



SUMMIT FOR  
**A NEW GLOBAL  
FINANCING PACT**

## **Contribution of private Philanthropies to the Summit for a New Global Financing Pact**

### **Communiqué**

The world economy is facing multidimensional crises with unprecedented impacts on the least developed countries and the most vulnerable communities, aggravated by the acute spillover effects of the pandemic and Russia's war in Ukraine. Those most in need and vulnerable populations continue to face disproportionate negative impacts from more frequent and extreme weather catastrophes and accelerated warming. These impacts will become more complex and costly to address with cascading consequences absent anticipatory adaptation action.

Climate change is an urgent issue that is impacting developing countries disproportionately, and that is exacerbating issues on which private philanthropies across the world work, including poverty alleviation, health, education, agriculture, and gender equality. Climate shocks and emergencies curb the financial capacity of Low- and Middle-Income Countries to invest in a just, resilient, country-led and low-carbon or net zero transitions in key economic sectors and aggravate the wider fiscal constraints and burdens on their economies and societies. There is an opportunity for non-state actors such as the private sector and philanthropies to further mobilise and scale up financing to tackle structural barriers to meet the SDGs and Agenda 2030. In parallel, developed countries must deliver on existing targets and commitments – not least the \$100bn p/a climate finance for developing countries and the goal to double adaptation finance by 2025.

At a time when there are growing financing needs to address climate, nature and development challenges, **it is essential that foundations come together to leverage philanthropy's comparative advantage, including to help mobilize private capital through new instruments, de-risking, and innovative blended finance.** Alongside a higher leverage ratio for private sector mobilization, unlocking additional concessional resources will be key to achieve the global objectives of poverty alleviation and addressing the effects of climate change on the most vulnerable groups.

Totalling USD 42 billion from 2016 to 2019 (OECD, 2021), private philanthropy for development has become an important part of the development finance landscape. Private philanthropies complement the work of governments and multilateral organizations to alleviate poverty and meet the SDGs. Private philanthropies also play a meaningful role in the international effort to address global challenges, including climate change adaptation, mitigation and pandemic preparedness. In particular, philanthropic action to address climate change has significantly increased in recent years, rising to an estimated \$1.5 billion in 2021 (OECD, 2022).

Given the scale of these challenges, we, private philanthropies and foundations supporting the Sustainable Development Goals, have gathered to contribute actively as a community to the Paris Summit on a New Global Financing Pact on June 22-23 and hereby commit to and call for:

**Proactive steps to ensure that philanthropic actors can leverage their comparative advantages to support and scale climate and development efforts. This includes:**

- **Focusing on the need for urgent systems change and new economic models** that integrate rather than isolate solutions to intertwined global challenges from decarbonization to biodiversity protection to economic development and equity, and are based on the best available science and data.
- **Engaging with policy-makers and international development agencies**, to help identify locally-owned projects that support low-carbon, climate resilient development and have the potential to scale: we stand ready to strengthen synergies between philanthropies, private investors, and multilateral development banks/DFIs and multilateral climate funds to help increase the pipeline of projects that can be supported and scaled by joint action.
- **For those among us that engage in blended finance, lowering the cost of capital in emerging and developing markets through “triple blended” instruments:** we stand ready to strengthen synergies between philanthropies, domestic and international private investors and multilateral development banks/DFIs/bilateral donors to support the de-risking of vital projects, to ensure that concessional finance delivers the highest possible leverage and contributes to crowd-in private finance, especially in low-income countries and countries most exposed to climate hazards.
- **Scaling up strategic support around beneficiary government priorities**, with a focus on domestic public and private resource mobilization.

**These steps will build on philanthropic efforts already underway to:**

- Systematically factor climate change into our strategies and planning in key investment areas and sectors whilst supporting governments to do this – maximizing impact and avoiding maladaptation;
- Serve as a catalyst for change – piloting transformative projects that make financing more accessible, particularly in the Global South;
- Coordinate our efforts and mobilize pooled funds to support implementation in developing countries that have already made ambitious climate action plans and to encourage more countries to develop high-ambition plans that will serve as the blueprints for low-carbon climate resilient development over the next decade;
- Work to boost private sector investment in strategies, projects, and industries that lower carbon emissions, reducing the urgent health and economic risks posed by climate change.
- Advocate with global and regional financial institutions and development banks to commit to just transitions that include quality job creation, resilient livelihoods, food and nutrition security, social dialogue, labor standards, and social protection;
- Engage with multilateral development banks and climate funds – including the World Bank, regional development banks, and development finance institutions – to coordinate and align policy, mobilize resources, and improve collaboration among institutional leaders;
- Where possible, directly contribute to, as well as support advocacy for, replenishment of key multilateral funding vehicles such as GAVI, the Global Fund to Fight AIDS, Tuberculosis, the World Bank’s International Development Association (IDA), the Global Financing Facility, and more;
- Invest in new financial instruments to catalyze new capital to help meet the SDGs and scale high-innovation financial mechanisms (such as new securitizations, insurance products, and fund strategies) to unlock new and additional private capital for impact; and
- Drive increased and aligned funding from the international finance system so that the development finance architecture can better respond to the evolving needs of low- and middle-income countries.

**An increase in philanthropy’s financial contributions to address climate and biodiversity needs, without lowering our support to human development priorities:**

- **We will continue to strengthen our focus on achieving the key tipping points needed to accelerate the net-zero transition** while uplifting climate equity and justice and carefully listening to a broad set of perspectives from affected stakeholders.
- **We will identify climate adaptation priorities** also supportive of **local development priorities** so that we are all better equipped to **address the negative impacts of climate change and biodiversity loss**, by reinforcing pledges for climate mitigation and adaptation and building synergies across these areas.

- **We will identify projects that contribute to reducing the gender gap**, as we know women and girls, especially in the Global South, are greatly affected by climate change whilst insufficiently supported, nor included in related decision-making processes and yet can be agents of transformative change given their proximity to these challenges.
- **We will position health as a central focus in global development**, encouraging its inclusion in international finance plans, supporting equal access to health services globally, and exploring new ways to fund health projects and strengthen health systems in lower income and vulnerable countries.
- **We will elevate agricultural adaptation and food system transformations** which is a critical economic sector for low-income countries and highly climate sensitive. 500m smallholder farming households who produce roughly 35% of the world's food. Agriculture accounts for more than half of jobs in sub-Saharan Africa and at least 30% of GDP and is critical for country-led just transitions.
- **We will consider opportunities to pool some of our mid to long-term resources, to address development, biodiversity and climate needs in line with the international community's agenda**, for which concessional resources are indispensable to help mitigate the effects of climate change on the most vulnerable countries.

**A fairer global financial system that enables the needs to be covered for short-, mid- and long-term development, climate and biodiversity priorities:**

- **Together with governments and the private sector, we intend to prioritize projects led and initiated by developing countries**, using innovative finance instruments tailored to the country context, such as debt for nature/food system/health swaps or sustainability-linked bonds and supporting debt suspension clauses in case of unexpected disasters such as extreme weather events or pandemics. All these instruments will be key in building a sounder financial system in which foundations can prioritize and accelerate critical investments and contribute to greater fiscal sustainability of developing countries.