efficient, more equitable and fit for the world of today is essential to meet global development and climate goals – as part of a unified agenda – and to foster a greener, more inclusive and more peaceful world.

The necessity to reform the international financial architecture has never been more pressing. The Covid-19 crisis triggered the worst recession since the Great Depression and caused a surge in global debt levels, lengthening the list of developing and emerging market economies facing debt challenges: one-third of all developing countries and two-thirds of low-income countries are now at high risk of debt distress (FMI/World Bank, 2022). Despite the global economic outlook recorded a slight improvement in 2024¹, growth prospects remain subdued by historical standards in advanced economies and emerging and developing economies (EMDEs) alike (World Bank, 2024). Growing geopolitical tensions continue to shape global trade and could have major impacts on the global economy if escalated. Overall, the multi-decade trend of global poverty reduction has been halted if not reversed, and prospects remain especially dire in many vulnerable economies, as over half of economies facing fragile and conflict-affected situations will remain poorer by the end of this year than on the eve of the Covid-19 pandemic (World Bank, 2024). With no sufficient international co-operation and a global ambition commensurate to the scale of these challenges, the world risks falling short of meeting the sustainable development goals (SDG) and the Paris climate targets. Decisive global and national policy efforts are therefore necessary and need to be advanced in a spirit of fairness and mutual trust.

1. Low income countries in debt distress or high risk of debt distress reduced from 60% in 2023 to 50% in 2024 (IMF, 2024).

The 4P is now a vibrant community working together to be driving forces of change

“The 4P is a vibrant, inclusive community. While in many fora historic tensions and blocs have made us stall, the 4P is an opportunity to work together to become driving forces of change.”

Macky Sall, 4P Special Envoy and 4th President of Senegal.

The Paris Pact for People and the Planet (4P) that emerged from the *Summit for a New Global Financing Pact* has been providing an unparalleled opportunity for the international community to work together on an equal footing and in an inclusive fashion to develop positive agendas and overcome deadlocks. About one year after the Summit, the 4P is a vibrant community bringing together countries from all income levels and all continents. **The number of countries sharing the political priorities of the 4P has continued to grow**, and at present 60² countries are part of the 4P Community.

The 4P Community partners up in a flexible and voluntary manner, including through operational coalitions that are joined by interested countries to accelerate progress on specific aspects of the international financial architecture reform. 4P Coalitions include: the Global Expert Review on Debt, Climate and Nature; the Coalition on Climate Resilient Debt Clauses; the Global Solidarity Levies Task Force; the Global Roadmap on Biodiversity Credits; the Global Green Bonds Initiative, the Coalition for Paris Aligned Carbon Markets, and more.

A dedicated 4P Secretariat was established at the end of February 2024 to support the 4P Community in achieving its shared ambitions. It monitors progress, helps to connect countries around specific 4P initiatives and coalitions, facilitates information and knowledge sharing, organises 4P “Implementation” Committee meetings and events, helps to develop ideas, proposals and initiatives, and provides communication and visibility to 4P initiatives and achievements. The 4P Secretariat is hosted at the OECD as an independent entity. This means that **the views and positions of the 4P does not represent the views of the OECD and vice versa**.

2. Argentina, Bangladesh, Barbados, Benin, Botswana, Burundi, Cabo Verde, Cameroon, Canada, Chad, Chile, Colombia, Comoros, Côte d’Ivoire, Croatia, Cyprus, Denmark, Egypt, Ethiopia, France, Gabon, Germany, Ghana, Greece, Guatemala, Guinea, Haiti, India, Indonesia, Ireland, Jamaica, Jordan, Kenya, Madagascar, Malawi, Marshall Islands, Moldova, Mongolia, Morocco, Niger, Nigeria, Norway, Palau, Papua New Guinea, Portugal, Romania, Rwanda, Senegal, Slovenia, South Africa, Spain, Sri Lanka, Tanzania, Thailand, Timor Leste, Tunisia, Uruguay, Vanuatu, Vietnam, Zambia.

With support from the 4P Secretariat, **the 4P Community has met regularly since the Summit** ('4P Implementation Committee meetings') to discuss strategic orientations and to monitor progress towards an international financial system that is more efficient, more equitable, and fit for the world of today. The 4P Community has also come together to share its political priorities and progress in key international events and milestones, most recently during the International Monetary Fund (IMF) and World Bank (WB) Spring meetings, SIDS-4 Conference, HLPF, G20 Task Force on Climate, First FfD-4 Preparatory Conference, and more.

The former President of Senegal, Macky Sall, has taken up the role of 4P Special Envoy in April 2024. His leadership and longstanding experience are proving essential to garner the high-level political support and political traction needed for the implementation of the 4P agenda and to help broaden the inclusivity of the 4P.



Photo: 4P Ministerial meeting: 'The 4P Community: United in shaping an international financial system fit for today' – Thursday, 18th April 2024, Washington D.C. – IMF Board room.

4P Community: shared ambition and flexible ways of working together

The 4P Community shares a common ambition to reform the international financial system so that it becomes more efficient, more inclusive and fit for the world of today.

The 4P Community works together to achieve that shared ambition in a flexible and voluntary manner, including through operational coalitions that are joined by interested countries to accelerate progress on specific aspects of the international financial system reform, whether on debt sustainability, private finance mobilisation, innovative financing sources, international taxation, and energy transitions.

The 4P remains an invitation to lead, and countries can use the 4P to boost current initiatives as well as to promote new ones. They can bring innovative solutions, identify areas where an extra push is needed to achieve greater ambition, and use the 4P as a “matching place” to find partners willing to engage and move these forwards.

