Zero draft: Outcome document of the Fourth International Conference on Financing for Development
Inputs by Civil Society FfD Mechanism

5th February 2025

Quick links to thematic sections (Press Ctrl + Click)

The column in the middle contains alternative text suggestion. Text underline in red represents additions, ~~strikethrough~~ = suggested deletions. The column on the right contains summaries of comments – further elaboration is available on request.

Zero Draft	Alternative Suggestion	Comments
I. A global financing framework		
1. We, the Heads of State and Government and High Representatives, have gathered in Seville, Spain from 30 June to 3 July 2025 to put in place a renewed global financing framework for sustainable development, building on the outcomes of previous International Conferences on Financing for Development, the 2002 Monterrey Consensus, the 2008 Doha Declaration and the 2015 Addis Ababa Action Agenda.		
2. We are meeting at a time of profound human suffering and growing systemic, and in many cases existential, risks. Progress in achieving the Sustainable Development Goals (SDGs) is severely off track, with financing challenges at the heart of the sustainable development crisis. The existing international financial architecture, financing policies, and actions have fallen short. Yet, the unfulfilled aspirations of people around the	2.We are meeting at a time of profound human suffering and growing systemic, and in many cases existential, risks surpassing already six of the nine planetary boundaries. Progress in achieving the Sustainable Development Goals (SDGs) is severely off track, with financing challenges at the heart of the sustainable development crisis. The existing international financial	

world have generated momentum for reform and created the opportunity for the transformative change we undertake to deliver in this agreement. We commit to overcoming obstacles and constraints encountered in the achievement of the goals and objectives agreed in previous International Conferences on Financing for Development, to addressing new and emerging issues, including in the context of the urgent need to accelerate the implementation of the 2030 Agenda for Sustainable Development and the achievement of the SDGs, and to supporting reform of the international financial architecture.	architecture, financing policies, and actions have fallen short. Yet, the unfulfilled aspirations of people around the world have generated momentum for reform and created the opportunity for the transformative change we undertake to deliver in this agreement. We commit to overcoming obstacles and constraints encountered in the achievement of the goals and objectives agreed in previous International Conferences on Financing for Development, to addressing new and emerging issues, including in the context of the urgent need to accelerate the implementation of the 2030 Agenda for Sustainable Development and the achievement of the SDGs, and to supporting ~~reform~~ transformation of the international financial architecture.	
3. We appreciate the progress made in the implementation of the Addis Ababa Action Agenda. Initiatives and efforts to increase domestic resource mobilization, to engage the private sector, and to scale up international development cooperation have helped mobilize additional resources. Digitalization has enhanced innovation, efficiency and inclusion in development financing. We also commend initiatives and efforts to reform the international financial architecture and support the implementation of the Addis Ababa Action Agenda at the United Nations, the international financial institutions, and by groups of and individual Member States and stakeholders.	3.We appreciate the progress made in the implementation of the Addis Ababa Action Agenda. Initiatives and efforts to increase domestic resource mobilization~~, to engage the private sector,~~ and to scale up international development cooperation have helped mobilize additional resources. Digitalization has enhanced innovation, efficiency and inclusion in development financing. We also commend initiatives and efforts to reform the international financial architecture and support the implementation of the Addis Ababa Action Agenda at the United Nations, the international financial institutions, and by groups of and individual Member States and stakeholders.	

4. These initiatives and efforts, however, have not been sufficient and have not kept pace with rising needs. Many commitments made have not been fully met, while longstanding challenges combined with new and emerging issues have significantly impacted the financing for development landscape. We are faced with adverse global macroeconomic conditions and weakening growth prospects, persistent and rising inequalities, escalating debt burdens and limited fiscal space, increasing climate and disasterrelated risks, rapid technological change, disease outbreaks, pandemics, and rising geopolitical challenges. We are deeply concerned by the widening financing divides between developed and developing countries, and their impact on the realization of sustainable development, the implementation of the 2030 Agenda for Sustainable Development and the achievement of its 17 SDGs. Overcoming these challenges requires strong political will and urgent action, reinvigorated trust and confidence in multilateralism, enhanced international cooperation and a strengthened international financial architecture through this renewed global financing framework.	These initiatives and efforts, however, have not been sufficient and have not kept pace with rising needs. Many commitments made have not been fully met, while longstanding challenges combined with new and emerging issues have significantly impacted the financing for the development landscape. We are faced with adverse global macroeconomic conditions, growing militarisation and hate speech exacerbating persistent and rising intersecting inequalities, crisis of reproductive health and care and structural inequalities arising out of gendered austerity as a condition to debt restructuring and financial assistance lending, inequity in care, escalating debt burdens, widening austerity measures, and limited fiscal space, further aggravated by relentless levels of tax evasion and avoidance, increasing climate and disaster related risks, rapid technological change, disease outbreaks, pandemics, and rising geopolitical challenges. We are deeply concerned by the expanding intersectional inequalities, particularly among women and girls, this causes, and the widening financing divides between developed and developing countries, and their impact on the realization of sustainable development, the implementation of the 2030 Agenda for Sustainable Development and the achievement of its 17 SDGs. Overcoming these challenges requires strong political will and urgent action, reinvigorated trust and confidence in multilateralism, enhanced international cooperation and a strengthened international financial architecture through a transformed ~~this~~	

	~~renewed~~ global financing framework. 4 Bis: We recognize that the achievement of full human potential and sustainable development is not possible if women and girls are denied full human rights and opportunities or when women's social provisioning is exploited in order to meet creditor repayments through reducing public budgets. Sustained, inclusive and equitable economic growth and sustainable development can only be realized when all women, adolescent girls and girls have their full human rights respected, protected and fulfilled.	
A renewed global financing framework		
5. We will urgently increase our collective efforts and actions for a large-scale investment push for sustainable development. We will take measures to enhance fiscal space, address urgent debt challenges of many developing countries and lower the cost of capital to enable investments for inclusive growth while addressing urgent social needs and protecting our planet. To this end, we will mobilize additional and innovative financing from all sources, recognizing the different comparative advantages, risks and incentives associated with public and private finance. We will put sustainable development impact at the heart of our efforts and actions to mobilize financing for development, and will align all flows, public and private, with the sustainable transformations we seek.	5. We will urgently increase our collective efforts and actions for a large-scale investment push for sustainable, equitable, and rights-based development. We will take measures to enhance fiscal space through progressive tax systems, enhanced fiscal management entailing adoption of anti-corruption measures coupled with strengthened domestic resource governance practices, whilst addressing urgent debt challenges of many developing countries by responsibly acquiring new debt, and lowering the cost of capital to enable investments for inclusive growth while addressing urgent social needs, tackling intersectional inequalities and protecting our planet. To this end, we will mobilize and commit additional and innovative financing from all sources, recognizing the different	

	comparative advantages, risks and incentives associated with public and private finance. We will put sustainable development and human rights impact at the heart of our efforts and actions to mobilize financing for development, and will align all flows, public and private, with the sustainable transformations we seek in public interest.	
6. Our efforts and actions at the international level must be underpinned by a commitment to multilateralism and global solidarity based on mutual respect, shared responsibility, and collective action. We commit to reinvigorate the global partnership for sustainable development and scale up international cooperation and support to address rising needs in developing countries. We commit to reform the international financial architecture to make it fit for purpose and fit for a more crisis-prone world. We commit to make global governance more inclusive and effective, to better reflect today's realities. And we commit to uphold and strengthen rules-based approaches, while respecting each country's policy space to pursue sustainable development.	Our efforts and actions at the international level must be underpinned by a commitment to multilateralism and global solidarity based on mutual respect, shared responsibility, and collective action. We commit to reinvigorate the global partnership for sustainable development, deliver on unmet commitments and scale up international cooperation and support to address rising needs in developing countries. We commit to ~~reform~~ transform the international financial architecture to make it fit for purpose, just and equitable, and fit for a more crisis-prone world. We commit to make global governance more inclusive, accountable and effective, to better reflect today's realities. And we commit to uphold and strengthen rules- and human rights-based approaches, while respecting each country's policy space to pursue sustainable development.	
7. At the national level, country-led financing strategies, plans and frameworks, such as Integrated National Financing Frameworks (INFFs), will be at the heart of our efforts. We commit to align international support to national strategies and plans and will coordinate	At the national level, country-led financing strategies, plans and frameworks, such as Integrated National Financing Frameworks (INFFs), will be at the heart of our efforts. We commit to align international support to national	

our support through inclusive country-led platforms. We reiterate that each country has primary responsibility for its own economic and social development and that the role of national policies and development strategies cannot be overemphasized. At the same time, national development efforts need to be supported by an enabling international economic environment, including coherent and mutually supporting world trade, monetary and financial systems, and strengthened and enhanced global economic governance.	strategies and plans and will coordinate our support through inclusive participative country-led platforms. We reiterate that each country ~~has primary responsibility for~~ shall enjoy sovereignty in the pursuit of its own economic and social development and that the role of national policies and development strategies cannot be overemphasized. At the same time, national development efforts need to be supported by an enabling international economic environment, including coherent and mutually supporting world trade, monetary and financial systems, respect for jurisdiction's extraterritorial obligations, and strengthened and enhanced global economic governance.	
8. We reaffirm that the effective, efficient and transparent mobilization and use of resources must be enabled by freedom, human rights and national sovereignty. Promoting peaceful and inclusive societies is integral to creating an enabling environment for sustainable development. Transparency, accountability, rule of law, good governance and sound policies are crucial at all levels, including anticorruption measures and safeguarding financial integrity. We commit to developing effective, accountable, and inclusive democratic institutions at the subnational, national and international levels and ensuring responsive, participatory and representative decision-making at all levels.	Promoting peaceful and inclusive societies is integral to creating an enabling environment for sustainable, healthy, and transformative development.	
9. We recognize the contributions of	We recognize the contributions of ~~multi-~~	

multi-stakeholder engagement to sustainable development. We will continue to collaborate meaningfully with the private sector, civil society, the scientific community, academia, philanthropy and foundations, parliaments, local authorities, volunteers, the media, and other stakeholders and to encourage multi-stakeholder collaboration, partnerships, alliances and opportunities to support our efforts to achieve these commitments.	~~stakeholder~~ rights holders' engagement to sustainable development. We will continue to collaborate meaningfully with the ~~private sector,~~ civil society, and key demographic segments, in particular women, youth, indigenous peoples, workers, the scientific community, academia, philanthropy and foundations, parliaments, local authorities, local communities, volunteers, the media, and other stakeholders and to encourage ~~multi-stakeholder~~ meaningful collaboration, partnerships, alliances and opportunities to support our efforts to achieve these commitments. 9bis. We recognize that systemic racism and its structural manifestations have profound and pervasive impacts on global economies. These effects hinder the full participation of marginalized communities, especially Africans and People of African Descent, in economic systems and exacerbate existing inequalities. Addressing these structural barriers is essential to achieving equitable and inclusive global development.	
10. We recognize the importance of addressing the diverse needs and challenges faced by countries in special situations, in particular African countries, the least developed countries (LDCs), landlocked developing countries (LLDCs) and small island developing States (SIDS), as well as the specific challenges faced by middle-income countries and countries in conflict and post-conflict situations. We reaffirm our commitments and support the	We recognize the importance of addressing the diverse and intersecting needs and challenges faced by countries in special situations, in particular African countries, the least developed countries (LDCs), landlocked developing countries (LLDCs) and small island developing States (SIDS), as well as the specific challenges faced by middle-income countries and countries in conflict and	

full implementation of relevant strategies and programmes of action for countries in special situations, including the Doha Programme of Action (DPoA), the Programme of Action (PoA) for LLDCs, the Antigua and Barbuda Agenda for SIDS (ABAS), and reaffirm our support for the achievement of the African Union Agenda 2063. We welcome the call of the General Assembly for the United Nations development system to advance the elaboration of a specific interagency, comprehensive, system-wide response plan for middle-income countries.	post-conflict situations. We reaffirm our commitments and support the full implementation of relevant strategies and programmes of action for countries in special situations, including the Doha Programme of Action (DPoA), the Programme of Action (PoA) for LLDCs, the Antigua and Barbuda Agenda for SIDS (ABAS), and reaffirm our support for the achievement of the African Union Agenda 2063. We welcome the call of the General Assembly for the United Nations development system to advance the elaboration of a specific interagency, comprehensive, system-wide response plan for middle-income countries.	
11. We acknowledge the important role of the United Nations in global economic governance, recognizing that the United Nations and the international financial institutions have complementary mandates that make the coordination of their actions crucial, while fully respecting existing governance mechanisms and mandates independent of the United Nations that preside over specific organizations and rules.	We acknowledge the important role of the United Nations in global economic governance~~, recognizing that~~ the. We understand that the reforms of the international financial architecture must strengthen the role and mandate of the United Nations at the centre of global economic governance. ~~and the international financial institutions have complementary mandates that make the coordination of their actions crucial~~, ~~while fully respecting existing governance mechanisms and mandates independent of the United Nations that preside over specific organizations and rules.~~ The UN holds a unique position to play this role due to its jurisdictional power, universal participation and democratic and inclusive decision-making process.	

