Social and Solidarity Economy integrated in new global Financing for Development Agenda

Press release, 22 June 2025

Against all odds, the RIPESS-led advocacy campaign with government allies North and South and with support of the United Nations Task Force on the Social and Solidarity Economy (UNTFSSE) succeeded in integrating the social and solidarity economy (SSE) into the new global Financing for Development Agenda, amidst very acrimonious negotiations that were at times nearly on the verge of collapse.

On 17 June 2025, UN Member States at the last session of the intergovernmental Preparatory Committee of the Fourth International Conference on Financing for Development (FfD4) approved a final outcome document entitled the Compromiso de Sevilla that will be transmitted for formal adoption at FfD4 Conference in Sevilla, Spain, on 30 June-3 July 2025. The document was approved by consensus, with the exception of the United States, which announced that it decided to withdraw from the process, most notably because the current US administration is opposed to the Sustainable Development Goals (SDGs) – a historic globally agreed agenda adopted in 2015 that has rallied the world to transform economies, societies and governance systems to eradicate poverty, reduce inequalities and transition to just and sustainable development paths by 2030.

The UN has for some years now established that the achievement of the SDGs agenda is falling far behind and even regressing, stating repeatedly that "business as usual" is not an option. **The global SSE movement, including RIPESS, other SSE networks, government partners and the UNTFSSE, have long advocated that SSE – by promoting democratic/participatory governance and the primacy of people and planet before profit and capital – is a strategic means of implementation of the SDGs that can help correct course in a major way.** This movement succeed in a process that led to the adoption of the UN General Assembly (UNGA) of Resolution 77/281 in 2023, entitled "Promoting the social and solidarity economy for sustainable development". The resolution recognizes the contribution of the SSE to the multiple dimensions of sustainable development and encourages a range of policies at local, national, regional and global levels, including addressing the financial challenges faced by SSE entities to develop and scale out their contribution to sustainable development. In particular, the resolution "Encourages multilateral, international and regional financial institutions and development banks to support the social and solidarity economy, including through existing and new financial instruments and mechanisms appropriate to all stages of development". The follow-up UNGA resolution A/RES79/213 of December 2024"also encourages Member States to reflect on how the social and solidarity economy could contribute to and feature in relevant upcoming multilateral processes, such as the Fourth International Conference on Financing for Development [FfD4]".

On this basis, RIPESS started working with the Civil Society FfD4 Mechanism (CSM) to bring these recommendations into the negotiation process. **The UNTFSSE later gave RIPESS a mandate to lead advocacy efforts on its behalf with key governments supportive of SSE**, with the dual objectives of: (1) gaining recognition of the need to support the SSE alongside conventional micro-, small and medium-sized (MSMEs); and (2) obtaining recommendations to mobilize the resources of financial institutions to support SSE, as called for in the UNGA resolutions.

SSE achievements in the FfD4 outcome document

Through concerted efforts with government allies North and South in a very fraught negotiating environment, this was unexpectedly achieved in the following clauses of the ***Compromiso de Sevilla***:

- Under section I. A renewed global financing for development framework: Para. 21. "*We will invest in productive sectors, the creation of decent jobs at scale, and skills development to enable all people to benefit from inclusive, equitable and sustainable economic growth.* ***We will… facilitate the growth of*** *micro, small and medium enterprises (MSMEs),* ***cooperatives and social and solidarity economy***…"
- Under section II.B. Domestic and international private business and finance: Para. 32.h): "***We encourage support for social and solidarity economy entities including access to tailored financial and non-financial assistance from local, national, and international financial institutions***."

For developing countries that have already included SSE as part of their sustainable development plans and strategies but need external public development financing to support these national goals, the following clause offers immense potential, as already envisaged in the UNGA resolutions, even if SSE is not mentioned explicitly:

- Under section II.A. Domestic public resources: Para. 30.b): "***We encourage MDBs and development partners to enhance financial and technical support to national PDBs in their efforts to provide long-term low-cost financing to invest in sustainable development. We also encourage MDBs and other development institutions to work as a system through enhanced cooperation and coordination with national development banks, in support of national priorities and plans***"