The Paris Pact for People and the Planet is founded on four key principles:

1. No country should have to choose between fighting poverty and saving the planet;
2. Every country adopts its own transition strategy, taking into account its needs and its constraints when it comes to achieving the Paris agreement target;
3. We need a financial stimulus and more resources to assist vulnerable economies in helping their population out of poverty, while protecting the planet;
4. The international financial system must be more efficient, and the role of private capital is key.

The 4P Community continues to grow

60 countries are now part of the 4P Community

- **AFRICA:** Benin, Botswana, Burundi, Cabo Verde, Cameroon, Chad, Comoros, Côte d'Ivoire, Egypt, Ethiopia, Gabon, Ghana, Guinea, Kenya, Madagascar, Malawi, Morocco, Niger, Nigeria, Rwanda, Senegal, South Africa, Tanzania, Tunisia, Zambia.
- **AMERICA:** Argentina, Barbados, Canada, Chile, Colombia, Guatemala, Haiti, Jamaica, Uruguay.
- **ASIA:** Bangladesh, India, Indonesia, Jordan, Mongolia, Sri Lanka, Thailand, Timor-Leste, Vietnam.
- **EUROPE:** Croatia, Cyprus, Denmark, France, Germany, Greece, Ireland, Moldova, Norway, Portugal, Romania, Slovenia, Spain.
- **OCEANIA:** Marshall Islands, Palau, Papua New Guinea, Vanuatu.

Delivering on the 4P Roadmap

To deepen the engagement of 4P countries and partners and advance the 4P agenda, the 4P has contributed to many international events and processes throughout the first semester of 2024.



The remainder of the year 2024 provides significant opportunities for the 4P community to continue to make concrete progress leveraging key international fora and events. After the UNGA and Summit for the Future in September, particularly important milestones will be the IMF/WB Annual meetings, the COP in Baku in November, and the preparatory process for FfD-4.

Main 4P priorities for the months to come

The reform of the global financial system, as the ultimate goal of the 4P, implies to work on improving its governance, together with all measures taken to increase financing against poverty and for the planet. Ensuring that the international financial architecture is more representative of the global community, with more voice and representation given to developing countries alongside greater responsibilities in multilateralism to deliver more effective, credible, accountable, and legitimate institutions, remains a core priority of the 4P. The establishment of a 25th chair for sub-Saharan Africa at the IMF is a positive step that the international community should build on. The 4P supports the ambition of the Brazilian G20 Presidency to accelerate efforts for a fairer global governance system.

In addition, in June 2024, the 4P Special Envoy Macky Sall called on the 4P Community to work together to advance three critical priorities in the coming months. These are:

- Support a **Better, Bigger and more Effective System of MDBs**, in line with the 4P Multilateral Development Banks Vision Statement launched at the Summit for a New Financing Pact last year. In particular, this work will support maximising the de-risking effect and private finance mobilisation of MDBs, DFIs and bilateral providers. It will support efforts to grow the transparency of blended finance arrangements and move towards the standardisation of blended finance products that can facilitate upscale. It will explore possible unintended consequences on investments in developing countries of the regulatory and prudential frameworks and support efforts to ensure that blended finance/ de-risking arrangements, including guarantees, are adequately reflected in credit ratings and "in regulatory" and prudential framework.
- Work on **the cost of capital in developing countries**, which will focus on better alignment of real and perceived investment risks. This work will establish a dialogue with regulators, credit rating agencies, and other players to develop a pathway to enhance credit ratings and country risk assessments, which play important role in determining the cost of capital, access to finance for developing countries and their debt sustainability.
- A **comprehensive package on debt sustainability**, to support: better integration of climate vulnerabilities in debt analyses; a broader adoption of Climate Resilient Debt (CRDCs) and other contingency clauses based on good practices; scaling up innovative financing instruments such as debt for nature or climate swap associated with buybacks; innovative solutions to the growing liquidity challenges faced by many developing countries.

To advance the first two priorities, the 4P Secretariat developed a discussion paper with some concrete proposals which was informed by preliminary discussions in a 4P High-level meeting in Paris on May 13. At the invitation of Brazil, the 4P Secretariat had the opportunity to present these concrete proposals to the G20, at the G20 Task Force on for the Global Mobilization Against Climate Change and to inform the outcome document of this G20 Task Force. The 4P is also working closely with Germany to launch at the Hamburg Sustainability Conference a coalition and roadmap to advance this work.

To advance the priority on a comprehensive package to address debt issues, the 4P Coalition Global Expert Review on Debt, Climate and Nature led by Colombia, Kenya, Germany and France, has formed an independent panel of experts that will produce an interim report with an initial assessment in October. The 4P is also working on mapping how CRDCs are applied in order to foster mutual learning and to scale up these clauses based on good practices. Lastly, there have been increasing discussions, in the G20 and other fora, on the need to develop adequate solutions for those countries who are not in debt distress and yet face severe challenges in terms of liquidity. On this topic, the 4P has supported discussions based on the analytical work of several stakeholders among which the Finance for Development Lab.

Monitoring progress on the reform of the international financial architecture

KEY HIGHLIGHTS

Mobilising resources for climate and development:

- The OECD confirmed that the target of **USD 100 billion in climate finance** for developing countries was exceeded for the first time in 2022 with USD 115.9 billion allocated for climate finance. This is an increase of USD 26.3 billion compared to 2021.
- The **Clean Cooking in Africa Summit in May 2024** co-chaired by Tanzania and Norway, with leadership from the International Energy Agency and African Development Bank achieved record pledges for a total of **USD 2.2 billion** in financing and investments for clean cooking in Africa.
- A USD 260 million commitment was made for the **Alliance for Green Infrastructure in Africa (AGIA)** - out of the targeted USD 300 million. The AGIA aims to catalyse up to USD 6 billion in public and private investments in green and resilience projects and programs.