Realizing sustainable development		
12. The economic, social and environmental dimensions of sustainable development and all SDGs are universal, indivisible and interlinked. Our renewed global partnership for financing for development must address cross-cutting priorities that build on these synergies.	12. The economic, social and environmental dimensions of sustainable development and all SDGs, including the pledge to Leave No One Behind, are universal, indivisible and interlinked. Our renewed global partnership for financing for development must address cross-cutting priorities that build on these synergies. **12bis.** We acknowledge that inequalities have an inter-generational impact, as the unequal social mobility, opportunities and outcomes of a generation directly influence those of the next. All people, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status, should have access to essential services to meet their basic needs, to decent work and to other social and economic opportunities that ensure their full, equal, effective and meaningful participation in society. Reducing inequality is pivotal for achieving strong, sustainable, balanced, and inclusive growth. We encourage countries to lead by example by adopting further measures to promote inequality reduction, in accordance with national circumstances. We are striving to promote the social, economic, and political inclusion and empowerment of all, including by eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies, and action in this regard, in particular on combating racism and promoting ethnic and racial equality. We recognize the significant role of	

	financial inclusion in improving financial wellbeing and achieving the SDGs. **12ter** We commit to stepping up our efforts to fight against racism, all forms of discrimination, xenophobia and related intolerance, stigmatization, hate speech,through cooperation, partnership and inclusion and respect for diversity. **12quater** We recognize culture's power and intrinsic value in nurturing solidarity, dialogue, collaboration and cooperation, fostering a more sustainable world, in all dimensions and from all perspectives. We commit to the principles of inclusion, social participation and accessibility, for the full exercise of cultural rights, confronting racism, discrimination and prejudice against marginalized communities.	
13. We are deeply concerned by widening inequalities within and between countries and a further erosion of trust in international relations and the multilateral system. We will take action to combat inequalities within and among countries and pursue policies that stem the tide of rising inequality.	We are deeply concerned by widening inequalities within and between countries and a further erosion of trust in international relations and the multilateral system. We will take action to combat inequalities within and among countries, strengthen the transparency and accountability of multilateral systems and pursue policies that stem the tide of rising inequality. We commit to reducing wealth and income inequality by 2% per year.	This para is very important to keep as it is a big improvement from the Elements Paper and acknowledges that power relations must change.
14. Underinvestment in critical social sectors threatens progress towards meeting the SDGs and exacerbates inequalities, including gender inequality. We commit to eradicate poverty in all its forms, including	Underinvestment of public resources in critical social sectors and care threatens progress towards meeting human rights and the SDGs and exacerbates inequalities, including gender and race inequality. We ~~commit~~ urge to take action	

extreme poverty, reduce inequalities, and close financing gaps in the provision of essential public services, including health, education, energy, water and sanitation, and building social protection systems.	to ~~eradicate~~ address the structural and systemic factors sustaining poverty in all its forms, including extreme poverty (noting that women and children are disproportionately affected by poverty), reduce inequalities, recognize, finance and redistribute social reproductive care work (appreciating the nuances of care work to include child care, domestic work, care of the disabled and elderly and terminally ill, etc.) as a right and global public good, and close financing gaps in the long-term, reliable, and scaled provision of essential public goods and services, including health, care, education, energy, water and sanitation, and building robust social protection ~~systems~~ for all, including care services. We will fully integrate the financing of this ~~essential~~ social spending into ~~their~~ medium-term development plans ~~and INFFs~~, with no retrogression or back-sliding in times of crisis, in accordance with international standards and commitments.	
15. We encourage all countries to provide nationally appropriate and fiscally sustainable social protection systems and measures for all, including floors, and fully integrate the financing of essential social spending into their medium-term development plans and INFFs. We call upon the international community to support countries in ensuring adequate and uninterrupted funding on appropriate terms of social protection and other essential social spending during shocks and crises. We welcome and encourage further efforts to strengthen the consideration of social protection and social spending in	We renew our commitment ~~encourage all countries~~ to provide nationally appropriate and ~~fiscally sustainable~~ gender-transformative public services and social protection systems and measures for all, including social protection floors. ~~and fully integrate the financing of essential social spending into their medium-term development plans and INFFs~~. We call upon the international community, including the MDBs and the IMF, to support countries in ensuring adequate and uninterrupted funding ~~on appropriate terms~~ of public services, social protection,	

International Monetary Fund (IMF)-supported macroeconomic adjustment programmes.	just transition, and other ~~essentia~~l social spending in accordance with human rights law and other international standards and development goals agreed by all countries, both in normal times as well as during shocks and crises. ~~We welcome and encourage further efforts to strengthen the consideration of social protection and social spending in International Monetary Fund (IMF)-supported macroeconomic adjustment programmes."~~	
16. We commend the important contributions that young people are already making to the advancement of sustainable development. We reaffirm our commitment to foster innovation and entrepreneurship among young people, including through financial literacy and digital capacity building to enhance their contributions.	We commend the important contributions that young people, especially young women, are already making to the advancement of sustainable development in all its dimensions, including through local-to-global grassroots organizing and political education initiatives. We reaffirm their full, effective, and meaningful engagement and leadership, and our commitment to foster innovation and entrepreneurship among young people, including through financial literacy, financial access, efforts to close the digital divide, and digital capacity building, throughout the life course, to enhance their contributions, with full respect for their human rights and fundamental freedoms.	
17. We are deeply concerned by severe setbacks in the fight to end hunger. Lack of sufficient investment in agri-food systems continues to aggravate food insecurity. We commit to scale up efforts to address food insecurity and malnutrition and invest in agri-food system transformation using a long-term, strategic	We are deeply concerned by severe setbacks in the fight to end hunger, noting that women and girls make up 60% of the chronically hungry globally. Lack of sufficient public investment in agroecological agri-food systems continues to aggravate food insecurity. We	CFS POLICY RECOMMENDATIONS ON REDUCING INEQUALITIES FOR FOOD SECURITY AND NUTRITION: 6. Increase responsible investment in support of agroecological and other innovative approaches, including co-generation of knowledge, valuing the contribution of local knowledge and traditional practices, that contribute to the transition to

approach that ensures better alignment and synergy among the different sources of financing, particularly in developing countries.	commit to scale up efforts to address food insecurity and malnutrition, and invest in sustainable local and territorial agri-food system transformation using an equitable, people-centred, rights-based, long-term, strategic approach that ensures better alignment and synergy among the different sources of financing, particularly in developing countries that leads to affordable nutritious food for consumers, while ensuring a decent living for small-scale producers. This is essential to reducing intersectional inequalities and building a more equitable food system.	more sustainable, resilient, inclusive agriculture and food systems, while also recognizing their role in facilitating equitable access to healthy diets; (agroecological and other innovative approaches) / In accordance with the CFS Policy Recommendations on Agroecological and other Innovative Approaches for Sustainable Agriculture and Food Systems that Enhance Food Security and Nutrition.
18. It is imperative to urgently and systematically address the funding shortfalls in education and health. We commit to allocate adequate financing to ensure inclusive, equitable and quality education and health care systems and urge the international community to enhance support to achieve this. We also call for increased investment in culture to advance sustainable development.	It is imperative to urgently and systematically address the funding shortfalls ~~in~~ for public services, including care, education and health including sexual and reproductive health and rights. We will strive to meet the international funding targets for these areas, including for instance at least 4-6% of GDP for education and 5% of GDP for healthcare. We commit to allocate adequate and sustainable financing financing to ensure inclusive, equitable and quality education and health care systems in order to fulfil everyone's rights to education and health and urge the international community to enhance support to achieve this in accordance with their international obligations and commitments. We also call for increased public investment in culture to advance sustainable development.	
19. Achieving gender equality and	Achieving gender and race equality and	

empowering women and girls are essential to meeting all SDGs and are an essential prerequisite to sustainable development. Gender equality and the empowerment of women brings proven economic benefits and has the potential to contribute to financing for development. To this end, we stress that financing for sustainable development should integrate a gender perspective and acknowledge the importance of an intersectional approach. We commit to gender-responsive solutions across the economic, social and environmental dimensions of sustainable development. We will mainstream gender equality considerations in fiscal policies and development financing, including through prioritizing gender responsive investments and introducing incentives to address gender disparities. We will increase investment in the care economy and recognize, value, and equitably redistribute the disproportionate share of unpaid care and domestic work done by women.	empowering women and girls and the full realization of their human rights and fundamental freedoms, including economic rights, are essential to meeting all SDGs and are an essential prerequisite to sustainable development. ~~Gender equality and the empowerment women brings proven economic benefits and has the potential to contribute to financing for development~~. To this end, we stress that financing for sustainable development should integrate a gender perspective and acknowledge the importance of an intersectional approach. This must occur through systemic transformation of the international financial, trade and tax architecture. We commit to transformative structural solutions toward the objective of gender equity, including through, inter alia, scaling up non-debt creating public financing, gender-responsive comprehensive, and transformative solutions across the economic, social and environmental dimensions of sustainable development. We will ~~mainstream~~ institutionalize gender equality considerations in tax and fiscal policies and development financing, including through progressive taxation, gender budgeting, prioritizing gender responsive investments in key sectors such as health, education, water provision and introducing incentives to address gender disparities. We will increase investment in the care economy and recognize, value, and equitably redistribute the disproportionate share of unpaid care and domestic work done by women.	

20. Investing in productive sectors and the creation of decent and productive jobs are vital to ensure that all people benefit from inclusive and sustainable economic growth. We will promote efforts to encourage entrepreneurship, particularly among women and youth, and facilitate the growth of micro, small and medium enterprises (MSMEs) through increased access to affordable finance and skills development. Special attention should be given to support women-owned and women-led businesses.	We acknowledge that precarious and informal work is disproportionately carried out by girls and women and that girls and women are more likely to be underpaid and experience occupational segregation. Investing in productive sectors and the creation of decent and productive jobs following ILO principles are vital to ensure that all people benefit from inclusive and sustainable economic growth. We commit to investing in decent care work, contributing to the UN target of generating 80 million new decent care jobs. We will broaden the definition of green work to encompass low carbon sectors such as care, and build towards a gender-just green economy. We will promote efforts to encourage entrepreneurship, particularly among women and youth, and facilitate the growth of women-led micro, small and medium enterprises (MSMEs) including entities of the social and solidarity economy (SSE) through increased access to affordable finance and skills development. Special attention should be given to support women-owned and women-led businesses as well as women in informal employment, and address the structural barriers to their full participation in the economy - including gender stereotypes, gender-discriminatory social norms and patriarchal systems that perpetuate the inequitable distribution of unpaid care and domestic work.	The United Nations resolution on Promoting the social and solidarity for sustainable development (A/RES/79/213), adopted by the UN General Assembly in December 2024, following the first resolution on social and solidarity economy (SSE) adopted in April 2024, 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 adapted to all stages of development”.
21. The significant infrastructure gap in critical sectors such as energy, transport,	The significant infrastructure gap in	

information and communications technologies, water and sanitation severely constrains access to essential services, employment opportunities, economic growth and sustainable development, especially in developing countries. LDCs, LLDCs and SIDS often face higher infrastructure costs, which further exacerbates these challenges, contributing to fiscal pressures and weakening connectivity and integration into regional and global markets. We commit to support developing countries, particularly LDCs, LLDCs and SIDS, to develop quality, reliable, resilient and sustainable infrastructure. We will follow an integrated approach across the infrastructure life cycle, from fostering enabling regulatory environments and creating pipelines of sustainable and investable projects, to delivering and maintaining infrastructure, accompanied by institutional strengthening. We will also increase technical support for infrastructure planning, development and maintenance to enable national and subnational entities to implement and manage projects efficiently.	critical sectors such as energy, transport, care, education, health information and communications technologies, water and sanitation severely constrain access to essential services, employment opportunities, equitable economic growth and sustainable development, especially in developing countries. It also disproportionately impacts women and girls who compensate for these infrastructure gaps with unpaid work. LDCs, LLDCs and SIDS often face higher infrastructure costs, which further exacerbates these challenges, contributing to fiscal pressures and weakening connectivity and integration into regional and global markets. We commit to support developing countries, particularly LDCs, LLDCs and SIDS, to develop quality, reliable, resilient and sustainable infrastructure without negatively impacting their debt sustainability. We will follow an integrated approach across the infrastructure life cycle, from fostering enabling regulatory environments and creating pipelines of sustainable and investable projects, to delivering and maintaining infrastructure, accompanied by institutional strengthening. We will also increase technical support for infrastructure planning, development and maintenance to enable national and subnational entities to implement and manage projects efficiently.	
22. Climate change is one of the greatest challenges of our time, but we are falling short of attaining climate goals.	Climate change is one of the greatest challenges of our time, but we are falling	

Climate change adversely affects sustainable development globally as it exacerbates disasters and extreme weather events. We will take urgent actions to adapt to and build resilience against climate impacts, improve access to climate finance, provide new and additional financial resources, and facilitate the transfer of technology to address the global climate change challenge.	far short of attaining climate goals. Extractive economic systems and growth-paradigms are some of the main drivers and precursors. Climate change adversely affects sustainable development globally as it exacerbates biodiversity loss, ecosystem breakdown, natural disasters and extreme weather events. It disproportionately affects historically marginalized groups, including women and girls, often increasing their unpaid care and domestic workload. Climate action must address inequitable, unaccountable extraction and overconsumption by developed countries which drive the majority of global emissions. We will take urgent actions to immediately phase out greenhouse gas emissions especially in countries that have been historically responsible for the climate crisis and promote systemic transformations, to adapt to and build resilience against climate impacts, improve access to debt-free climate finance, provide new and additional financial resources, prioritizing the role of public finance, in line with the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC), and facilitate the transfer of technology to address the global climate change challenge with a special emphasis on building the resilience of the most impacted, women and girls. We further commit to develop and implement financing strategies that prioritise climate	

	resilience, particularly in vulnerable regions. This includes supporting climate adaptation projects, allocating public financing in climate change education and ensuring that financial flows align with the goals of the Paris Agreement.	
23. Biodiversity is fundamental to the systems underpinning life and good quality of life and many of these systems are now at risk. We will scale up the provision and mobilization of biodiversity finance for conserving, protecting and restoring nature and ecosystems, including ocean preservation.	Biodiversity is fundamental to the systems underpinning life and good quality of life and many of these systems are now at risk especially due to extractive activities such as mining, hydrocarbon exploitation and agribusiness expansion under the current unfair and neocolonial international trade and economic system. We will scale up the provision and mobilization of biodiversity finance for conserving, protecting and restoring nature and ecosystems, including ocean preservation that especially targets locally driven initiatives and benefits local communities. We will prioritize the role of international public finance from developed countries, in recognition of their ecological debt with the people and the planet.	
24. More frequent and intense disasters are taking a heavy toll on people, the planet, and prosperity, eroding collective progress toward the SDGs, exacerbating social inequalities and compromising debt sustainability. We commit to scale up investment in disaster risk reduction to safeguard development gains from disasters.	More frequent and intense disasters are taking a heavy toll on people, the planet, and prosperity, eroding collective progress toward the SDGs, exacerbating social inequalities, gender inequality, and compromising debt sustainability. We commit to scale up ~~investment~~ public financing in disaster risk reduction and social protection systems to safeguard development gains from disasters.	
25. Corruption undermines public trust, exacerbates inequalities, distorts domestic resource allocation and private investments, and hinders economic	Corruption undermines public trust, exacerbates inequalities, distorts domestic resource allocation ~~and private investments,~~ and hinders economic	

growth. As a cross-cutting issue, anti-corruption measures must be integrated into all dimensions of financing for development. We commit to foster transparent, accountable, and inclusive governance systems, strengthen anti-corruption institutions, and implement policies that prevent the misuse of resources at all levels. Preventing and combating corruption will enhance financial integrity, improve public service delivery, and create an enabling environment for sustainable investments. We call on the international community to support anticorruption capacity-building efforts and promote the exchange of best practices.	growth. As a cross-cutting issue, anti-corruption measures must be integrated into all dimensions of financing for development. We commit to foster transparent, accountable, and inclusive governance systems, strengthen anti-corruption institutions, and implement policies that prevent the misuse of resources at all levels. Preventing and combating corruption will enhance financial integrity, improve public service delivery, and create an enabling environment for sustainable ~~investments~~ financing. We call on the international community to support anti-corruption capacity-building efforts, strengthen and expand public services and promote the exchange of best practices.	
26. Digital and emerging technologies, including artificial intelligence (AI), have huge potential to act as cross-cutting enablers for sustainable development. We will support and promote digital transformation, knowledge sharing and access to technology. We reiterate our commitment to help build capacities, especially in developing countries, to access, develop, use and govern AI systems and direct them towards the pursuit of sustainable development.	Digital and emerging technologies, including artificial intelligence (AI), have huge potential to act as cross-cutting enablers for sustainable development. However, it must ensure public-led governance and accountability mechanisms. In line with this, we will support and promote digital transformation, knowledge sharing and access to technology, and redress the negative social impacts such as job displacement, concentration of wealth and the digital divides, including gender digital divide. Women and youth from the marginalised communities should be included in the design and piloting of all new STI technologies and solutions, including AI.	There is no acknowledgment of the social and economic disparities exacerbated by AI, such as job displacement or concentration of wealth. Some countering measures that could be included are policies like unemployment support and taxation of AI-driven profits to redistribute benefits back to societies.

