

**Topic: Fostering economic and collective resilience in a fractured global financial landscape:
Solutions for a path forward**

An official side event in the lead-up to the UN Summit of the Future

Date: September 21, 11:30 am to 1:00 pm

Location: 10th floor conference room, 777 United Nations Plaza and via Zoom

“When elephants fight, only the grass gets trampled.” - Swahili proverb

Organizer: NGO Committee on Financing for Development

Member State Co-sponsors: Permanent Mission of Mexico

UN Agency Co-sponsor: International Labor Organization

Stakeholder Group co-sponsors: Together 2030 and the Conference of NGOs in Consultative Relationship with the UN

Concept Note

Financial crises from price fluctuations, market, and supply chain disruptions, rising sovereign debt burdens, health, conflict, and climate-related disasters, widespread poverty, and reliance on natural resources and foreign aid, not only undermine the resilience of economies but also increase the exposure to certain shocks.¹ While resilience is often viewed as a national responsibility requiring political commitment, investment, supportive policies, institutions, and prioritization, true collective resilience—where communities can collectively adapt and cope with crises—depends on equitable access to essential public goods. These include digital connectivity, decent work, inclusive finance, social protection, climate justice, and education. The experience of the COVID-19 pandemic showed us that “delivering critical global public goods and inclusive economic development requires significantly greater investment in a long-term vision of collective resilience”² and the failure to make such investments leads to catastrophic macroeconomic outcomes

Economic actors and institutions, from farmers and retailers to regulatory bodies and central banks, play key roles in resilience against economic shocks. The livelihoods of most people, especially the poor and marginalized groups are dependent on their involvement in markets as private agents or as employees, and indirectly, on the wider economy for the supply and demand

¹ <https://www.resiliencelinks.org/building-resilience/economic-resilience>

² https://highleveladvisoryboard.org/breakthrough/pdf/highleveladvisoryboard_breakthrough_fullreport.pdf

of goods and services. Building on the right to development, and national efforts to implement the SDGs and Agenda 2030, development and sustainability will require a major step up in financing from all sources: national and global, public, and private. Good governance and regulatory systems are critical to ensure effective domestic resource mobilization for sustainable development alongside fair access to affordable capital. However, the fragmentation of the global financial markets is creating risks for moving capital from one sphere of influence to another. The risk is exacerbated as many countries in efforts to counter the dollar's "financial hegemony", have policies greatly restricting capital outflows. The resulting slowdown in capital flows globally will limit developing markets' access to credit and increase financial transaction costs. In addition, the reduction in available capital within a country would inevitably threaten to undo many of the hard-fought gains in financial access that have been achieved over the last two decades. Perhaps even more significantly, a Balkanization of global financial markets would greatly hinder foreign direct investment, which is a primary driver of technology transfer, best practices, skills transfer, and innovation. These are essential to developing markets' financial resilience interventions such as access to financial tools like insurance, credit, and digital payment systems that would help strengthen resilience for poor and marginalized communities.

The implications of economic uncertainty for individuals and households and their ability to withstand and recover from future financial shocks in a financial landscape, marked by increasing volatility are of paramount concern. Building financial resilience requires policy actions and financial mechanisms to strengthen both financial preparedness and operational preparedness.

There is a clear need for shifting public dialogue away from its current focus on superpower conflict to the inherent damage misaligned policies would have on developing markets both at the macro- and micro-level. In a world where developing countries struggle to remain resilient to the detrimental effects of a fractured global financial system, bold actions are necessary to set right misaligned policies that allow the five richest men in the world to more than double their fortunes from \$405 billion (£321 billion) to \$869 billion (£688 billion) since 2020, while the wealth of the poorest 60 percent - almost five billion people - has fallen further³.

In preparation for the 4th International Financing for Development conference, the goal of this session is to share policies, best practices, and solutions that individual countries and international organizations are proposing/implementing to mitigate the impacts of the fractured global financial system on developing markets and particularly on their most vulnerable citizens - women, youth, children, indigenous, disabled, LGBTQI, refugee, ethnic minority, migrant, and economically impoverished - and for a path forward for economic and collective resilience.

³ <https://www.oxfam.org.uk/media/press-releases/wealth-of-five-richest-men-doubles-since-2020-as-wealth-of-five-billion-people-falls/>

Speakers:

- Mr. Rodolfo Reta Haddad, Delegate for 2C & 3C, Permanent Mission of Mexico to the UN (the Mission might propose a different speaker)
- Ms. Chavez Varela, Diana, Chief of the ILO UN, IFIs, and Civil Society Branch
- Mr. Robert Powell, Special Representative to the United Nations, IMF (TBC)
- Ms. Whitney Baird, President and CEO, United States Council for International Business (USCIB)
- Ms. Paola Simonetti, Director, Equality Department, International Trade Union Confederation
- Dr John Baptiste Kamate, Chief Field Operations Officer, World Vision International

Moderator: Ms. Anita Thomas, Chair, NGO Committee on Financing for Development; Representative to the UN, Women First International Fund

To learn about the NGO Committee and its work, please visit www.ngosonffd.org

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