- Following COP28, the **Fund for responding to Loss and Damage** is being operationalised to assist particularly vulnerable developing countries in responding to economic and non-economic loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events.

An increase in IMF resources and a better, bigger and more effective system of use of MDBs capital better use of MDBs capital

- A **50% quota increase was approved at the IMF** in Fall 2023 during the 16th General Review of Quotas, which will bring total quotas to SDR 715.7 billion (USD 960 billion). IMF members also committed to work towards a future quota realignment (see below).
- **Re-channelling Special Drawing Rights (SDRs)**: of the USD 111.1 billion promised at the end of April 2024, USD 77.3 billion has already been made available to the IMF in the form of loans to the Poverty Reduction and Growth Trust (PRGT) and the Resilience and Sustainability Trust (RST). Another important step has been made to make progress on SDR rechannelling via MDBs with the IMF Board decision to authorise the use of SDRs to acquire hybrid capital issued by an MDB or another “authorized holder” (prescribed holder). The IMF and the World Bank also announced an enhanced framework for scaled-up climate action that will raise the effectiveness of SDRs channeled to the RST and the World Bank’s policy and project financing.
- By October 2024, the G20 will adopt a **Roadmap for a better, bigger and more effective system of MDBs**, to enhance operating models, improve responsiveness and accessibility of the MDBs.

Progress on debt treatments

Significant steps have been taken in the implementation of the Common Framework, including: finalising the debt restructuring in Zambia (March 2024), agreeing to the debt treatment of Ghana (January 2024), and providing Ethiopia with a debt service suspension (November 2023) and then timely financing assurances to support the agreement between the authorities and the IMF. Outside of the Common Framework, the debt treatment of Sri Lanka was agreed in June 2024.

Governance of the international financial architecture to make it more efficient, more equitable, and fit for the world of today

The IMF established a **25th chair for sub-Saharan Africa**, which will become operational by November 2024.

- The Executive Board of the IMF is expected to develop, by June 2025, possible approaches for a guiding for further quota share realignment, including through a new quota formula, under the 17th General Review of Quotas;
- The IBRD Shareholding review will take place in 2025.

Detailed stock take of progress

BETTER, BIGGER AND MORE EFFECTIVE MDB'S REFORM AGENDA

Reform of the Governance of the IMF and the World Bank

*"To prevent fragmentation, we need to reinforce the governance of the international financial architecture to make it more efficient, more equitable, and fit for the world of today."
(Paris Pact for People and the Planet, June 2023 Declaration at the Summit for a New Global Financing Pact)*

Result:

- A 50% quota increase was approved at the IMF in Fall 2023. The quota increase will reinforce the quota-based nature of the Fund and strengthen its capacity to safeguard global financial stability in a shock-prone world;
- A 25th chair on the IMF Board of Directors was established for Sub-Saharan Africa. This chair will be operational by November 1, 2024, resulting in Sub-Saharan Africa being represented by 3 directors instead of the current 2.

Next steps:

- IMF members committed to work towards a future quota realignment;
- The Executive Board of the IMF is expected to present, by June 2025, possible approaches for guiding the quota realignment, including through a new quota formula, under the 17th General Review of Quotas,
- The IBRD Shareholding review will take place in 2025. Shareholding reviews take place every five years and are based on agreed principles and a dynamic formula.

Replenishment of International Development Association (IDA)

"Further work will be advanced working with G20 and COP presidencies on the following areas: (...) An ambitious replenishment of IDA to keep an increase funding of the most concessional facilities of the World Bank and the IMF."

The International Development Association (IDA) is the concessional arm of the World Bank Group. This fund is replenished every three years.

Results:

- This year, the 21st replenishment of IDA is underway, with the following overarching theme: “End poverty on a livable planet: delivering impact with urgency and ambition”, which is fully in line with the ambitions of the 4P.
- A 2nd replenishment meeting was held in June in Nepal. It focused on the policy package of IDA-21, its results architecture and the financial scenarios.

Next steps:

- The next round of discussions will take place at the end of October during the World Bank Annual meetings;
- A pledging session will take place in South Korea in December.

Increasing the lending capacity of MDBs

“We also expect an overall increase of USD 200bn of MDBs’ lending capacity over the next ten years by optimizing their balance sheets and taking more risks. If these reforms are implemented, MDBs may need more capital.”³

Results:

In line with the adoption by the G20 Finance Ministers and Central Bank Governors (FMCBG) of the “Roadmap for the implementation of the recommendations of the G20 Independent Review of MDB’ CAF” in July 2023, in July 2024 the G20 FMCBG adopted a progress report on the implementation of these recommendations. According to this progress report, the Capital Adequacy Framework (CAF) review will deliver a total of USD 357 billion in additional lending capacity over 10 years, through measures of financial balance sheet optimization and the mobilization of additional innovative capital resources (issuance of hybrid capital).

Next Steps:

- MDBs to continue implementing and reporting on CAF recommendations and to explore further options to support additional lending;
- Further discussions to be held on preferred creditor status, portfolio concentration and callable capital, including with credit rating agencies;
- By October 2024, the G20 is expected to adopt a Roadmap for a better, bigger and more effective system of MDBs, to enhance their operations and incentive structures to increase the accessibility and responsiveness of MDBs' support to countries sustainable development goals as efforts to address global and regional challenges.