	It is essential to design gender transformative digital policies to address the multiple barriers that prevent women's digital inclusion and ability to reach meaningful connectivity. We reiterate our commitment to help build capacities, especially in developing countries, to access, develop, use and govern inclusive, equitable, AI systems and direct them towards the pursuit of sustainable development and equity, as well as adequate social protection measures for those affected by job losses and taxation of AI-driven profits to redistribute benefits back to societies.	
27. We recognize that data and statistics are foundational for informed financing for development decision-making and resource allocation. High-quality data and statistics enable evidence-based policy decisions and enhance accountability and transparency, fostering public trust and international cooperation. We will support programmes aimed at strengthening data collection and statistics, especially on sustainable development.	We recognize that sex-age-race-disability disaggregated data and statistics are foundational for informed financing for development decision-making and resource allocation. High-quality data and statistics enable evidence-based policy decisions and enhance accountability and transparency, fostering public trust and international cooperation. We will support programmes aimed at strengthening data collection and statistics, especially on sustainable development, and will place an emphasis on collecting sex-age-race-disability disaggregated data to inform equitable public resource allocation and policy development and have the evidence base to reach most marginalized groups.	
II. A. Domestic public resources		
Summary and key takeaways: • The key focus of the UN Financing for Development process should be on international cooperation. The section on "*Strengthening fiscal systems and alignment with sustainable development*" seems strongly focused on national policies in developing countries, and is highly prescriptive. Given that developed countries also have significant problems with tax systems that are very ineffective and regressive, "capacity building" of developing countries will not solve the fundamental problems.		

• Governments should focus on promoting international tax cooperation to address the systemic issues at the global level, including through the negotiation of a UN Framework Convention on International Tax Cooperation. In terms of ensuring that national tax systems are progressive, effective and gender just, this is an issue which all governments should commit to. • We believe that the paragraphs in the section on "*Fiscal systems and alignment with sustainable development*" should be reoriented towards international tax cooperation and moved under the heading "*International tax cooperation and innovative taxes".*		
28. The Addis Ababa Action Agenda emphasized the central role of domestic public resources in financing sustainable development. Despite notable tax revenue increases in developing countries in the first decade of the century, recent years have seen stagnation and setbacks, amidst weak global economic growth. Mobilizing sufficient public resources and ensuring their effective use requires decisive action at the national level to strengthen fiscal systems and align them with sustainable development objectives. In a globalized world, the international economic environment also needs to be stable and conducive for realizing the full potential of domestic public policy and resources. Domestic efforts must be complemented by international action, including in the form of enhanced international tax cooperation and robust measures to prevent and combat illicit financial flows and corruption. Public development banks (PDBs) have a crucial role in mobilizing investments to drive progress toward the SDGs.	28. The Addis Ababa Action Agenda emphasized the central role of domestic public resources in financing sustainable development. ~~Despite n~~ Notable tax revenue increases in developing countries in the first decade of the century were mainly based on regressive indirect taxes, and furthermore, recent years have seen stagnation and setbacks, amidst weak global economic growth. Mobilizing sufficient public resources and ensuring their effective use requires decisive action at the national level to strengthen fiscal systems and align them with sustainable development objectives and the priorities of citizens, especially the most marginalized. In a globalized world, the international economic environment also needs to be stable and conducive for realizing the full potential of domestic public policy and resources. Domestic efforts must be complemented by international action, including in the form of enhanced international tax cooperation and robust measures to prevent and combat illicit financial flows and corruption. Public development banks (PDBs) have a crucial role in mobilizing investments to drive progress toward the SDGs.	
Fiscal systems and alignment with		

sustainable development		
29. Fiscal systems – both tax and expenditure – are critical to financing public goods. Low growth, inadequate tax reform, informality, leakages and capacity constraints have led to stagnation, and in some cases setbacks in raising revenues in recent years. On the expenditure side, public spending is often hampered by opacity, inefficiency and fiscal constraints and is not sufficiently aligned with sustainable development, and many fiscal systems are yet to take gender and climate considerations into account. Enhancing fiscal systems through strengthened governance, progressivity in tax policies, transparent budgeting and capacity development will strengthen trust between governments and the people who benefit from public goods and social services.	29. Fiscal systems – both tax and expenditure – are critical to financing public goods. Low growth, inadequate tax reform, informality, leakages and capacity constraints, next to persistent tax evasion and avoidance practices by large corporations and high net-worth individuals, have led to stagnation, and in some cases setbacks in raising revenues in recent years. On the expenditure side, public spending is often hampered by opacity, inefficiency and fiscal constraints and is not sufficiently aligned with sustainable development, and many fiscal systems are yet to take gender, racial and climate considerations into account. Enhancing fiscal systems through strengthened governance, progressivity in tax policies, transparent, iinclusive and responsive budgeting and capacity development will strengthen trust between governments and all ~~the~~ people ~~who benefit from public goods and social services~~, and especially the most marginalized	
Transparency and accountability in fiscal systems a) We commit to adopt a whole-of-government approach to strengthening tax systems, and to ensuring transparency and accountability in public financial management. b) We will promote budget transparency, accountability and efficiency. This includes	a) We commit to adopt a whole-of-government approach to strengthening tax and spending systems, and to ensuring transparency, inclusivity, participation and accountability in public financial management. b) We will promote budget transparency, accountability and efficiency with a view to ensuring the achievement of the SDGs.	a) The suggestion is to include a reference to civil society participation in the monitoring and oversight of public finances, including budgets and procurement. b) It should be mentioned not only from the angle of compliance with transparency and integrity requirements, but as a strategic function towards the achievement of the SDGs, and the importance of involving civil society should be recognized.

enhancing oversight, implementing transparent procurement systems and strengthened, resourced, independent and professional Supreme Audit Institutions and parliamentary oversight, especially public accounts committees. We also commit to increase transparency and improve oversight and management of tax expenditures, and to implement minimum standards for tax expenditure reporting.	This includes <u>strengthening budget reliability,</u> enhancing oversight, implementing transparent <u>and inclusive</u> <u>procurement systems, including by ensuring participation of civil society in monitoring of procurement processes,</u> and strengthened, resourced, independent and professional Supreme Audit Institutions and parliamentary oversight, especially public accounts committees. We also commit to increase transparency and improve oversight and management of tax expenditures, <u>including as a part of the negotiations towards a UN Framework Convention on Tax,</u> and to implement minimum standards for tax expenditure reporting. <u>We will adopt an "open by default" approach, supported by strong and clear standards for disclosure of open, structures, and interoperable data across the entire Public Financial Management cycle.</u>	
Alignment of fiscal systems with sustainable development c) We commit to align budgets with sustainable development, including through INFFs, with countries choosing the best policy mix for their economies. d) We encourage the broadening of the tax base and continuing efforts to integrate the informal sector into the formal economy in line with country circumstances, including through harnessing emerging technologies,	c)We commit to align <u>fiscal policies and</u> budgets with sustainable development, <u>including towards meeting international commitments on ODA and climate finance by Global North countries. Budgets, procurement and public policies should be based on a human rights and gender perspective to ensure the optimal use of resources and establish mechanisms for enforceability and accountability, including through civil society participation. Budgets should reflect a strong commitment towards achieving the SDGs, and provide a legislative context</u>	c) INFFs is a tool to domesticate FfD agenda into implementation in developing countries only. It is a tool to distract from the 'international cooperation' aspects of FfD and can be used by developed countries as an ODA conditionality. Important to highlight the budget work needed by Global North countries to meet their international commitments.

such as digital public infrastructure, reducing the cost of compliance and appropriate incentives. e) We commit to ensure progressivity and efficiency across fiscal systems as a means to address inequality and increase revenue, including progressive, effective, equitable and socially just government spending, as well as promoting and strengthening the taxation of high-net-worth individuals, supported by international cooperation, while respecting national sovereignty. f) We will promote both gender-responsive budgeting and gender-responsive taxation, in line with countries' national strategies, priorities and circumstances. To achieve this, we will develop and enhance methodologies and tools for designing, monitoring and evaluating tax and budget policies with a gender perspective, alongside capacity development. g) We encourage the use of environmental and climate considerations in fiscal programming in line with national circumstances. Options include green budgeting, taxation and fiscal rules, carbon pricing, and taxes on environmental contamination and pollution. h) We reaffirm the commitment to rationalize inefficient and harmful subsidies,	that promotes transparency within financial systems. ~~including through INFFs,~~ with countries choosing the best policy mix for their economies. d)We encourage the broadening of the tax base in a fair and equitable manner and continuing efforts to integrate the informal sector into the formal economy, especially in the case of undeclared workers, in line with country circumstances, including through harnessing emerging technologies, such as digital public infrastructure, reducing the cost of compliance and appropriate incentives. e) We commit to ensure progressivity and efficiency across fiscal systems as a means to address inequality within and between countries and increase revenue, including ensuring a fair allocation of taxing rights between countries, reversing the reliance on regressive indirect taxes in tax collection, and ensuring beneficial ownership transparency. Furthermore, we commit to ensure progressive, effective, equitable, gender sensitive and socially just government spending and taxation, including ~~as well as~~ promoting and strengthening the taxation of high-net-worth individuals, supported by international tax cooperation and effective tax abuse prevention measures, as a part of the new UN Framework Convention on International Tax Cooperation~~, while respecting national sovereignty~~. f) We will promote both gender-responsive budgeting and gender-	e) The issue of progressive tax systems is important, and should be a key topic in the negotiation of a UN Framework Convention on Tax. In terms of taxation of high-net worth individuals, the ToR makes it clear that this shall be an element of the UN Tax Convention. This debate should not be reopened. The ToR includes a reference to national sovereignty, but it's very problematic to lift that one element out of the ToR and into the FfD draft where the context that the ToR provides is missing. There was a lengthy debate about national sovereignty during the negotiation of the ToR, and that issue should not be reopened in the Zero draft. f) Regressive tax systems exacerbate gender inequalities among other inequalities. Ensuring progressive tax

particularly fossilfuel subsidies that encourage wasteful consumption by removing market distortions, working toward their elimination to align fiscal systems with sustainability objectives, while taking fully into account the specific needs and conditions of developing countries and minimizing the possible adverse impacts on their development in a manner that protects the poor and the affected communities.	responsive taxation through progressive tax systems, in line with countries' national strategies, priorities and circumstances. To achieve this, we will develop and enhance methodologies and tools for designing, learning, monitoring and evaluating tax and budget policies with a gender perspective that is intersectional and inclusive of all women, alongside capacity development. We will also ensure that the issue of tax and gender equality is clearly integrated in the future UN Framework Convention on International Tax Cooperation. We will also expand efforts to incorporate the voices and priorities of all marginalized groups, ensuring fiscal systems are inclusive and equitable. g) We resolve to applying ~~encourage the use of~~ environmental and climate considerations in fiscal programming in line with national circumstances, with the aim to ensuring the full implementation of the Paris agreement, while avoiding negative distributional impacts and fully respecting and reinforcing the principle of common but differentiated responsibilities and the global commitment to reduce inequalities both within and between countries. ~~Options include green budgeting, taxation and fiscal rules, carbon pricing, and taxes on environmental contamination and pollution.~~ h) We reaffirm the commitment to rationalize inefficient and harmful subsidies, particularly fossil fuel subsidies	systems is a key commitment that governments must take on, including to promote gender-responsive taxation. Governments must also commit to include the issue of tax and gender equality in the new UN Framework Convention on International Tax Cooperation. g) Any reference to climate measures should include explicit reference to CBDR. It is also important to ensure that climate policies do not exacerbate economic inequalities. h) It is important to ensure that the phase out does not exacerbate economic inequalities or undermine development.

