

Informal Dialogue with Civil Society in the lead up to the Summit of the Future

Summary of Inputs

In the lead up to the Summit of the Future, the Informal Dialogue with Civil Society, hosted virtually by the [UN SDG Action Campaign](#) on 02 July 2024, provided a space for exchange between civil society representatives from the Global South and Mr. Guy Ryder, United Nations Under-Secretary-General for Policy. The discussions served as an opportunity to collectively reflect and share perspectives on the [revised first draft of the Summit of the Future outcome document - *the Pact for the Future*](#), with a particular focus on global economic governance and reform of the International Financial Architecture (IFA). Civil society participants outlined a range of structural problems and prevailing issues in the current IFA.

Participants stressed the existing **power asymmetry in global economic and financial governance** as an overarching problem, and highlighted that the funds provided by International Financial Institutions (IFIs) and Multilateral Development Banks (MDBs) only partially reach vulnerable populations in developing countries, as governments must comply with strict loan conditionalities. The prospect of the Loss and Damage Fund being housed at the World Bank is thus another concern for civil society.

In addition, participants emphasized that the existing **international trade system** is unfair and unbalanced. They underlined that major reforms to the WTO, as well as changes in bilateral and investment agreements, are needed to allow developing countries to structurally transform their economies, increase domestic resource mobilization and develop industries that provide decent jobs to their populations.

In this context, CSO participants also raised concerns about the outsized influence of **credit rating agencies** in the international financial system and debt architecture. Prematurely downgrading the credit rating of developing countries for implementing ambitious measures to combat climate change undermines these efforts and stands in the way of transformative change. Participants highlighted the need for fairer governance of credit rating agencies, citing the proposal for the UN Secretary-General to engage with them directly and the idea of a UN-based public credit rating mechanism.

Participants also expressed worries about the prominent role played by large private companies in international processes. While **multinational corporations** are often invited to provide investments and “solutions”, they also contribute to perpetuating existing inequalities and environmental damage. Participants underlined that decisions on how to invest scarce public resources should be democratic and transparent rather than being left to a market dominated by a few corporate players, or the conditionalities of IFIs.

The trend of backtracking by some Member States from the Global North on commitments made was highlighted as another big concern. Participants emphasized the importance of meeting contribution commitments to climate financing. In addition, they pointed out that some investments by countries in the Global North, for example the Just Energy Transition Partnerships (JETPs), constitute “false solutions” that ultimately reinforce developing countries’ economic and financial dependence on external actors.

Furthermore, CSO participants explained that, in the **absence of a coherent international debt relief mechanism and a functioning global tax structure**, it is difficult for developing countries to mobilize the necessary resources to invest in the SDGs. This absence compels countries into a “race to the bottom” to attract foreign investments.

Moreover, participants pointed to the **absence of a global digital governance system** to ensure that the ongoing digital industrialization leaves no one behind. They stated that such governance should include robust rules on equitable data flows and Artificial Intelligence as well as financing to build digital public infrastructures that would allow developing countries to benefit from the high-level segments of the digital economy.

Sharing the concerns and recommendations above, participants emphasized the need to integrate all these topics into the *Pact for the Future* in an ambitious and action-oriented manner to make sure the Pact ultimately supports the achievement of the SDGs and reforms international governance to work better for people and planet.