TACKLING DEBT CHALLENGES

Accelerate progress on debt treatment

"We need to accelerate debt treatments and deliver on the common framework as we did for Chad and Zambia."

- **Ghana:**
The agreement on the debt treatment under the G20 – Paris Club Common Framework was reached in January 2024, and then formalised through a Memorandum of Understanding (MoU) which was agreed on the 11th June 2024. The debt treatment procedure for Ghana was quicker than for Zambia, sending a positive signal for upcoming debt treatments under the Common Framework.
- **Zambia:**
The agreement on the debt treatment parameters reached in June 2023, before agreement on the MoU in October 2023, with the MoU now signed by all parties. In March 2024, Zambia reached an agreement to restructure the Eurobonds, providing essential debt relief by Bondholders.
- **Ethiopia:**
Suspension of debt service (at the request of the country) granted ahead of the provision of financing assurances (first time in the implementation of the Common Framework). The financing assurances from the official creditor committee were delivered in July 2024, which facilitated timely approval of the IMF program by the IMF board.
- **Sri Lanka (outside Common Framework):**
Agreement on the debt treatment parameters reached in Q4 2023, with agreement on the MoU in late June 2024 in the margins of the Paris Forum, now signed by all parties.

Extension of the use of debt swaps associated with debt for the buyback of publicly traded bonds

Results:

- A growing number of stakeholders and fora have taken on the subject, leading to a momentum in discussions: Debt swaps discussions was submitted to be on the agenda of the G20 under Brazilian presidency group; an open workshop focused on this topic at the IMF and World Bank's Global Sovereign Debt Roundtable (GSDR); the World Bank produced a technical note on this matter.

- At the same time, practical debt swap experiences and projects have multiplied, including the recent example of Barbados' debt swap, with guarantees from the European Investment Bank (EIB) and Inter-American Development Bank (IDB).
- At the UN High Level Political Forum (HLPF), Colombia, with the 4P, Germany, Portugal, Brazil and other partners organised a discussion on debt for nature swaps where partners converged on the need for streamlining the design, transparency and financing of debt swaps.

Next Steps:

- It will be key to continue to share experiences, aim to standardise approaches to reduce costs, and further scope out the possibility to provide guarantee support by IFIs (for debt swaps and debt buybacks).

Climate debt vulnerability

*"Including climate vulnerability in debt sustainability assessments of the World Bank and the IMF, including to enable more investment in adaptation to climate change."*⁴

The IMF-WB have independently launched their regular review of their LIC-DSF methodology.

In focus: 4P coalitions helping to advance debt issues

4P Coalition - Climate Resilient Debt Clauses (CRDCs)

*"We must support each other when one is hit by a disaster. That calls for specific tools including climate resilient debt clause."*⁵

Goal:

At the Paris Summit for a New Global Financial Pact, Barbados, Canada, France, Ghana, Spain the UK, and US called⁶ for bilateral, multilateral and private sector creditors to offer Climate-Resilient Debt Clauses by the end of 2025.

Results:

- Pilot CRDCs were launched by the World Bank during IMF-WB Annual Meetings and COP28 (2023): clauses were proposed for "small states" on new loans and existing debt stock (interest and principal);

4. [The Paris Pact for People and the Planet](#)

5. [The Paris Pact for People and the Planet](#)

6. [Call to action on CRDCs](#)

- CRDCs were adopted in 2024 by the EIB, and are under consideration for AFD, AfDB and EBRD. At COP28, the IDB announced the future implementation of its CRDC 2.0;
- At a discussion organised by the 4P, France, Canada, UK and other partners at the Fourth International Conference on Small Island Developing States (SIDS-4) on 28th May 2024, partners agreed on the need for more systematic data gathering on CRDCs to promote broader adoption of CRDCs based on best practice.

Next steps:

- 4P Secretariat to start work with partners to conduct a mapping of CRDCs practices and fostering policy dialogue to incentivise broader adoption of CRDCs and other contingency clauses based on good practices;
- Raising awareness among borrowers;
- In the context of the G20, a note on “Climate Resilient Debt Clauses: State of play and ways forward⁷” that the Finance Ministers took note acknowledged in the July 2024 G20 Finance communiqué.

4P Coalition - Global expert review on debt, nature and climate

Colombia, Kenya and France proposed the establishment by COP28 of a Global Expert Review on Debt, Nature and Climate to assess the impact of debt on low- and medium-income countries capacity to preserve nature, adapt to climate change and decarbonise their economies.⁷

Goal:

An Independent Expert Group, drawn from experts from diverse countries and areas of expertise, is examining the interaction of sovereign debt, climate change and nature depletion, and will make recommendations on how sovereign debt can be best structured to ensure countries' ability to respond to climate change and the need for environmental protection. It will conduct a comprehensive assessment on how the structure, volume, and analysis of sovereign debt impacts the ability of low and middle-income countries to conserve nature, adapt to climate change, decarbonize their economies, and how it can become more sustainable, both fiscally and environmentally. The review will also cover optimising existing debt stocks, structuring new debt, and look at current debt sustainability analysis frameworks.

7. [Chair's summary of discussions at the Summit on a New Global Financing Pact](#)

Results:

- The Independent Expert Review started work in April 2024 and is currently conducting its initial analysis.

Next steps:

- An Interim Report will be published in October 2024 during the IMF/World Bank Annual Meetings and the CBD COP16. Its Final Report, with recommendations to governments, international financial institutions, the private sector, Credit Ratings Agencies and others, will be published in April 2025 during the IMF/World Bank Spring Meetings.