	that encourage wasteful consumption by removing market distortions, working toward their elimination to align fiscal systems with sustainability objectives, while taking fully into account the specific needs and conditions of developing countries and ensuring full adherence to commitments related to development and reducing inequalities. ~~minimizing the possible adverse impacts on their development in a manner that protects the poor and the affected communities~~. Regressive incentives provided through other means, including Special Economic Zones should also be phased out.	
Capacity support i) We will scale up support for demand-based institutional, technological, and human capacitybuilding for fiscal systems and domestic resource mobilization in developing countries, including to broaden their tax bases, integrate the informal sector into the formal economy and strengthen tax policy and administration and public financial management. j) We commit to enhance support for country-led efforts to modernize revenue administration, especially digitalization of tax administrations, investment in information technology systems, improvement of data and statistics and the use of AI. k) We will provide targeted support to countries that seek to	i)~~We will scale up support for demand-based institutional, technological, and human capacity building for fiscal systems and domestic resource mobilization in developing countries, including to broaden their tax bases, integrate the informal sector into the formal economy and strengthen tax policy and administration and public financial management.~~ Inclusive and effective participation in international tax cooperation requires procedures that take into account the different needs, priorities and capacities of all countries to meaningfully contribute to the norm-setting processes, without undue restrictions, and support them in doing so, including giving them an opportunity to participate in agenda-setting, debates and decision-making, either directly or through country groupings, according to their preference. (para 11 from the Terms of Reference for	Replace i) with capacity building paras from ToR of the UN framework convention on tax.

increase their tax-to-GDP ratios, aiming to reach ratios of at least 15 per cent, which represents an indicative floor below which it is less likely for countries to meet spending needs while ensuring fiscal stability and supporting sustainable development.	a UN Framework Convention on International Tax Cooperation) The UN Framework Convention on International Tax Cooperation should therefore include provisions regarding institutional mechanisms to support Member States, especially developing countries, in their efforts to build capacity on relevant international tax practice and related issues to ensure that they have adequate capacity to participate effectively in international tax cooperation and to implement the framework convention. (para 12 from the Terms of Reference for a UN Framework Convention on Int. Tax Cooperation) j) We commit to promoting technology transfer, including sharing of digital tools and IT systems that can support tax administration ~~enhance support for country-led efforts to modernize revenue administration, especially digitalization of tax administrations, investment in information technology systems, improvement of data and statistics and the use of AI~~. k) ~~We will provide targeted support to countries that seek to increase their tax-to-GDP ratios, aiming to reach ratios of at least 15 per cent, which represents an indicative floor below which it is less likely for countries to meet spending needs while ensuring fiscal stability and supporting sustainable development~~. Member States and other relevant stakeholders in a position to do so are	 j) Extremely prescriptive towards developing countries. Replace with a commitment to technology transfer. It must be up to developing countries to decide whether they find artificial intelligence suitable for their tax administration. k) FfD should focus on 'international cooperation' aspects of FfD. A 15% tax/GDP target introduces the risk of ODA conditionalities and forcing developing countries to introduce more regressive taxes. Replace k) with capacity building para from ToR of the UN framework convention on tax.

	encouraged to assist in ensuring the full and effective participation of developing countries, including in particular the least developed countries, in the negotiation of the framework convention, including by covering travel and local expenses and through capacity-building. (para 24 from the Terms of Reference for a UN Framework Convention on International Tax Cooperation) k bis) We commit to integrate racial equity considerations into fiscal systems, ensuring that public budgets and tax policies address structural inequalities faced by Afrodescendant and other marginalized communities.	
Subnational finance l) We encourage strengthening subnational finance by enhancing local authorities' technical, technological and human resource capacities, diversifying income and financing sources, including the development of municipal bond markets where appropriate, and promoting stable and transparent intergovernmental financial transfer systems and equalization mechanisms. m) We will support national and local governments to prioritize and strengthen their policies, strategies, and practices to implement effective infrastructure asset management over the lifecycle of assets and mobilize revenues as appropriate.	l) We encourage strengthening subnational finance by enhancing local authorities' technical, technological and human resource capacities, diversifying income and financing sources, ~~including the development of municipal bond markets where appropriate,~~ and promoting stable and transparent intergovernmental financial transfer systems and equalization mechanisms. We commit to ensuring that local governments provide platforms to engage citizens on both revenue and expenditure issues to improve service delivery. n) We will ensure that taxing rights or	

	revenues from new taxes, including taxes on high-net worth individuals and environmentally related taxes, are fairly shared across countries and devoted to reducing inequalities between and within countries, as well as the achievement of climate justice, sustainable development, including in marginalized communities, and the progressive realization of human rights. o) We will ensure an enabling environment for civil society organizations to mobilize citizens and actively monitor tax policies, budget allocation, public procurement, and expenditure processes.	
International tax cooperation and innovative taxes		
30. Globalization, the increased prevalence and size of multinational enterprises (MNEs), and changes in business models have enabled base erosion and profit shifting on a significant scale, severely undermining domestic revenue collection, particularly in developing countries. International tax cooperation must support countries exercising their taxing rights, including through fair distribution of taxing rights under double taxation treaties, and fight tax evasion and aggressive tax avoidance. Existing international tax rules often fail to respond to the diverse needs, priorities, and capacities of all countries, especially the LDCs, limiting their ability to safeguard their tax bases. Strengthening tax cooperation and building a fully inclusive and effective international tax architecture	30. Globalization, the increased prevalence and size of multinational enterprises (MNEs), powerful elites, and changes in business models have enabled base erosion and profit shifting on a significant scale, severely undermining domestic revenue collection, particularly, but not solely, in developing countries. International tax cooperation must support countries exercising their taxing rights, including through fair distribution of taxing rights ~~under double taxation treaties~~, and fight tax evasion and aggressive tax avoidance. Existing international tax rules often fail to respond to the diverse needs, priorities, and capacities of all countries, especially the LDCs, limiting their ability to safeguard their tax bases. Strengthening tax cooperation and building a fully inclusive	30. The fair distribution of taxing rights is a key element of the ToR for a Framework Convention on International Tax Cooperation, and this issue is not limited to bilateral tax treaties.

are essential to supporting national efforts to mobilize sufficient revenue for sustainable development. a) We commit to ensure that international tax cooperation frameworks are beneficial to all parties. We resolve to strengthen the voice and representation of developing countries in the international tax architecture. We also emphasize the importance of careful analysis of the implications of international tax cooperation frameworks and agreements for developing countries, ensuring equitable benefits and addressing their specific challenges. b) We will ensure that all companies, including MNEs, pay taxes to the countries where economic activity occurs and value is created. c) We will continue to engage constructively in the negotiations on a United Nations Framework Convention on International Tax Cooperation. d) We will promote inclusive cooperation and dialogue among national tax authorities on international tax matters, and in this regard we welcome the work of the United Nations Committee of Experts on International Cooperation in Tax Matters, including its subcommittees. e) We commit to enhance tax transparency while recognizing the	and effective international tax architecture are essential to supporting national efforts to mobilize sufficient revenue for sustainable development. a) We commit to inclusive tax cooperation at the United Nations, including the finalization of a UN Framework Convention on International Tax Cooperation and two early protocols in line with the adopted Terms of Reference ~~ensure that international tax cooperation frameworks are beneficial to all parties. We resolve to strengthen the voice and representation of developing countries in the international tax architecture. We also emphasize the importance of careful analysis of the implications of international tax cooperation frameworks and agreements for developing countries, ensuring equitable benefits and addressing their specific challenges.~~ c) We endorse the Terms of Reference for a UN Framework Convention on International Tax Cooperation and commit to ~~will continue to~~ engaging constructively and in good faith in the negotiations on the Convention. ~~a United Nations Framework Convention on International Tax Cooperation~~ d) We will promote inclusive cooperation and dialogue among the relevant Ministries and national tax authorities on	a) It is unclear which 'international tax cooperation frameworks', in plural, are being referred to. FfD4 should be clear in protecting the agreed ToRs of the UN Framework convention on tax and not allow for any misinterpretation of these mandates to be implemented by OECD. Furthermore, some UN Member States have never endorsed the ToR for the UN Tax Convention, despite the fact that they all played a very active role in the negotiations, and had significant influence on the outcome. Committing to inclusive tax cooperation means fully endorsing the ToR. c) It is unfortunately not all countries that have engaged constructively in the negotiations. For example, some countries played a very actively role in the negotiations, and had significant influence on the outcome, but failed to vote in favour of the final outcome.

challenge that countries in special situations face by giving special considerations, for example through grace periods for full reciprocity under automatic exchange of tax information, or further simplifying certain standards and conditions. Our commitment includes strengthening country-by-country reporting of MNEs and further evaluating the creation of a central public database for country-by-country reports. We will also consider extending reporting obligations to high-net worth individuals. f) We commit to enhance beneficial ownership transparency by strengthening domestic measures on beneficial ownership and working towards establishing a global beneficial ownership registry covering a wide range of assets, legal entities and legal arrangements, such as companies, trusts, and limited liability partnerships. In all of these efforts, we will provide assistance to developing countries in implementing these transparency standards. g) We will provide developing countries with demand-based technical assistance and capacity building programmes to ensure they benefit from international tax cooperation frameworks such as the Two-Pillar solution.	international tax matters, and in this regard we welcome the work of the United Nations Committee of Experts on International Cooperation in Tax Matters, including its subcommittees. e) We commit to enhance tax transparency while recognizing the challenge that countries in special situations face by giving special considerations, for example through grace periods for full reciprocity under automatic exchange of tax information, or further simplifying certain standards and conditions in the negotiations towards a UN Convention on International Tax Cooperation. Our commitment includes strengthening country-by-country reporting of MNEs and ~~further evaluating~~ the creation of a central public database for country-by-country reports in the negotiations towards a UN Convention on International Tax Cooperation. We will also consider extending reporting obligations to high-net worth individuals in the negotiations towards a UN Convention on International Tax Cooperation. f) We commit to enhance beneficial ownership transparency by strengthening domestic measures on beneficial ownership and, through the negotiations towards a UN Convention on International Tax Cooperation, we commit to ~~working towards~~ establishing a global beneficial ownership registry covering a wide range of assets, including high-value assets such as real estate and luxury goods, legal	e) There are important issues, but they should be addressed within the negotiations of the UN Framework Convention on International Tax Cooperation. The ToR already include clear references to transparency and exchange of information. There is therefore a clear mandate in the ToR to address these issues during the negotiation of the Convention. It is important to include the point that country by country reports should be public. f) Beneficial ownership transparency is a vital concept, especially for combating international tax abuse, and it must be integrated into the UN Tax Convention negotiations and form a key part of the future framework. Incorporating specific language on implementing beneficial ownership registers of corporate vehicles links to existing commitments and lack of good implementation. The text should be more explicit on the potential of using and exchanging high-quality beneficial ownership data among countries to address transnational corruption and fight tax evasion and harmful tax practices.

h) We will explore implementing innovative taxes to mobilize resources for sustainable development, including in the form of global solidarity levies, and invite countries to apply them on a voluntary basis.	entities and legal arrangements, such as companies, trusts, and limited liability partnerships. In this context, we will implement digital and standardized, high-quality public beneficial ownership registers of legal entities and legal arrangements. Furthermore, we will ensure that a wide range of actors, including competent authorities, civil society and media, have access to timely, adequate, reliable, well-structured, accurate and up-to-date interoperable data to enforce tax policies and prevent tax evasion and IFFs. We will also ensure effective verification and data-sharing mechanisms of beneficial ownership information. In all of these efforts, we will provide assistance to developing countries in implementing these transparency standards. g) ~~We will provide developing countries with demand-based technical assistance and capacity building programmes to ensure they benefit from international tax cooperation frameworks such as the Two-Pillar solution~~. We express concern at the biased outcomes of the OECD/G20 BEPS process that are not in the interest of most developing countries and commit towards agreeing a comprehensive UN framework Convention on International Tax Cooperation. h) In the context of the negotiation of a new UN Framework Convention on International Tax Cooperation, ~~W~~we will explore implementing innovative taxes to mobilize resources for sustainable	g) This paragraph is highly problematic and seem to ignore the very important discussions that there have been on this issue during the negotiation of the Terms of Reference for the new UN Framework Convention on Tax. There are strong concerns with the Two Pillar proposal – both from an effectiveness perspective, and from the point of fairness. The proposal was negotiated in a forum where developing countries were not able to participate on an equal footing, and the result is an outcome that is biased in favor of a small group of developed countries – especially those with harmful tax practices. It is also worth noting that there is no consensus among developed countries on whether to implement the Two Pillar proposal. h) This is an important issue, but they should be addressed within the negotiations of the UN Framework Convention on International Tax Cooperation. The ToR already include clear references to tax and environment, and there is therefore a clear mandate in the ToR to address these issues during the negotiation of the Convention.