RIPESS has just published the **Working Paper "Implementing UN Recommendations on Social Solidarity Economy financing: Proposals for a generic intermediary organizational approach"** that outlines how these UN recommendations to finance SSE can reach the grassroots in the most effective and democratic ways possible, through a generic intermediary organizational approach that supports SSE ecosystems development at the national and territorial levels. The document addresses the need to bridge the efforts of MDBs and other PDBs coalescing around the Finance in Common Summits (FiCS) movement to align with the SDGs on the one hand, and UN recommendations calling for these institutions to support SSE as a means of contributing to the realization of the SDGs on the other. This approach will be discussed with MDBs and other PDBs at Sevilla and beyond, including during a side event on "Mainstreaming the Social and Solidarity Economy in the Financing for Development Agenda and its Follow-up" organized by RIPESS, the Global Fund for Cities Development (FMDV) and the UNTFSSE, in collaboration with the Ministry of Labour and Social Economy of Spain, the Special Administrative Unit of Solidarity Organizations of the Ministry of Labour of Colombia and the Iberoamerican Network of Governments for the Social and Solidarity Economy (RIFESS).

Unresolved North–South Divides on Macro-Systemic Issues

There are other achievements in the Compromiso de Sevilla that support the SSE agenda, such as increasing investments in the care economy, investing in decent jobs creation at scale, extending social protection systems/floors, including "*a call upon the international community to support developing countries in ensuring predictable, adequate and uninterrupted funding on appropriate terms of social protection and other essential social spending during shocks and crises*" (para 54. h). There is also a "*call upon relevant actors to develop comprehensive risk management and insurance markets, with solutions for smallholder farmers, including women farmers, cooperatives, micro-, small-, medium-sized enterprises, and other stakeholders, to protect against production risks, price volatility, and the impacts of disasters and the adverse effects of climate change*." Para. 32. Para. 32. e). Mutual risk sharing mechanisms have been developed by SSE entities, **but it remains to be seen whether the "relevant actors"** would be primarily driven by a profit motive, or whether they **would deploy solutions based on genuine solidarity, which would likely require public development finance** whose involvement should not be designed to socialize risks to protect private finance profits.

More fundamentally, the FfD4 outcome document falls far short of adequately addressing the root causes of macro-systemic flaws in the international financial architecture that affect directly and indirectly the prospects of advancing the sustainable development agenda in general, including the development of the SSE. Two issues stand out in particular: (1) reversing the global "race to the bottom" in terms of national governments ability to ensure that rich individuals and large corporations pay their fair share of taxes in the jurisdictions where they reside and operate; and (2) addressing the worsening sovereign debt crises that are having a devastating impact on a growing number of developing countries (but are also crippling a number of developed countries, such as Greece), through forced austerity imposed by creditors to repay unsustainable or illegitimate debts.

The need for a UN Framework Convention on International Tax Cooperation

A growing number of countries, North and South, have adopted laws and policy frameworks to support SSE as part of their overall sustainable development plans and strategies. **However, many countries, especially in the Global South, are strapped for resources to implement their national plans, due in large part to unfettered tax competition across the globe**. RIPESS supports the intergovernmental process initiated at the UNGA in November 2024 for a **UN Framework Convention on International Tax Cooperation**. The *resolution* launching the process was tabled by Nigeria on behalf of the African Group. The resolution was adopted with 125 countries voting in favour, 46 abstaining, and 9 voting against (Argentina, Australia, Canada, Israel, Japan, New Zealand, Republic of Korea, United Kingdom, and the United States). The opponents of the resolution argue that it would duplicate efforts in other fora (namely the OECD), even though these have proven insufficient and inadequate, especially for developing countries that are not represented at the OECD. RIPESS has joined the CSM's call to ensure that such a legally binding UN Convention would include "*commitments to reform the global corporate tax system; fair allocation of taxing rights between countries; taxation of high-net worth individuals; tax cooperation on environmental challenges; and strengthening the links between tax and fulfilment of States' human rights obligations*."
Supporters of such a UN Convention had hoped that the FfD4 Conference would make headways on this front, but the outcome document simply delays the process by stating: "*We will continue to engage constructively in the negotiations on a United Nations Framework Convention on International Tax Cooperation and its protocols and encourage support for the process*." Para. 28.b).