STEPPING UP CLIMATE FINANCE

The goal of USD 100 billion in climate finance for developing countries surpassed

"There is now a good likelihood that we will reach our target of 100Bn of climate finance this year."⁸

Results:

- In May 2024, the OECD confirmed that the goal of USD 100 billion in climate finance for developing countries was surpassed for the first time in 2022, reaching USD 115.9 billion. This represents an increase of USD 26.3 billion, or almost 30%, compared to 2021 (USD 89.6 billion).

Next steps:

- At COP21 has been announced the objective of setting a new collective quantified goal (NCQG) to replace the USD 100 billion target before 2025, considering a range of funding sources. At COP26 it was announced that this target is to be defined by the end of the year at COP29.

MOBILISING PRIVATE FINANCE FOR DEVELOPMENT, CLIMATE AND NATURE

More private climate finance mobilized by MDBs

"Meeting global challenges will crucially depend on the scaling up of private capital flows to transform emerging and developing economies, for a net-zero and nature-positive world."

"We need to be more efficient. Each dollar of lending by MDBs should be complemented by at least one dollar of private finance. Based on this, we expect from them to leverage at least 100 billion dollars of private money each year in developing and emerging economies."⁹

Goal:

Both public finance and private finance need to align to development, climate and nature-positive goals. Private climate finance mobilised by the MDBs remains very low in developing countries at USD 15.4 billion¹⁰ in 2022 (4.5 directly mobilised and 10.9 indirectly), representing a ratio of USD 0.25 of private finance mobilised for 1 USD of MDBs climate finance committed in developing countries. However, there is a need for USD 1 trillion in climate finance for developing countries by 2030, with half or more - \$500 to \$600 billion - to be covered by the private sector, largely through mobilization by Multilateral Development Banks and development agencies.

Results:

- The European Commission tasked an independent High-Level Expert Group to develop analysis and recommendations on scaling up sustainable finance in low- and middle-income countries, which led to the publication of a [report](#) in 2024;
- The 4P Secretariat produced a discussion paper with proposals for increasing investments in EMDEs, focusing on measures to better align perceived and real risks and to enhance the transparency of blended finance arrangements and how they are reflected in credit ratings and regulatory and prudential. At the invitation of Brazil, the 4P Secretariat presented this 4P paper at the G20 Third technical meeting of the G20 Taskforce for the global mobilization against climate change in Belém in July 2024.

9. [The Paris Pact for People and the Planet](#)

10. 2022 Joint report on Multilateral Development Banks' Climate Finance ([EIB](#))

Next steps:

- The 4P is starting work to establish a constructive dialogue with regulators, credit rating agencies, and other players to develop a pathway to enhance credit ratings and country risk assessments across;
- The 4P is developing a contribution paper for proposals at the FFD4 Summit in July 2025;
- Setting clear targets for the mobilization of private capital by MDBs to meet climate ambitions, to support the integration of private capital mobilization metrics in the MDBs scorecards through the G20 roadmap and to support MDB innovative tools to encourage the mobilization of private capital in development activities, e.g. WB guarantee platform and Private Sector Investment Lab (launched at the annual meetings 2023).

Private Sector Investment Lab – World Bank

Goal:

The World Bank launched the Private Sector Investment Lab in June 2023, recruiting 15 CEOs and Chairs across asset management companies, banks, as well as operators to identify barriers and potential solutions to scaling private sector investment in emerging markets, with an initial focus on renewable energy.

Results:

The Private Sector Investment Lab has worked on recommendations in five areas:

- Regulatory certainty;
- Increased use of guarantees;
- Foreign exchange risk mitigation;
- Increased use of originate-to-distribute models for mobilization of private capital;
- Equity and first loss protection.

In focus: key initiatives helping to mobilise private finance

4P Coalition - Global Blended finance alliance (GBFA)

Goal:

Under Indonesia's G20 Presidency, leaders acknowledging the need for the Global Blended Finance Alliance (GBFA) in the G20 Bali Leaders' Declaration, to accelerate investment in climate action and sustainable development. The objective of the GBFA is to focus on the domestic enabling to scale up blended finance in developing countries and capacity building to unlock investments for the climate and energy transition.

Results:

- The initiative was officially launched during the World Water Forum in Bali in May 2024 under the leadership of Indonesia building on the G20 Blended Finance Tri Hita Karana, with eight founding countries alongside Indonesia, Canada, Democratic Republic of Congo, Fiji, France, Kenya, Luxembourg, Sri Lanka, UAE.

Next steps:

- Start of work to help countries develop domestic policy frameworks and regulations that are conducive to the deployment of blended finance arrangements, to help match-making capital to projects, and to create a hub of best practice for developing country infrastructure finance institutions, accelerate on-ground pipeline development (especially for natural solutions, clean energy and circular economy).

Supported by the 4P Coalition - Global Green Bond Initiative (GGBI)

*"The European Commission and the European Investment Bank are co-steering a consortium of DFIs to launch Global Green Bond Initiative which aims at enhancing green capital markets in LMICs."*¹¹

Goal:

Attracting private capital from international and domestic institutional investors in green and sustainable investments in Low and Middle Income countries (LMICs), by promoting local green bond markets through a three-pillar initiative, consisting of (i) an investment fund that will act as anchor investor in green bonds issued in LMICs, (ii) a capacity-building and technical assistance programme to support green bond issuers, and (iii) a Green Coupon Facility to provide subsidies to green bond issuers that are facing prohibitive costs of servicing their debt, in specific cases.