	development, including in the form of global solidarity levies, ~~and invite countries to apply them on a voluntary basis~~. We will further explore conducting tax incidence analysis to assess the tax burden before the innovative taxes are recommended. i) We will ensure that tax systems reflect the principles that the cost of pollution and environmental damage should be borne by those causing it, not those suffering its impacts (polluter pays principle), as well as the common but differentiated responsibilities and respective capabilities of countries in relation to addressing international environmental challenges.	
Illicit financial flows		
31. Countries face substantial and persistent challenges in effectively combatting illicit financial flows (IFFs), including lack of exchange of information and low capacity in using information obtained, inadequate systems for tracking and collecting relevant financial data, ineffective and incomplete implementation of anti-corruption and anti-money laundering measures, and the absence of standardized regulations for professionals and institutions that facilitate IFFs. More and stronger action should foster greater financial transparency and accountability, with robust enforcement contributing to the prevention and combatting of IFFs, and the recovery and return of assets derived from illicit activities. Tackling corruption can restore public trust, strengthen institutional capacity, and have positive		

impact on global challenges of poverty, social and economic inequality. a) We commit to regulate professional service providers at the national level and enhancing international cooperation to curb IFFs and other illicit financial activities. This includes promoting global discussions on standardizing regulatory regimes of professional service providers involved in illicit financial flows, strengthening accountability mechanisms, integrating them into national legislation, and committing to supporting these efforts with an independent review of regulatory frameworks and practices. b) We will establish a United Nations Economic and Social Council (ECOSOC) Special Meeting on Financial Integrity to address financial integrity at a systemic level and exchange best practices including on the use of technologies to combat IFFs effectively and to be held back-to-back with the ECOSOC Special Meeting on International Tax Cooperation. c) We commit to full implementation of the United Nations Convention Against Corruption (UNCAC) including by supporting an effective and efficient Implementation Review Mechanism to assist in preventing	a) We commit to regulate and ensuring effective independent supervision of professional service providers that can be "enablers" of corruption, money-laundering, tax abuse and other types of illicit financial flows, including by improving their regulation, transparency and reporting requirements at the national level. We also commit to ~~and~~ enhancing international cooperation to curb IFFs and other illicit financial activities. This includes promoting global discussions on standardizing regulatory regimes of professional service providers involved in illicit financial flows, strengthening accountability mechanisms, integrating them into national legislation, and committing to supporting these efforts with an independent review of regulatory frameworks and practices. b) We will establish a United Nations Economic and Social Council (ECOSOC) Special Meeting on Financial Integrity, in cooperation with the UN Convention Against Corruption (UNCAC) and its Review Mechanism, as well as all other relevant UN processes and bodies, to address financial integrity at a systemic level and exchange best practices including on the use of	

and combatting corruption. Furthermore, we commit to scale up technical assistance for the implementation of UNCAC in countries, upon their request. d) We resolve to enhancing sustainable and transparent practices for asset recovery and return through strengthened international cooperation and capacity-building initiatives and to fostering pilot initiatives for innovative approaches aligned with sustainable development to address barriers and improve efficiency in asset recovery processes. e) We will explore the need for a multilateral mediation mechanism to support resolving challenges related to asset recovery and return. f) We will identify, assess and act on money laundering risks, including through effective implementation of the Financial Action Task Force (FATF) standards on anti-money laundering/counter-terrorism financing.	technologies to combat IFFs effectively and to be held back-to-back with the ECOSOC Special Meeting on International Tax Cooperation. d) We resolve to enhancing sustainable and transparent practices for stolen asset recovery and return through strengthened international cooperation, transparency and engagement with civil society ~~and capacity-building initiatives and to fostering pilot initiatives for innovative approaches aligned with sustainable development~~ to address barriers and improve efficiency in asset recovery processes. f) We will identify, assess and act on money laundering risks~~, including through effective implementation of the Financial Action Task Force (FATF) standards on anti-money laundering/counter-terrorism financing~~.	d) The correct term is "stolen assets", which refers to the fact that there are assets in Global North countries that have been stolen from the Global South. When Global South countries demand those assets returned, they tend to be met with a large number of conditions or outright lack of cooperation from the Global North countries where the assets are located. It's highly inappropriate to suggest that this issue relates to a lack of "capacity" in developing countries. f) FATF is an OECD-housed body that does not allow all developing countries to participate on an equal footing. Several developing countries have flagged concerns about the unfair blacklisting of developing countries for not following FATF standards.
National development banks		
32. National public development banks can play a crucial role in mobilizing resources to support sustainable development, but face challenges that limit their efficiency and effectiveness, including governance issues. Many national regulatory frameworks applied to development banks were developed for commercial banks with different liability structures. Strengthening	32. National public development banks can play a crucial role in mobilizing resources to support sustainable development and are part of a global ecosystem of financing institutions, but face challenges that limit their efficiency and effectiveness, including governance issues. Many national regulatory frameworks applied to development banks	

national development banks can help financing sustainable development particularly in credit market segments in which commercial banks are not always fully engaged, including sustainable infrastructure, energy, agriculture, industrialization, science, technology and innovation, as well as financial inclusion and financing of MSMEs. a) We encourage countries with development banks to reinforce their capacities to effectively contribute to sustainable development, including by leveraging resources from multilateral development banks (MDBs), and to review and update their mandates to align with sustainable development, and call on countries without development banks to establish such institutions to address local and national development challenges. b) We commit to provide technical support to national development banks to enhance their ability to provide long-term low-cost financing to invest in sustainable development. c) We commit to define regulatory requirements that reflect national development banks' development-focused mandates and distinctive business models and risk profiles, ensuring that development banks are empowered to pursue innovative and risk-informed approaches to financing	were developed for commercial banks with different liability structures. Strengthening national development banks can help financing sustainable development particularly in credit market segments in which commercial banks are not always fully engaged, including sustainable infrastructure, energy, agriculture, industrialization, science, technology and innovation, as well as financial inclusion and financing of MSMEs.	

sustainable development.	d) National development banks are encouraged to establish diversity criteria for project financing, prioritizing initiatives that promote racial and gender equity in leadership and community impact. e) National development banks should implement mechanisms for racial and gender impact assessments in all their projects. Such assessments shall ensure that projects contribute to reducing social and economic inequalities and fully promote the inclusion of marginalized communities. f) National development banks are encouraged to allocate specific credit lines to support Afrodescendant entrepreneurs, ensuring access to resources for the economic empowerment of historically marginalized groups. g) We commit to integrating racial and gender equity considerations into sustainable development projects funded by national development banks. This includes incorporating social and racial impact indicators to prioritize initiatives that benefit Afrodescendant communities in areas such as education, healthcare, and access to resources. h) National development banks must	

	establish mandatory diversity criteria in their financing operations, ensuring that at least 30% of project leadership roles are held by Afrodescendant individuals and women.	
II. B. Domestic and international private business and finance		
Summary and key takeaways: • The key focus of this section should have been to uphold the regulatory role of States and ensure alignment of private business and finance with democratically determined national development strategies. Private businesses and investors should adhere to countries' development and fiscal strategies, not the other way around. As it stands, the text lacks such regulatory approach, and current commitments rely more on volatile markets instead of countries' urgent development needs. It is necessary to assert states' duty in every aspect of private sector involvement, including by complying to ILO standards and adhering to the United Nations Guiding Principles on Business and Human Rights. • The current focus on creating an enabling environment for private investors can be disenabling for many others, including for civil society and communities and even small-scale private sector in developing countries. Not all private actors are the same and it is important to differentiate strategies to foster and support national MSMES versus strategies to regulate foreign large scale investments. While we welcome the acknowledgement of the need for systemic change at both national and global levels, current proposals do not align with such premise. • SDGs are here perceived as an investment opportunity, which is highly problematic. With such logic, sectors perceived as unbankable or non-profitable are sidelined from investment, whereas those projects/countries with highest potential returns are favored, which defeats the purpose of SDG financing. Furthermore, we note with concern the continued promotion of blended finance. This approach ignores that private investment in the SDGs not only did not deliver on its promises but also has been associated with increased inequalities and human rights violations in sectors such as education and health.		
33. Private business activity, investment, and innovation are major drivers of sustainable development, economic growth, and job creation. Evidence shows that increasing women's active participation in the workforce and in leadership positions can drive significant economic growth and foster sustainable development. To realize its potential, private activity needs to be dynamic, inclusive, risk-informed and sustainable. However, private investment in sustainable development has not met expectations, which has contributed to a widening SDG investment gap. While there is growing	Private business activity, investment, and innovation are major drivers of sustainable development, economic growth, and job creation when they align with democratically-determined national development strategies, including industrial policies. Evidence shows that increasing women's active participation in the workforce and in leadership positions can drive significant economic growth and foster sustainable development. To realize its potential, private activity needs to be dynamic, inclusive, risk-informed ~~and~~ , sustainable, compliant with human rights	

interest by the private sector in sustainable development, investment remains hampered by high financing costs in developing countries, and by misalignment between returns on investment and development needs. Capital markets often remain short-term oriented and volatile, with short-term financial returns not aligned with long-term public benefit. This underlines the need for systemic change at both national and global levels.	obligations and driven by domestic needs and actors. However, private investment in sustainable development has not met expectations, and in some sectors like health and education it has been associated with increased inequalities and human rights violations, ~~which has contributed to a widening SDG investment gap~~. While there is growing interest by the private sector in sustainable development, investment especially from domestic actors remains hampered by ~~the~~ regulations that favor large-scale multinational actors ~~high financing costs~~ in developing countries, and by misalignment between returns on investment and development needs. Capital markets often remain short-term oriented and volatile, searching globally for the highest and ~~with~~ short-term financial returns not aligned with long-term public benefit. This underlines the need for systemic change at both national and global levels.	
Domestic financial sector development, enabling environments and access to financing		
34. There is a significant need to further leverage the contribution of the private sector to achieve sustainable development. There has been progress in developing transparent, stable, and predictable investment climates at the national level, but more needs to be done. This includes enhancing enabling environments for business and investment to promote	34. There is a significant need to situate ~~further leverage~~ the contribution of the private sector within national development priorities and public-led development strategies to achieve sustainable development. Key sectors, including healthcare and education should be excluded from privatization. While~~T~~there has been some progress in developing	

alignment with sustainable development.	transparent, stable, regulated and rights-based ~~predictable~~ investment climates at the national level, ~~but~~ evidence of private finance's sustainable development impact remains weak due to unsustainable investments and predatory practices. ~~m~~More needs to be done to realign business models to the imperatives of sustainable development while upholding the role of the State in providing essential life-saving services. This includes enhancing enabling environments for domestic business and investment to promote alignment with sustainable development and leveraging the use of industrial policy to ensure that businesses serve national aims in the collective good.	
Domestic financial sector development and enabling environments a) We will promote a sequential approach to developing domestic financial sectors, including building a domestic savings base, starting with the domestic banking sector, savings banks and/or cooperative banks, followed by expanding long-term bond and insurance markets as well as equity markets and institutional investment, as appropriate, including building secondary markets. b) We will promote policy frameworks that create enabling environments for investment in sustainable development. We encourage further efforts to improve the business enabling	*The real economy and ~~D~~domestic financial sector development ~~and enabling environments~~* a) bis We recognize the necessity of the expansion of the domestic real economy in developing countries, in production, processing, distribution, and consumption, as the basis of strengthened interlinkages with the domestic financial sector, in alignment with democratically-determined national development strategies and industrial policy. a) We will promote a sequential approach to developing domestic financial sectors, founded on domestic reinvestment, including building a domestic savings base, starting with the domestic banking sector, savings banks and/or cooperative banks,	

environment, including through enhanced transparency, good governance, anti-corruption measures, the rule of law, investor and consumer protection, fair competition, and aligning these with sustainable development. We encourage the development of a model framework towards this end. c) We will promote the creation of new domestic investment vehicles, such as development-oriented venture capital funds, and innovative financial instruments, including thematic bonds (e.g. use-ofproceeds bonds like green, social, sustainability, and SDG bonds, as well as sustainability-linked bonds), with sound regulatory frameworks and adequate risk management. d) We call upon relevant actors to develop comprehensive risk management and insurance markets, and in particular to develop solutions for smallholder and women farmers and other stakeholders to protect against production risks, price volatility, and climate change impacts. e) We will support demand-driven technical assistance and capacity development programmes for domestic financial sector development aligned with this approach, particularly for countries in special situations. We call on	followed by expanding long-term bond and insurance markets as well as regulating equity markets and institutional investment, as appropriate, including building secondary markets. b) We will promote policy frameworks that create regulatory ~~enabling~~ environments for investment in sustainable development. We encourage further efforts to improve the business enabling environment, ~~including through~~ especially through alignment with ILO standards and international labour rights, universal public service provision including in the health and education sectors and universal social protection, enhanced transparency, good governance, anti-corruption measures, the rule of law, investor and consumer protection, fair competition, a capital flow management system that protects against undue speculative capital flows, and aligning these with sustainable development. ~~We encourage the development of a model framework towards this end.~~ c) ~~We will promote the creation of new domestic investment vehicles, such as development-oriented venture capital funds, and innovative financial instruments, including thematic bonds (e.g. use-ofproceeds bonds like green, social, sustainability, and SDG bonds, as well as sustainability-linked bonds), with sound regulatory frameworks and adequate risk~~	

MDBs to assist developing countries in fostering business-friendly environments for sustainable development that enable enterprises to thrive, expand across borders, and attract private capital.	~~management.~~ d) We call upon relevant actors to develop capital control measures and domestic support ~~comprehensive risk management and insurance markets~~, and in particular to develop concessional finance solutions-for smallholder and women farmers and other stakeholders to protect against production risks, price volatility, and climate change impacts. e) ~~We will support demand-driven technical assistance and capacity development programmes for domestic financial sector development aligned with this approach, particularly for countries in special situations. We call on MDBs to assist developing countries in fostering business-friendly environments for sustainable development that enable enterprises to thrive, expand across borders, and attract private capital.~~	
Access to financing, remittances, and correspondent banking relationships f) We will promote MSMEs' access to affordable credit through strengthening the MSME ecosystem, including the local banking sector, as well as capacity building, and enhance local currency financing for MSMEs. We also call for a review of the possible unintended consequences of regulatory and prudential frameworks on MSME lending in developing countries and explore the use of MSME carve-outs.	f) We will promote MSMEs' access to affordable and concessional credit through strengthening the MSME ecosystem, including the local banking sector, as well as capacity building, and enhance local currency financing for MSMEs. We also call for a review of the possible unintended consequences of regulatory and prudential frameworks on MSME lending in developing countries and explore the use of MSME carve-outs.	

g) We resolve to expand access to financial services, particularly for women and marginalized groups, while recognizing that financial access is just one aspect of financial health and complementary efforts are needed, including strengthening consumer protection, financial literacy, and regulation. h) We will also leverage emerging digital technologies, including digital public infrastructure, to deepen financial inclusion, and support investments in development and digitalization of financial system infrastructure in developing countries, particularly in countries in special situations. i) We resolve to redouble our efforts to reduce remittance costs to less than 3 per cent of amounts transferred by 2030, including by promoting digital remittance solutions, competition among money transfer operators, transparency requirements for fees and commissions charged, accelerating access to transaction accounts for migrants, and by working with relevant actors to harmonize regulatory frameworks and ensure a proportionate application of regulations on private money flows. We will also strengthen remittance data collection and dissemination. j) We call upon relevant	g) We resolve to expand access to non-debt creating financial services, particularly for women and marginalized groups, while acting to protect borrowers from predatory lenders. recognizing that financial access is just one aspect of financial health and complementary efforts are needed, including strengthening consumer protection, financial literacy, and regulation. h) We will also leverage emerging digital technologies, including digital public infrastructure, to deepen financial inclusion, and support investments in development and digitalization of financial system infrastructure in developing countries, particularly in countries in special situations, and build the capacity of authorities and consumers to fight against fraudulent, abusive and debt creating fintech applications.	