The need for a UN Framework Convention on Sovereign Debt

RIPESS joins the calls from other civil society organizations and most developing countries for a UN Framework Convention on Sovereign Debt (hereby called UN Debt Convention). RIPESS supports the objective of a UN Debt Convention, as stated by the CSM, that would, among others, include "*a fair and transparent multilateral sovereign debt resolution mechanism, in order to deliver on sufficient debt restructuring and cancellation for the borrowing countries to be able to fulfil its international human rights obligations, achieve the SDGs, ensure gender equality, and implement the necessary climate actions*."
Efforts to establish a UN Debt Convention were squarely undermined by most wealthy nations, which even without the United States, objected to the demands from developing countries and only "compromised" to weakened language that simply agrees that: "*we will initiate an intergovernmental process at the United Nations, with a view to make recommendations for closing gaps in the debt architecture and exploring options to address debt sustainability, including through holding a dialogue among Member States of the United Nations, the Paris Club, and other official creditors and debtors, along with the IMF and World Bank, other multilateral development banks, private creditors and other relevant actors*." Para 50. f).

Even with this diluted commitment to initiate a UN intergovernmental process that can **only make recommendations**, almost all developed countries expressed reservations on Para 50. f), citing notably "duplication" with existing fora and processes. "Duplication" is the key word used by wealthy nations that do not want the more democratic UN system to interfere with macro-economic issues, including the governance of sovereign debt crises. One developed country delegate said that there was no need for new processes to find solutions but rather work on existing solutions with a view to improving them – even though it is obvious that existing solutions are still leading to even worsening debt crises in recent years. Another delegate argued that this duplication could interfere with "the coherence of the international financial architecture", while the whole point of the FfD4 Conference was to reform the international financial architecture to be more coherent with the SDGs and, one should add, with UN human rights obligations that include the principle of "non-retrogression"! Liz Nelson of Tax Justice Network said: "This cruel and unnecessary positioning by a small group of wealthy nations, dramatically delaying the establishment of a UN Convention on Debt, will exact a devastating human toll on people across the Global South."

For RIPESS, **the sovereign debt issue should not be a North-South divide**. The fact that wealthier countries are reluctant to move to a durable solution through a more democratic UN process shows that their governments, on this issue at least, defend transnational financial interests rather than the interests of their people. For example, many people in European countries have suffered austerity measures to conform to arbitrarily-determined debt-to-GDP ratios, most cruelly illustrated in the way the Greek debt crisis was handled by outright imposition by the Eurogroup (the informal gathering of finance ministers from the euro area) and the IMF, in direct defiance of the results of a democratic referendum by the Greek people! More and more people in developing countries experience this kind of injustice on a daily basis.

Moreover, the debt and tax issues are intimately linked: Even in wealthy countries, austerity measures are imposed against social programmes, with the argument that increased borrowing would degrade credit ratings and increase interest payments, while tax increases on the rich and large corporations would lead to "tax exile" and corporate delocalization. **The SSE principles endorsed by the UNGA at the micro level – placing the "primacy of people and social purpose over capital" – should also apply at the macro-level**. The primacy of people and planet over the demands of creditors should be embodied in a UN Debt Convention.

Looking ahead

While the struggles for these urgently-needed reforms of the international financial architecture must continue, even in the difficult current geopolitical context,

for the global SSE movement, the Compromiso de Sevilla represents a meaningful recognition and marks a milestone toward the implementation of the recommendations of UN Resolution 79/213 within the Financing for Development Agenda

The potential and legitimacy given by the UN General Assembly to mobilize the enormous resource pool of MDBs and other PDBs to support the SSE is clearly established. However, the strategic role of SSE in contributing to achieving the SDGs is by and large still under the radar of the global movement of PDBs seeking to align with sustainability objectives. The task is to capitalize on the fact that MDBs and other PDBs have been official "institutional partners" of FfD processes from the outset, and their role as "national and international financial institutions" is now called upon to support the SSE, including through "access to tailored financial and non-financial assistance." The UNTFSSE policy brief for FfD4 "Financing for development: Unlocking the potential of the social and solidarity economy" and in more detail, the RIPESS Working Paper "Implementing UN Recommendations on Social Solidarity Economy financing: Proposals for a generic intermediary organizational approach" offer practical ways to deploy this agenda from the ground up in the years to come.