11. [Chair's summary of discussions at the Summit on a New Global Financing Pact](#)

Results:

- The GGBI initiative will be launched by a coalition of European Member States, European Development Finance Institutions, Multilateral Development Banks and the Green Climate Fund, under the joint steer of the European Commission and European Investment Bank. Current commitments for public investments amount to nearly one billion euros, which should attract additional private capital. The total impact on the ground is estimated to be 15-20 billion euros in green and sustainable investments.

Next steps:

- The GGBI is expected to be launched soon.

OECD Secretary-General's Task Force on Mobilisation Private Sector Finance for Development, Climate and Biodiversity – OECD

Goal:

During the Summit for a New Global Financing Pact in 2023, the OECD committed to set up a taskforce leveraging its multi-disciplinary expertise to foster greater private finance mobilisation.

Results:

- The Taskforce is now in place and its first meeting took place in July 2024. In addition, the OECD has recently produced OECD Blended Finance Guidance for Climate Change Adaptation and is developing work on mobilising private finance through development finance for biodiversity in developing countries. The OECD is also working on improving the measurement and reporting of private finance mobilised by official development assistance (ODA).

UNLOCKING INNOVATIVE FINANCING

Mobilization of SDRs and rerouting through MDBs

*"We have achieved the target of USD 100 billion SDR (equivalent contributions) to be channeled to the most vulnerable countries, especially in Africa. We call on governments able to do so to work on further SDR rechannelling mechanisms."*¹²

Results:

- *SDR mobilisation: (i) of the USD 111.1 billion pledged by the end of February 2024, USD 77.3 billion has already been made available to the IMF in the form of loans to the PRGT and RST. Canada, Spain and the Netherlands are among countries that have increased commitments most recently, (ii) the number of beneficiary countries of an RST program has increased from 16 to 18 to date, for a total amount of USD 8.1 billion.*
- *Operationalisation of commitments via the Poverty Reduction and Growth Trust (PRGT) and the Resilience and Sustainability Trust (RST): (i) United States: Congress gave the green light in March 2024 to make a USD 21 billion contribution to the PRGT by October 2024, (ii) Australia, France, Japan: Full operationalization of their commitment to mobilize around 40% of the SDRs received in 2021, (iii) Spain announced the doubling of its contribution to the RST with a further 1.5 billion SDRs, in line with its commitment to mobilize 50% of the SDRs received in 2021, (iv) leveraging effect of the RST on other external financing in Rwanda and Bangladesh.*
- *Mobilisation of SDRs through multilateral development banks (MDBs): on May 10, 2024, the IMF took important steps to authorise the use of SDRs to acquire hybrid capital issued by an MDB or another prescribed holder. To operationalise this solution: (i) contribution in SDRs to the hybrid capital will be needed from at least 5 countries, (ii) three additional countries participate as a "second line" in a liquidity support agreement.*

Next steps:

- Shareholders will need to fulfill commitments made to the IMF to ensure resources are effectively available to vulnerable countries;
- Further steps will be required to operationalise the mobilisation of SDRs through the AfDB and the IDB;
- There is scope to further increase contributions beyond their current level, aiming to go substantially beyond the USD \$100 billion target;
- Ensuring the financing of the PRGT aiming to help meet LICs' balance of payments needs and to put the PRGT on a sustainable footing by exploring all options, including the use of internal resources and reform of lending policies;

12. All texts and commitments in italics come from the Paris Pact for People and the Planet published in June 2023

- Promoting further coordination between financial institutions (IMF, World Bank, and bilateral financing institutions operating in the countries) will be beneficial in the context of the implementation of the RST.

In focus: 4P coalitions helping to unlock innovative financing

4P Coalition - Global Solidarity Levies Task Force

*"New avenues for international taxation in order to fulfil our climate commitments."*¹³

Goal:

The Global Solidarity Levies Task Force, co-chaired by Barbados, France and Kenya, and supported by a dedicated secretariat (i.e. European Climate Foundation) and an Expert Group, aims to put forward proposals that can generate additional revenues of at least 0.1% GDP on average across participating countries, amounting to at least an additional USD 100 billion/year on a fully global scale, in line with a fairer and more equitable tax system.

Results:

- Several new countries are now involved in this 4P Coalition, including: Antigua and Barbuda, Denmark, Ireland, Marshall Islands, Senegal, Spain, as well as African Union (observer), Brazil (observer), European Commission (observer), Germany (observer);
- A presentation of the task force's initial work (a methodological note, 5 thematic notes on each of the levies envisaged, and a "chapeau" providing a "macro-financial" perspective to the task force's work) was delivered in August 2024.

Next steps:

- In the lead up to COP30 in Belém, this 4P Coalition will aim to promote international agreements on one or several levy options (in particular : taxation on maritime transport; taxation on the aviation sector; taxation on the trade and/or production of fossil fuels; financial transaction tax ; an international carbon price) whereby countries will commit to implementing a levy at domestic level or in a relevant international forum and to allocating parts of the revenue to climate action - domestically for climate vulnerable countries and through climate finance for developed countries.
To achieve this, this coalition will (i) produce an evaluation of taxes already implemented in the targeted areas, (ii) inform tax design scenarios, (iii) produce a literature review and mapping of existing policy measures, (iv) explore the economic impacts of the selected tax options.

4P Coalition - Call to action for Paris-aligned carbon markets

Launch of the Call to Action for Paris-Aligned Carbon Markets “to enable national and international compliance markets and voluntary markets to further support the achievement of the Paris Agreement objectives while providing essential financing to address the shared challenge of climate and sustainable development.”¹⁴

Goal:

A Call to Action for Paris-aligned Carbon Markets, supported by 31 countries, was launched with the objective to make progress across three pillars:

- 1) Expanding and deepening domestic carbon pricing instruments in line with the Paris goals;
- 2) Fully implementing the agreed rulebook for international compliance markets;
- 3) Ensuring high integrity in voluntary carbon markets.