institutions to support correspondent banking relationships through technical assistance programs to countries in need, building on existing global efforts.		
Foreign direct investment and private capital mobilization for sustainable development		
35. Foreign direct investment growth has slowed since the adoption of the Addis Ababa Action Agenda in 2015. Many developing countries, particularly countries in special situations, continue to face obstacles to mobilizing private investment. At the same time, investors face challenges when investing in developing countries, including those linked to information availability. Official sector efforts to mobilize private finance have not succeeded in catalyzing private capital at scale nor have they sufficiently focused on sustainable development impact. Robust action is needed to strengthen the global enabling environment for long-term private investment in sustainable development.	35. Foreign direct investment growth has slowed since the adoption of the Addis Ababa Action Agenda in 2015. Many developing countries, particularly countries in special situations, continue to face obstacles to mobilizing private investment. At the same time, investors face challenges when investing in developing countries, including those linked to information availability. Official sector efforts to mobilize private finance have not succeeded in catalyzing private capital at scale nor have they sufficiently focused on sustainable development impact. Robust action is needed to strengthen the global regulatory ~~enabling~~ environment for long-term private investment in sustainable development.	
Foreign direct investment a) We reiterate the importance of scaling up foreign direct investment in developing countries. We call for the timely establishment of: the International Investment Support Centre for the Least Developed Countries to harness technical assistance and investment-related support for	*Foreign direct investment* a) We reiterate the importance of aligning appropriate and demand-driven ~~scaling up~~ foreign direct investment with national development priorities in developing countries. ~~We call for the timely establishment of: the International Investment Support Centre for the Least Developed Countries to harness technical~~	

LDCs; the Infrastructure Investment Financing Facility for Landlocked Developing Countries; and the Small Island Developing States Centre of Excellence, which will include, inter-alia, a biennial Island Investment Forum. b) We will continue to strengthen existing spaces for developing countries to discuss national sustainable development plans with private investors, promote concrete investment opportunities, connect with public and private investors, and match supply and demand for technical assistance at the global level, including through the SDG Investment Fair. c) We will strengthen efforts to facilitate diaspora investment through innovative instruments and call on relevant investment agencies to support such efforts.	~~assistance and investment-related support for LDCs; the Infrastructure Investment Financing Facility for Landlocked Developing Countries; and the Small Island Developing States Centre of Excellence, which will include, inter-alia, a biennial Island Investment Forum.~~ b) ~~We will continue to strengthen existing spaces for developing countries to discuss national sustainable development plans with private investors, promote concrete investment opportunities, connect with public and private investors, and match supply and demand for technical assistance at the global level, including through the SDG Investment Fair.~~ c) We will strengthen efforts to facilitate diaspora investment in ways that contribute to structural transformation ~~through innovative instruments~~ and call on relevant investment agencies to support such efforts.	
Private capital mobilization for sustainable development impact d) We call for blended finance initiatives to focus on sustainable development impact, rather than on quantity or degree of leverage alone. To this end, we call for all blended finance transactions to be aligned with national sustainable development priorities and industrialization strategies, and promote country ownership; ensure financial and developmental additionality; share	*Private capital mobilization for sustainable development impact* d) We will establish a UN intergovernmental process to review the sustainable development outcomes, fiscal, labour and human rights impacts of blended finance and other financing instruments established to leverage private finance, as well as public-private partnerships. We recognize blended finance initiatives' intrinsic limitations particularly for states and areas afflicted by conflict and/or fragility and for low	

risk and rewards fairly; be transparent and have clear accountability mechanisms; include participation of local communities in decisions affecting their communities; and take into account debt sustainability. e) We invite public development banks to harmonize and strengthen impact metrics as a basis for mobilization targets, building on on-going work, and to align incentives with maximizing sustainable development impact. f) We support efforts towards the standardization of blended finance instruments to create effective and replicable structures for different country contexts. We further support utilizing innovative structures in blended finance, including equity instruments, to ensure that both risk and rewards are shared fairly between the public and private sector. g) We call on the International Finance Corporation to scale up the use of the International Development Association Private Sector Window, including through increased local currency lending, and enhance private equity, venture capital, and microfinance ecosystems to support MSME growth, economic diversification, and the creation of quality jobs for inclusive and resilient growth.	income countries. Accordingly, we call for restraint in excessive concentration of ODA into blended finance initiatives, in order to maintain and develop other ODA modalities for the aforementioned areas and states. ~~blended finance initiatives to focus on sustainable development impact, rather than on quantity or degree of leverage alone. To this end,~~ we call for all blended finance transactions to be aligned with national sustainable development priorities and industrialization strategies, and promote country ownership; ensure financial and developmental additionality; share risk and rewards fairly whereby companies that receive blended finance are not engaging in tax avoidance or evasion or transferring profits to shareholders in the form of high dividends nor (untaxed) share buybacks; be transparent and have clear accountability mechanisms towards parliaments and taxpayers; include participation of local communities in decisions affecting their communities; and take into account debt sustainability. e) We invite public development banks to harmonize and strengthen impact metrics as a basis for mobilization targets, building on on-going work, and to align incentives with maximizing sustainable development impact. f) ~~We support efforts towards the standardization of blended finance instruments to create effective and replicable structures for different country~~	

h) We call on MDBs to establish pools of catalytic capital seeded by development banks, development finance institutions, foundations and philanthropies, with standardized, simplified and transparent access requirements. We support the development of repositories of guarantee instruments, building on the World Bank Guarantee Platform. i) We call on MDBs to provide enhanced technical assistance in a coordinated manner, including through the establishment of a Pooled Technical Assistance Platform, to help developing countries, particularly countries in special situations, originate, prepare and support high-impact infrastructure projects. j) We will work with development finance institutions (DFIs) to support the development of costeffective, long-term foreign exchange risk mitigation and hedging solutions for investments in sustainable development. k) We will work with stakeholders to re-evaluate credit rating methodologies and existing financial regulation, including capital requirements for guarantees and blended finance mechanisms, to ensure that guarantees are fairly valued in analysis and address possible unintended consequences for sustainable development	~~contexts. We further support utilizing innovative structures in blended finance, including equity instruments, to ensure that both risk and rewards are shared fairly between the public and private sector.~~ g) ~~We call on the International Finance Corporation to scale up the use of the International Development Association Private Sector Window, including through increased local currency lending, and enhance private equity, venture capital, and microfinance ecosystems to support MSME growth, economic diversification, and the creation of quality jobs for inclusive and resilient growth.~~ ~~h) We call on MDBs to establish pools of catalytic capital seeded by development banks, development finance institutions, foundations and philanthropies, with standardized, simplified and transparent access requirements. We support the development of repositories of guarantee instruments, building on the World Bank Guarantee Platform.~~ i) ~~We call on MDBs to provide enhanced technical assistance in a coordinated manner, including through the establishment of a Pooled Technical Assistance Platform, to help developing countries, particularly countries in special situations, originate, prepare and support high-impact infrastructure projects.~~ j) We will work with development finance institutions (DFIs) to support the development of costeffective, long-term	

investing. l) We commit to further improve the availability, quality and accessibility of data to support additional investments in developing countries, including by working with institutional investors. We encourage the further release of quality disaggregated data, including from the Global Emerging Market Risk Database.	foreign exchange risk mitigation and hedging solutions for investments in sustainable development. k) We will work with stakeholders to re-evaluate credit rating methodologies and existing financial regulation, including capital requirements for guarantees and blended finance mechanisms, to ensure that guarantees are fairly valued in analysis and address possible unintended consequences for sustainable development investing. l) We commit to further improve the availability, quality and accessibility of data to support additional investments in developing countries, including by working with institutional investors. We encourage the further release of quality disaggregated data, including from the Global Emerging Market Risk Database.	
Alignment of private business and finance with sustainable development		
36. Since the Addis Ababa Action Agenda, the private sector has integrated environmental, social, and governance factors into risk management, yet aligning business models and investment strategies with sustainable development impact remains challenging. Achieving this will require a systemic shift to better align incentives along the investment chain. The recent surge in sustainable business and finance legislation builds on voluntary frameworks to advance alignment and enhance market clarity. It is essential to ensure interoperability and unlock the	36. Since the Addis Ababa Action Agenda, the private sector has to a limited extent integrated environmental, social, and governance factors into risk management, yet aligning business models and investment strategies with sustainable development impact remains challenging and far from integrated into business models. Achieving this will require a systemic shift to affirm the public development roles of member-states and rethink the primacy of private business and finance ~~better align incentives along~~	

potential of such legislation, while minimizing compliance burdens, particularly for developing countries and international entities.	~~the investment chain~~. The recent surge in sustainable business and finance legislation builds on voluntary frameworks to advance alignment and enhance market clarity. It is essential to primarily ensure compliance with ILO labour rights norms, and secondarily the interoperability and unlock the potential of such legislation, while minimizing compliance burdens, particularly for developing countries ~~and international entities~~. At the same time, the shortcomings of voluntary and transparency mechanisms to achieve real zero emission reductions, the Paris goals and the SDGs have to be recognised, with developed countries needing to introduce compulsory measures that create a level playing field in obligations (e.g. due diligence obligations, compulsory transition plans, etc.)	
Incentives along the investment chain a) We will accelerate and mainstream the take-up of impact investing strategies and innovative financing instruments such as impact fund vehicles, thematic bonds and innovative investment lenses. We welcome efforts in some jurisdictions to require financial advisors to ask savers' sustainability preferences, and call on institutional investors and financial institutions to accelerate adoption. We also commit to advance the development of responsible and inclusive	*Incentives along the investment chain* a) We support the advancement of sustainable industrial policy in developing countries, as a basis for notions of impact and the appropriateness of any form of investment ~~We will accelerate and mainstream the take-up of impact investing strategies and innovative financing instruments such as impact fund vehicles, thematic bonds and innovative investment lenses. We welcome efforts in some jurisdictions to require financial advisors to ask savers' sustainability preferences, and call on institutional investors and~~	

consumer products while eliminating discriminative business practices, such as gender-based price differentiation. b) We call on private entities to mainstream impact into their management practices and governance, and to actively measure it. To enhance clarity, we call on standard-setters and multilateral agencies to harmonize voluntary impact standards and terminology. We also welcome the continued development, scaling, and adoption of sustainability rating and impact valuation methodologies, as well as their integration of the latter into financial models to make impact measurable, actionable, and to internalize externalities. c) We will provide guidance for private entities on their roles and responsibilities in supporting the national implementation of relevant United Nations frameworks, noting existing efforts such as the Global Compact and the United Nations Guiding Principles on Business and Human Rights implementing the United Nations "Protect, Respect and Remedy" Framework.	~~financial institutions to accelerate adoption.~~ We also commit to advance the development of responsible and inclusive consumer products while eliminating discriminative business practices, such as gender-based price differentiation. b) We call on public actors to regulate private entities to ensure real economic ~~mainstream~~ impact ~~into their management practices and governance~~, and to actively measure it. To enhance clarity, we call on standard-setters and multilateral agencies to harmonize voluntary impact standards and terminology. We also welcome the continued development, scaling, and adoption of sustainability rating and impact valuation methodologies, as well as their integration of the latter into financial models to make impact measurable, actionable, and to internalize externalities. c) We will constructively engage in the ongoing process towards a legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises - UN Treaty on Business and Human Rights. We will provide guidance for private entities on their roles and responsibilities in supporting the national implementation of relevant United Nations frameworks, noting existing efforts such as the Global Compact and the United Nations	

	Guiding Principles on Business and Human Rights implementing the United Nations “Protect, Respect and Remedy” Framework.	
Sustainable business and finance legislation d) We will align regulatory frameworks to accelerate and mainstream sustainable business behavior and adopt sustainable business and finance legislation that is country-led and context-specific, supported by capacity building for developing countries. We call for the adoption of national sustainable finance mobilization strategies, integrated into national financing frameworks. We urge regulators to promote transition planning for financial institutions, aligned with national pathways and global targets. e) We encourage adoption of sustainability disclosure legislation based on double materiality, addressing both sustainability risks and business impacts on society. While we recognize the International Sustainability Standards Board's (ISSB) progress in harmonizing sustainability disclosures, we note that its standards are not designed to cover the private sector's impact on sustainability. To this end, we will transpose at national level the standards of the ISSB and of the Global Reporting Initiative in	e) As a minimum, ~~W~~we encourage adoption of sustainability disclosure legislation based on double materiality, addressing both sustainability risks and business impacts on society. While we recognize the International Sustainability Standards Board's (ISSB) progress in harmonizing sustainability disclosures, we note that its standards are not designed to cover the private sector's impact on sustainability. Recognizing this gap, we will establish a UN intergovernmental process to review the sustainable development outcomes, fiscal, labour and human rights impacts of financing instruments established to leverage private	

parallel. We will include external audit provisions to enhance trust in reported data and provide capacity-building to support developing countries. f) We will adopt measures to advance impact management and stewardship, beyond transparency and data disclosure requirements to embed sustainability into business models, governance, operations and stewardship practices. To prevent greenwashing and impact-washing, we will adopt appropriate standards for commercial and financial products. g) We will promote the interoperability of sustainable finance legislation. We will establish international dialogue through a global interoperability governance framework. We will also leverage existing efforts to develop a roadmap for the interoperability of taxonomies, including the UNFCCC COP29 Presidency's efforts, and we will explore to expand these efforts to also support the interoperability of social taxonomies.	finance. ~~To this end, we will transpose at national level the standards of the ISSB and of the Global Reporting Initiative in parallel. We will include external audit provisions to enhance trust in reported data and provide capacity-building to support developing countries.~~ g) We will promote the interoperability of sustainable finance legislation. We will establish international dialogue through a global interoperability governance framework. We will also leverage existing efforts to develop a roadmap for the interoperability of taxonomies, including the UNFCCC's climate finance ~~COP29 Presidency's~~ efforts, and we will explore to expand these efforts to also support the interoperability of social taxonomies. h) We will establish a UN intergovernmental process to review the sustainable development outcomes, fiscal, labour and human rights impacts of financing instruments established to leverage private finance, as well as related modalities of public-private partnerships (PPPs) and blended finance.	