Results:

- A High-level event was organised by the European Commission and Spain during COP28 to advance global co-operation on carbon pricing and carbon markets;
- Bloomberg organised a consultation in May 2024, with the participation of the UN Special Envoy for Climate Action and Finance, Mark Carney, the 4P Secretariat and other partners to identify key bottlenecks and solutions to develop high-integrity, globally integrated carbon market.

Next steps:

- An “expert task force” will be implemented to assist partners in developing carbon markets;
- Specific inputs will be developed for the FfD-4 Conference in July 2025.

¹⁴ [Call to action for Paris-aligned carbon markets; Chair’s summary of discussions at the Summit on a New Global Financing Pact](#)

4P Coalition - International Advisory Panel on Biocredits (IAPB)

Goal:

France and the UK have initiated¹⁵ a process to steer a global roadmap on bio credits (biodiversity positive carbon credits and biodiversity certificates) in order to create the conditions for greater private investments in natural capital. This includes pooling together the required expertise and identifying specific time-bound actions to be taken by the upcoming climate and biodiversity COPs.

Results:

- Five Working Groups were launched (on Measurement, Demand, Supply, Stewardship, and Governance);
- Work has started on measurements, as well as on biodiversity projects integrating indigenous people and local communities.

Next steps:

- A comprehensive 3-part “package” will be presented at COP16 in Cali in October 2024, comprising:
- High-level principles and implementation guidelines;
- A series of pilot projects of various sizes and involving different ecosystems (multilateral and bilateral development banks, companies, foundations, financial players, NGOs, etc.) approved by a coalition of public and private champions from the North and South during COP16;
- A new coalition of NGOs, financial institutions, experts, representatives of indigenous peoples and local communities, etc.

15. [Chair’s summary of discussions at the Summit on a New Global Financing Pact](#)

Partnerships for Forests, nature and climate (or “Country Packages”)

“A new international finance facility for forests to pay for ecosystem services, with a goal to invest capital on the market and grant excess return to committed countries.”¹⁶

Tropical forests forever fund

Goal:

At COP28, Brazil announced the “Tropical Forests Forever Fund”, a new international facility to finance the protection of tropical forests.

Results:

- To set up this new facility, Brazil is scoping financial and technical partnerships with a range of stakeholders (IFIs, NGOs, Investment funds, philanthropies), and sharing expertise and views with several countries (i.e. France, Germany, UAE, UK, USA) and the World Bank.

Next steps:

- On September 11th Brazil will present the “forests parameters and eligibility criteria” at the 3rd high level consultation meeting in Rio, G20 Environment;
- Brazil is also organizing consultations around this facility with private investors, philanthropies and NGOs during the New York Climate week in September;
- The WB-IMF Annual Meetings in October 2024 will provide additional opportunities to advance this work;
- Further consultations will be held during the COP16 biodiversity and COP29;
- The finalization and implementation of the Tropical Forests Forever Fund is foreseen for COP30 in Belem.

Country Packages

Goal:

The country Partnerships for Forests, Nature, and Climate (or “Country Packages”) aim to bring together a coalition of public and private actors, to provide financial support to countries that wish to increase their commitments to biodiversity conservation and develop sustainable, management of forests to curb deforestation.

16. [The Paris Pact for People and the Planet](#)

Results:

- At COP28, France and its partners launched the first three Country Partnerships with:
- *The Republic of Congo* (USD 50 million) [France, European Union, Bezos Earth Fund, Country Packages Seed Fund (including France, Conservation International, Gordon and Betty Moore Foundation, Rob Walton Foundation)];
- *The Democratic Republic of the Congo* (USD 62 million) [Germany, United States, France, Country Packages Seed Fund (including France, Conservation International, Gordon and Betty Moore Foundation, Rob Walton Foundation)];
- *Papua New Guinea* (USD 100million) [Australia, France, European Union, Global Environment Facility, Country Packages Seed Fund (including France, Conservation International, Gordon and Betty Moore Foundation, Rob Walton Foundation), Asian Development Bank].

Next steps:

- Development of implementation plans for these Country Packages is also underway in preparation for COP16 on biodiversity.

ENABLING ENERGY TRANSITIONS AND GREEN INFRASTRUCTURES

Coal Transition Accelerator (CTA)

Goals:

Initiative launched at COP28 with three key areas of focus:

- Development by the World Bank of a strategy to reduce the cost of capital for clean energy investments in developing and emerging markets. This pillar aims to support the implementation of the goal to triple renewable energy by 2030;
- Launch of a Commission on Coal Transition to identify and unlock new sources of public and private financing for the transition of the existing fleet of unabated coal power plants and the repurposing of sector assets;
- Development of a benchmark standard by the OECD, with the support of the IEA, to measure and assess the climate and financial risks associated with private sector investments in new coal assets, with the goal of redirecting these investments towards clean energy.

Results:

Since the launch at COP28 and a high-level event in February in Paris on the sidelines of the IEA's 50th anniversary, there have been advancements in two areas:

- The first meeting of the Commission was held on the sidelines of the Spring Meetings at the ministerial level (co-chaired by France and Indonesia), with the work program currently being consolidated;
- The OECD produced the first version of guidelines for financial actors in May 2024 and the discussions will continue in September in order to find an in the coming months an agreement gathering the largest group of countries.

Next steps:

- Second meeting of the Commission in September in New York on the sidelines of the UNGA, then publication of the deliverables on the three pillars of the initiative at COP29 in November.