II. C. International development cooperation		
Summary • The role of the United Nations in the reform international development co-operation architecture in norm setting, and global accountability must be strengthened and supported by all stakeholders. FfD 4 provides good opportunity for the member states to provide, norms, structures and framework for accountability.		
37. International development cooperation plays a fundamental role in achieving the 2030 Agenda, complementing the efforts of countries to mobilise resources domestically, especially in the poorest and most vulnerable countries. Persistent poverty and inequality, climate-induced disasters, and crises are all increasing demands on international development cooperation. This has been accompanied by a shift in allocation of development cooperation away from long-term investments in sustainable development and poverty eradication in developing countries. Rising fragmentation, insufficient country ownership, and lack of alignment with country priorities have undermined the effectiveness of support. This calls for a re-evaluation of the practice and purpose of international development cooperation, and reforms to the development cooperation architecture – globally and in countries – as a basis for a revitalized and more coherent cooperation that honors existing commitments, meets emerging needs, and focuses on sustainable development impact.	37. International development cooperation plays a fundamental role in achieving the 2030 Agenda, complementing the efforts of countries to mobilise resources domestically, especially in the poorest and most vulnerable countries. Persistent poverty and inequality, climate-induced disasters, and crises are all increasing demands on international development cooperation. DAC countries' long-standing target of 0.7 GNI for ODA remains unmet and allocation of development cooperation. This has been compounded by a shift in allocation of development cooperation away from long-term investments in sustainable development and poverty eradication in developing countries. Rising fragmentation, insufficient country ownership, and lack of alignment with country priorities have undermined the effectiveness of support. This calls for a re-evaluation of the practice and purpose of international development cooperation, and reforms to the development cooperation architecture – globally and in countries – as a basis for a revitalized and more coherent cooperation that honors existing commitments, meets emerging needs, and focuses on sustainable development impact.	• Revitalize Implementation of Agreed Commitments. It is time to secure the implementation of agreed commitments. The FFD4 Conference should commit to revitalizing the implementation of this agenda by safeguarding the integrity of commitments made at different levels. The role of CSOs and other non-state actors must be more effectively reaffirmed and protected, particularly in light of concerning trends that limit their space and influence. • *hunger and poverty eradication* • *Specific reference to gender equality and women´s and girls' empowerment (as mentioned in AAAA).*

Volumes and allocation		
38. Development cooperation, including both concessional and non-concessional financing, has grown since 2015 but not kept pace with rising needs. Official development assistance (ODA) reached $223.3 billion in 2023, but at 0.37 per cent of donor-country gross national income (GNI), it remains well below the long-standing target of 0.7 per cent. The decline in the share of ODA that reaches developing countries is of particular concern. There is a need to step up efforts to meet existing commitments, including to help ease financing stress and address critical socio-economic priorities in developing countries, such as poverty eradication, health, education, and social protection. South-South cooperation, a complement to, not substitute for, North-South cooperation, is expanding in scope, volume, and reach. While MDBs have significantly scaled up lending capacity, financing volumes have shrunk as a share of global investment, largely due to capital constraints.	38.Development cooperation, including both concessional and non-concessional financing, has grown since 2015 but not kept pace with rising needs. Official development assistance (ODA) reached $223.3 billion in 2023, but at 0.37 per cent of donor-country gross national income (GNI), it remains well below the long-standing target of 0.7 per cent. The decline in the share of ODA that reaches developing countries is highly alarming and must be urgently addressed. ~~of particular concern~~. The cumulative shortfall in DAC's commitment estimated at USD 7.1 trillion is unmet ODA debt that should be delivered to Global South countries over decades in full and unconditionally. There is a need to step up efforts to meet existing and past commitments, and specifically to address volatility and predictability challenges that are affecting actual flows reaching partner countries. There is equally the need to including to help ease financing stress and address critical socio-economic priorities in developing countries, such as poverty eradication, health, education, and social protection. South-South cooperation, a complement to, not substitute for, North-South cooperation, is expanding in scope, volume, and reach. While MDBs have significantly scaled up lending capacity, financing volumes have shrunk as a share of global investment, largely due to capital constraint	• DAC members to honor their collective commitment and deliver USD 7.1 trillion of unmet ODA debt owed to Global South countries over decades in full and unconditionally. • We call on providers to raise their official development assistance (ODA) substantially, in order to address the worsening multiple crises, and to truly deliver on the commitment to leave no one behind. The richest economies must keep their existing promises to poorer countries and pay off the 'aid debt'. There is compelling evidence that aid saves lives and reduces inequality, especially when given as long-term predictable budget support. Yet rich countries have resolutely failed to deliver on aid promises, underpaying LICs and MICs to the tune of $6.5 trillion since the UN 0.7% resolution was passed in 1970.
Official development assistance a) We agree to scale up and achieve our respective commitments to	a) We agree to scale up, enforce and achieve our respective commitments to reach existing targets, allocating at least of	• There is a need to set clear targets in relation to country programmable aid • Rich countries have an obligation to meet their

reach existing targets of 0.7 per cent of ODA/GNI to developing countries, and at least 0.2 per cent of ODA/GNI to LDCs.	0.7 per cent of ODA/GNI to developing countries, and at least 0.2 per cent of ODA/GNI to LDCs a) bis We agree to preserve the concessional nature of the flows that are reported as ODA and align our support with SDGs expenditures.	0.7% commitments on an ongoing basis, and to start paying off their aid debt. It is also crucial to note that donors must also adhere to the highest aid effectiveness standards, and stop the accounting trickery of siphoning off large amounts of aid to spend in donor countries on things like in-country refugee costs and vaccine donations
b) We appreciate countries that have set concrete and binding timeframes for achieving existing ODA targets and encourage others to do the same.	b) We commit to set concrete and binding timeframes for achieving existing ODA targets and decide to establish a UN intergovernmental process towards agreeing a UN legally binding convention on development cooperation that includes developing measurable, time-bound, and enforceable indicators for the fulfilment of these targets.We appreciate countries that have set concrete and binding timeframes for achieving existing ODA targets and encourage others to do the same..	• A binding timeframe should be for all given over half a century of unmet commitments.
c) We commit to increase the share of ODA programmed at the country level and focused on longterm sustainable development that responds to the needs and priorities of recipient countries, including by increasing the share of budget support in ODA. We invite the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD DAC) to develop an indicator to measure this commitment and to set targets for its fulfilment. d) We commit to work with developed countries to scale up assistance for humanitarian emergencies and needs, without impacting commitments to development assistance for long-term sustainable development.	c) We commit to increase the share of ODA programmed at the country level and focused on its core mandate of eradicating poverty and addressing inequalities as as well aso~~n~~ long- term sustainable development that responds to the needs and priorities of recipient countries, including by increasing the share of budget support in ODA. We also commit to work on measurable, time-bound, and enforceable indicators for the fulfilment of these targets and invite the invite the UN Statistics Division to engage with all Member States in the process of developing a UN Convention on Development Cooperation. ~~We invite the Development Assistance~~	• ODA should be used to bring it back to its core mandate of eradicating poverty and addressing inequalities as well as of placing at the centre the development priorities set by the right-holders. • ODA must return to its original intent to eradicate poverty, address inequalities and promote economic development, and reaffirm commitment in meeting the 0.7% Gross National Income (GNI) target, the .15-.2% GNI to less developed countries (LDCs) target, and avoid diverting ODA to the private sector. Moreover, ODA should be directed to support job creation and just transition processes, and public services. In particular, funding for social protection should be increased to reach at least 7 percent of ODA by 2030, which is the current percentage allocated to health and education. • What aid should be about: we want to develop a

	~~Committee of the Organisation for Economic Co-operation and Development (OECD DAC) to develop an indicator to measure this commitment and to set targets for its fulfilment~~.	new narrative that moves that from charity to justice and reparations- aid commitments not met are ‘aid debt’. • The last part of this para ostensibly refers to the existing CPA measure, which is generated by the OECD secretariat after all ODA flows are reported. The interpretation is that this measure isn’t really very useful in terms of driving behaviour in how aid is allocated because it is essentially an OECD secretariat initiative and not a politically endorsed measure that can be used to establish targets in bilateral development agencies. We should support such an initiative, but it may need to be articulated more clearly because the current formulation is not very clear. • This speaks to the need to have a clear definition for development cooperation and development assistance, so that the lines cannot be blurred.
South-south and triangular cooperation e) We commit to enhance the impact and quality of south-south and triangular cooperation and encourage multi-actor partnerships for funding. f) We encourage broader reporting by South-South providers to facilitate a better understanding of the impact of south-south cooperation on sustainable development, building on the existing United Nations Conceptual Framework to Measure South-South Cooperation, and the results of the pilot project; and encourage better monitoring and reporting of triangular cooperation.		• NB Key SSC parties are already reporting under TOSSD. UNCTAD is expected to deliver soon a pilot based on methodologies endorsed by the UN Stasrinc Commission in 2022 along with 17.3.1 • SSC recipients should build open and timely access to aid information and transparent accountability mechanisms and processes, protected by legislation. • SSC providers face different institutional and political considerations that affect their willingness and ability to be fully transparent with their aid data. Thus, in the short-term it may not be reasonable to demand them to adopt the same standards as DAC donors. • A gradual and step-by-step approach is more realistic. It could follow the following steps (Grimm et al., 2011): 1) Initial steps: Assess, test and

		develop a publication schedule for aid information that SSC agencies already hold in line with the emerging best practice standards. 2) More substantial steps: Publish existing information already held by these agencies, in line with best practice, and facilitate the dissemination and use of this information, particularly by recipient country governments in the first instance. 3) More ambitious steps: Build systems to collect data that is not currently held and invest in the accessibility and use of that information in SSC countries themselves.
Multilateral development banks and the system of public development banks g) We will work through MDB Executive Boards to further implementation of the G20 Capital Adequacy Framework Review Recommendations and the G20 Roadmap for Better, Bigger and More Effective MDBs, while ensuring that this does not harden lending terms. We will work through MDB Boards of Governors to support further capital increases in MDBs where needed. We appreciate recent replenishments and commit to establish sustainable pathways to further replenish concessional windows. We also commit to study ways to expand the use of originate-todistribute models, which would free up capital for additional lending. h) We support timely rechanneling of special drawing rights (SDRs) via MDBs by countries in a position to do so, and encourage at least five such countries to contribute to the SDR-based hybridcapital	g) Given the crucial role that MDBs can play in financing sustainable development, ~~. work through MDB Executive Boards to further implementation of the G20 Capital Adequacy Framework Review Recommendations and the G20 Roadmap for Better, Bigger and More Effective MDBs, while ensuring that this does not harden lending terms. We will work through MDB Boards of Governors to support further capital increases in MDBs where needed.~~ We appreciate recent replenishments and commit to establish sustainable pathways to further replenish concessional windows. ~~We also commit to study ways to expand the use of originate-todistribute models, which would free up capital for additional lending.~~ h) We support timely rechanneling of special drawing rights (SDRs) via MDBs by countries in a position to do so, and encourage at least five such countries to contribute to the SDR-based hybridcapital	• Call for a UN intergovernmental process on MDBs to address the urgent governance reforms, including quota distribution, in order to build more inclusive, transparent and democratic MDBs. • The MDB reform process should not undermine their focus on Partner countries' development by, for instance, diverting funds towards International Public Goods at the regional and global level. • The Multilateral Development Banks reform has to include a focus on enhanced transparency, accountability and a governance reform that gives developing countries a greater say in these institutions' decisions. While the focus on the SDGs is fine, without a change in the development paradigm and ways of working of MDBs (including internal incentives), more money for these institutions won't be the solution

channeling solutions by the African Development Bank and the Inter-American Development Bank by the end of 2025. i) We will work through MDB Executive Boards to improve lending terms, including longer loan tenors. We will also work through MDB Executive Boards to scale up products in local currency to better meet local development needs, by strengthening MDBs' capacity to issue local currency bonds, which can also help develop the local markets, and creating an MDB liquidity pool to better manage local currency risk across the MDBs through diversification, building on ongoing work. j) We decide to consider using complementary measures of progress that go beyond gross domestic product (GDP), including the multidimensional vulnerability index, as a complement to existing policies and practices, to inform development cooperation policies, including access to concessional financing. In this context, we reiterate the call made in the Pact for the Future for MDBs, in partnership with the United Nations Secretary-General, to present options and recommendations on new approaches to improve access to concessional finance for developing countries, including projects with positive externalities in middle-income countries,	channeling solutions by the African Development Bank and the Inter-American Development Bank by the end of 2025. i) We call on MDBs ~~work through MDB Executive Boards~~ to improve lending terms, including longer loan tenors. We call on MDBs ~~will also work through MDB Executive Boards~~ to scale up products in local currency to better meet local development needs, by strengthening MDBs' capacity to issue local currency bonds, which can also help develop the local markets, and creating an MDB liquidity pool to better manage local currency risk across the MDBs through diversification, building on ongoing work. j) We decide to consider using complementary measures of progress that go beyond gross domestic product (GDP), including the multidimensional vulnerability index, as a complement to existing policies and practices, to inform development cooperation policies, including access to concessional financing. We call on MDBs ~~In this context, we reiterate the call made in the Pact for the Future for, in partnership with the United Nations Secretary-General~~, to present options and recommendations on new approaches to improve access to concessional finance for developing countries, including projects with positive externalities in middle-income countries, enhancing alignment and synergies for shared goals and coherently agreed policies. We encourage MDBs to	

enhancing alignment and synergies for shared goals and coherently agreed policies. We encourage MDBs to implement recommendations ahead of the next replenishment cycles. k) We will work through the MDB Executive Boards to strengthen and align impact measurement frameworks with the SDGs and work towards standardized approaches, measuring both positive and negative impacts, and ensuring adherence to social and environmental safeguards in all operations. l) As shareholders of the MDBs and other PDBs, we will enhance their ability to work better as a system in service of country-led development strategies.	implement recommendations ahead of the next replenishment cycles. k) We commit ~~work through the MDB Executive Boards~~ to strengthen and align MDBs' impact measurement frameworks with the SDGs ~~and work towards standardized approaches~~, measuring both positive and negative impacts, including impacts on human rights, women's rights and the environment, and ensuring adherence to social and environmental safeguards in all operations. l)As shareholders of the MDBs and other PDBs, we will enhance their ability to work better as a system in service of country-led development strategies. We agree to initiate an intergovernmental review, under the aegis of the UN, of the governance and mandate and structures of MDBs to democratise their structure, increase their transparency, accountability and contribution to sustainable development.	
Financing for climate, biodiversity and ecosystems	**Financing for climate, biodiversity and ecosystems** and just transition	
39. The increasing frequency, intensity and scale of the adverse impacts of climate change pose an urgent, and for many an existential, challenge. The unprecedented decline in biodiversity and environmental degradation also pose systemic risks to a large number of social and economic goals. In pursuit of the objectives of the	The increasing frequency, intensity and scale of the adverse impacts of climate change pose an urgent, and for many, especially developing countries, an existential, challenge. The unprecedented decline in biodiversity and environmental degradation also poses systemic risks to a large number of social and economic	We consider the NCQG outcome a big failure in terms of climate finance negotiations, because it does not respond to the needs of developing countries to tackle the climate crisis estimated in trillions annually, it does not represent any improvement in qualitative aspects and it represents an attempt to dilute historical responsibilities of polluter countries from the Global North, considering that it transfers the responsibility of