Alliance for Green Infrastructure in Africa

Goal:

The Alliance for Green Infrastructure in Africa (AGIA), highlighted at the Summit on a New Global Financing Pact held in Paris in June 2023, is an initiative by the African Development Bank (AfDB) and the African Union. It aims to address the lack of bankable green infrastructure projects in Africa to accelerate the continent's energy transition towards carbon neutrality.

Results:

- Since the announcements at the end of May 2024, commitments have now reached over USD 260 million.

Next steps:

- By the end of 2024, the aim is to raise USD 300 million in public or philanthropic funding, in the form of grants or equity investments, to support the first two pillars of the initiative and catalyze up to \$6 billion in investments in green and climate-resilient projects and programs (renewable energy, electric vehicle charging stations, water and waste management). In that context, AGIA has received significant support from Germany, France, Italy, Japan, UK with contributions totaling USD 155 million, accounting for nearly 60% of the commitments received to date. It is important to underline the relevancy of this initiative to mobilize private capital and unlock green infrastructure projects in Africa. The initiative could keep on being promoted for instance at the G20 level, particularly in the context of the upcoming South African presidency in 2025.

In focus: 4P coalitions helping to enable energy transitions

4P Coalition - Clean Cooking in Africa

Goal:

The Clean Cooking Summit for Africa, in May 2024, convened by Tanzania, Norway, the African Development Bank and the IEA, raised momentum on the need to accelerate efforts towards clean cooking and presented three main objectives:

- Mobilizing finance from all sources;
- Developing policies that support clean cooking at all levels; and
- Establishing partnerships for action on clean cooking including in the area of carbon credit based on the consensus on the principles of integrity, transparency, equity, and sustainability of carbon credits for clean cooking.

Results:

- During the Clean Cooking Summit for Africa, a record USD 2.2 billion dollars worth of new financing and investments from public and private sector sources was announced;
- Nine African governments, championed by Tanzania, have publicly committed to making access to clean cooking a national priority and are taking the necessary steps to implement proven policy measures in their countries to achieve greater progress;
- 130 organisations endorsed the Clean Cooking Declaration.

Next steps:

- Tracking, by IEA, of the delivering of 2.2bn USD to provide accountability for the pledges and will dialogue with funders to discuss strategic planning;
- Buying carbon credits derived from clean cooking to satisfy nationally determined contributions (NDCs) and other emissions reductions objectives;
- Advancing clean cooking on the global agenda by supporting requests for inputs at international fora (e.g. UN General Assembly, G7, G20, COP29, COP30).

BUILDING STAKEHOLDER ECOSYSTEMS

Finance in Commons (FiCS) Initiative

Goal:

- FiCS is the global network of all Public Development Banks (PDBs) and their main partners. It aims to align financial flows from public development banks to the 2030 Agenda and Paris Agreement for Climate Change. Connecting the MDB system with national and subnational development banks could make the best use of the USD 23 trillion in assets managed and USD 2.5 trillion annual investments made by the Finance in Common institutions (530+ PDBs).
- It promotes strategic initiatives to make sustainability the new normal of finance, from origination to deployment, from the first to the last mile. Building on 13 thematic coalitions and an annual summit, FiCS promotes stronger collaboration and positions PDBs as change-makers in the implementation of the SDGs. The *"Key takeaways and recommendations by the FiCS Chairman to the Brazilian Presidency of the G20"* were published after the G20-Finance in Common (FiCS) Joint Event on 20 & 21 May 2024 in Rio.

Next steps:

- The Annual FiCS Summit will take place in 2025 in South Africa.

Paris Dialogue

Goal:

A Joint 4P-AFD-OECD-UNESCO initiative, with the active participation also of OIF, ICC, CEB, IEA and the support of the Ministry of Foreign Affairs and the City of Paris. A shared ambition to foster greater collaboration across Paris-based institutions and be an international laboratory for sustainable development solutions, by mobilising efforts and partnerships around two key topics:

- Sciences for sustainable development;
- Sustainable finance.

Next steps:

The timetable for implementation by 2025 includes:

- A technical workshop in September 2024;
- The annual general meeting in November 2024.

Philanthropy's vision for the United Nations' Summit of the Future and beyond – coordinated by OECD netFWD

Goal:

Private philanthropies complement the work of governments and other development stakeholders to alleviate poverty and inequality, support human rights, promote racial equity, and meet the Sustainable Development Goals (SDGs).

They are increasingly recognised as a key development actor, committed to provide financial and non-financial resources to end inequalities and foster sustainable development. At the Summit for A New Global Financing Pact, philanthropies and foundations signed a joint communiqué to commit to positively contribute to deliver on the climate agenda.

Results:

- Since the joint communiqué of foundations at the Summit for A New Global Financing Pact, the OECD network of foundations working for development (netFWD) has continued to push foundations to commit to climate and gender equality, education and ending inequalities at both COP28 and the Paris Peace Forum. The *Statement on Philanthropy's vision for the United Nations' Summit of the Future and beyond* which will be launched at UNGA shows how private philanthropies commitment is evolving, towards (i) tackling inequalities and multidimensional development challenges, while continuing to amplify and prioritise the voice and experiences of the Global South, (ii) moving from a vertical to a multi-dimensional approach to fighting inequalities and to foster development effectiveness and (iii) leveraging philanthropy's comparative advantage by adopting and exploring more innovative development finance approaches.

Piera Tortora

Head of the 4P Secretariat
piera.tortora@oecd.org

Juliette Mollo-Majour

Coordinator of the 4P Secretariat
juliette.mollomajour@oecd.org

Website

pactedeparis.org