United Nations Framework Convention on Climate Change (UNFCCC) and of the Paris Agreement, we reaffirm the importance of accelerating action in this critical decade on the basis of the best available science, reflecting equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances and in the context of sustainable development and efforts to eradicate poverty. In the same vein, we reaffirm our commitments on biodiversity finance, recognizing that the Convention on Biological Diversity is the primary international, intergovernmental forum for negotiating the global response to biodiversity loss. Notwithstanding efforts, climate finance and finance for biodiversity and ecosystems, including ocean preservation and restoration, are not keeping pace with rising needs. Adaptation financing needs are particularly urgent in developing countries, especially LDCs and SIDS, which remain disproportionately affected by the impacts of climate change. Measures are needed to ensure the additionality of climate finance and to safeguard resources to address the persistent socio-economic challenges in developing countries. We reaffirm our commitments on climate finance and urge developed countries to continue to take the lead in mobilizing climate finance. a) In accordance with the decision at the 29th Conference of Parties (COP) of the UNFCCC, we recognize the call on all actors to	goals. In pursuit of the objectives of the United Nations Framework Convention on Climate Change (UNFCCC) and of the Paris Agreement, we reaffirm the importance of accelerating action in this critical decade on the basis of the best available science, reflecting equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances and in the context of sustainable development and efforts to eradicate poverty. In the same vein, we reaffirm our commitments on biodiversity finance, recognizing that the Convention on Biological Diversity is the primary international, intergovernmental forum for negotiating the global response to biodiversity loss. <u>We also reaffirm our commitments around environmental integrity in relevant United Nations entities and treaties, which are all needed to ensure that the Earth System remains within the safe space of planetary boundaries.</u> Notwithstanding efforts, climate finance and finance for biodiversity and ecosystems, including ocean preservation and restoration, are not keeping pace with rising needs<u> and developed countries are failing both regarding the fulfilment of international commitments, as well as in implementing immediate and real solutions to tackle these environmental crises</u>. Adaptation financing needs are particularly urgent in developing countries, especially LDCs and SIDS, which remain disproportionately affected by the impacts of climate change. <u>We reaffirm our</u>	providing resources to other stakeholders such as the multinational private sector and MDBs.

work together to enable the scaling up of financing to developing countries for climate action from all public and private sources to at least $1.3 trillion per year by 2035. We also recognize the goal of at least $300 billion per year by 2035 for developing country Parties for climate action, with developed country Parties taking the lead. We encourage developing country Parties to make contributions, including through south-south cooperation, on a voluntary basis. b) We will enhance effective mobilization of new and additional grant-based or highly concessional finance and non-debt creating instruments for just and equitable transitions, biodiversity conservation, and restoration, supported by a strengthened international financial architecture to meet agreed targets. c) We decide to urgently scale up contributions to the Loss and Damage Fund to respond to the increased scale and frequency of loss and damage, and ensure inclusive design and equitable allocation of funding both at national and sub-national levels in developing countries that are particularly vulnerable to the adverse effects of climate change in responding to loss and damage. d) We commit to ensure that developing countries that are particularly vulnerable to the	commitment to doubling adaptation finance and ensuring that gender transformative climate finance is provided to support the implementation of the Gender Action Plans, Adaptation Action Plans and other policy tools for climate action. Measures are needed to ensure the additionality of climate finance and to safeguard resources to address the persistent socio-economic challenges in developing countries. We reaffirm our commitments on climate finance and urge developed countries to continue to take the lead in providing ~~mobilizing~~ climate finance. a) In accordance with the decision at the 29th Conference of Parties (COP) of the UNFCCC, we recognize the call on all actors to work together to enable the scaling up of financing to developing countries for climate action from all public and private sources to at least $1.3 trillion per year by 2035. We also recognize the goal of at least $300 billion per year by 2035 for developing country Parties for climate action, with developed country Parties taking the lead in the provision, in line with the CBDR-RC principle. ~~We encourage developing country Parties to make contributions, including through south-south cooperation, on a voluntary basis.~~ b) We will enhance effective mobilization of new and additional grant-based or highly concessional public finance and non-debt creating instruments for just and equitable transitions, biodiversity conservation, and restoration, supported by a strengthened and	

adverse impacts of climate change receive sufficient climate finance to support mitigation, adaptation and resilience-building, including via financing instruments (e.g. carbon finance, risk insurance, catastrophe bonds, climate resilience funds, and debt swaps) that can adequately respond to their needs and priorities, including ocean and mountain economies, and commit to increase capacity building at the country level to access climate finance. e) We encourage multilateral and vertical climate and environmental funds to enhance alignment with national needs and priorities; harmonize and simplify application and execution requirements, eligibility criteria and administrative procedures; remove access barriers for developing countries; enhance cooperation with MDBs and national development institutions; and encourage use of domestic implementation agencies. To reduce fragmentation, we agree to incorporate new climate and environment finance initiatives within well-functioning existing structures and organisations rather than creating additional entities and to consider consolidating existing climate and environment finance initiatives, and we urge donor countries to concentrate their contributions in climate funds under the UNFCCC.	transformed international financial architecture to meet agreed targets. c) We decide to urgently scale up contributions to the Loss and Damage Fund to respond to the increased scale and frequency of loss and damage, and ensure inclusive design and equitable allocation of funding both at national and sub-national levels with direct access to women, Indigenous peoples and most impacted communities in developing countries that are particularly vulnerable to the adverse effects of climate change in responding to loss and damage.. d) We commit to ensure that developing countries that are particularly vulnerable to the adverse impacts of climate change receive sufficient non-debt creating public climate finance to support mitigation, adaptation and resilience-building, including via financing instruments ~~(e.g. carbon finance, risk insurance, catastrophe bonds, climate resilience funds, and debt swaps)~~ that can adequately respond to their needs and priorities, including ocean and mountain economies, and commit to increase capacity building at the country level to access climate finance. e) We encourage multilateral and vertical climate and environmental funds to enhance alignment with national needs and priorities; harmonize and simplify application and execution requirements, eligibility criteria and administrative procedures; remove access barriers for developing countries and ensure direct access to women, Indigenous Peoples, and the most impacted local communities; enhance cooperation with MDBs and	

	national development institutions; and encourage use of domestic implementation agencies. To reduce fragmentation, we agree to incorporate new climate and environment finance initiatives within well-functioning existing structures and organisations rather than creating additional entities and to consider consolidating existing climate and environment finance initiatives, and we urge donor countries to concentrate their contributions in climate funds under the UNFCCC. e) bis. We will prioritize long term, flexible and grant based climate finance for the purposes of financing a just and equitable transition in developing countries.	
Development effectiveness		
40. Growing fragmentation, due to a rapid proliferation of donor agencies and channels, coupled with smaller transactions, earmarking, and circumvention of government budgets, increases transaction and compliance costs and runs counter to long-standing effectiveness principles. There is broad consensus that the development effectiveness agenda needs to be revitalized and its implementation better monitored. a) We decide to elevate country leadership by developing countries, policy and system coherence by development partners, and mutual accountability as core tenets of effective development cooperation. b) We invite development partners to:	Growing fragmentation, due to a rapid proliferation of donor agencies and channels, coupled with smaller transactions, earmarking, and circumvention of government budgets, increases transaction and compliance costs and runs counter to long-standing effectiveness principles. There is broad consensus that the development effectiveness agenda including national ownership, inclusive partnerships, results focus, and transparency and accountability needs to be revitalized and its implementation better monitored. a) We decide to elevate country democratic ownership and leadership by developing countries, policy and system coherence by development partners, and	• All governments must respect the four effective development cooperation (EDC) principles of democratic ownership of development priorities, inclusive partnerships, results focus, and transparency and accountability, in their delivery of aid. Countries must be given fiscal and policy space to respond to global crises while global institutions must reform in order to adapt to the changing realities of the world. These reforms must focus in increasing autonomy for national governments to pursue their own development goals, stability and social equity. Global Institutions must democratize their decision-making processes by addressing the power imbalance that is currently inherent in their formation. • To achieve maximum impact, financing for development must prioritize accountability and transparency. Tools like the OECD-DAC Nutrition

i) respond to country plans and strategies, and commit to multiyear cooperation agreements that provide stable and predictable funding; ii) strengthen existing national systems rather than establishing parallel systems; iii) reduce fragmentation, including by prioritizing core contributions to multilateral institutions and multi-donor and inter-agency pooled funds, and by leveraging the strengths of both horizontal aid providers (i.e., MDBs) and vertical platforms; iv) streamline and harmonize procedural and policy requirements; and v) ensure all interventions incorporate effective knowledge transfers, capacity building and resilience building to foster self-reliance. c) We commit to support policy coherence at all levels to ensure development partners' policies strengthen rather than weaken development cooperation, including by: i) adopting a whole-ofgovernment approach in delivering development cooperation, in line with principles of Policy Coherence for Sustainable Development; and ii) reconfirming commitments to untying aid and reducing the number of exemptions, and promoting local procurement, local audit, and the involvement of local actors.	mutual accountability as core tenets of effective development cooperation. b) We invite development partners to: i)~~respond~~ align to country plans and strategies, and commit to multi- year cooperation agreements that provide stable and predictable funding; ii) strengthen existing national systems rather than establishing parallel systems; iii) reduce fragmentation, including by prioritizing core contributions to multilateral institutions and multi-donor and inter-agency pooled funds, and by leveraging the strengths of both horizontal aid providers (i.e., MDBs) and vertical platforms; iv) streamline and harmonize procedural and policy requirements; and v) ensure all interventions incorporate effective knowledge transfers, capacity building and resilience building to foster self-reliance. c) We commit to support policy coherence at all levels to ensure development partners' policies strengthen rather than weaken development cooperation, including by: i) adopting a whole-of-~~government~~ society approach in delivering development cooperation, in line with principles of Policy Coherence for Sustainable Development; and ii) reconfirming commitments to untying aid and and setting binding timeframes to fully untying aid and reducing the number of exemptions, and promoting local procurement, local audit, and the involvement of local actors.	Policy Marker and the Nutrition Accountability Framework (NAF) have not been fully integrated or applied consistently across all donors and sectors and are hindered by inconsistent definitions and limited scope. For example, the OECD-DAC marker does not capture private sector investments or multisectoral nutrition-sensitive actions, while the NAF focuses mainly on self-reported commitments without tracking actual expenditures and impacts. As a result, tracking nutrition investments and their outcomes remains fragmented, hindering accountability, increasing the risk for donors12 and reducing the effectiveness of global financing efforts. • Improving accountability requires better integration of existing frameworks, such as the Total Official Support for Sustainable Development (TOSSD), to provide a more comprehensive view of every sector financial flows. A standardized definition for financing the different sectors should be adopted universally and applied to enhance real-time monitoring. In this way, stakeholders will be better able to identify underfunded areas, ensure efficient use of resources, and scale up the impact of investments. • Country leadership as the cornerstone of all forms of financing for development partnerships beyond development cooperation.

Development cooperation architecture		
41. Rising demands, a proliferation of actors and platforms, as well as changes in allocation and modalities of development cooperation call for strengthening development cooperation architectures at both national and global levels. a) We will strengthen country-led plans and strategies, such as INFFs, as a basis for engaging with all development partners, and will put in place inclusive country-led national platforms for improved coordination with development partners to support national plans and strategies. These platforms should include all relevant actors – MDBs, other PDBs, the United Nations system, bilateral partners, private sector actors when appropriate, and other partners; and will aim to ensure an efficient and effective division of labour, according to each partner's comparative advantage and knowledge of the local context. b) We commit to fully leverage the convening role of the United Nations to strengthen dialogue, coherence and norm-setting in international development cooperation, making the most of existing platforms at the United Nations, including the Development Cooperation Forum (DCF) and the Financing for Development (FFD) process, in collaboration with all relevant stakeholders.	a) We will strengthen country-led plans and strategies, such as INFFs, as a basis for engaging with all development partners, and will put in place inclusive country-led national platforms for improved coordination with development partners to support national plans and strategies. These platforms should include all relevant actors – MDBs, other PDBs, the United Nations system, bilateral partners, private sector, civil society actors when appropriate, and other partners; and will aim to ensure an efficient and effective division of labour, according to each partner's comparative advantage and knowledge of the local context.	• Recognise and support the space for the critical role of civil society in ensuring an effective aid architecture that is locally-led and focused on addressing poverty and inequalities. • Durable, sustainable, and inclusive development is not possible if rightsholders are not in the driving seat. The FFD4 Conference must solidify countries' leadership over their development strategies and emphasize the importance of democratic ownership at all levels, as enshrined in globally agreed effectiveness principles. All parties should commit to advancing the effectiveness agenda and South-South Cooperation principles as well, ensuring that these principles are implemented across the board, including by the private sector, and extending beyond traditional ODA boundaries. • The case for INFFs is sometimes based on claimed principles of policy coherence, and ownership of policy priorities by countries and people in the Global South. These are key principles, which have the potential – when implemented in a way that avoids elite capture and gives voice to groups experiencing discrimination – to advance the enjoyment of rights, tackle inequalities, and redress power imbalances whilst defending planetary safety. However, as things stand, INFFs carry serious risks. They may erode Global South peoples' ownership of economic policies; encourage risky reforms without sufficient reference to binding human rights and environmental obligations; and potentially distract attention from urgently needed progress against the systemic challenges that really hold back financing in the Global South. In short, the further promotion of the INFFs is problematic until the key concerns developed in this report are resolved. This would mean:

c) We resolve to strengthen accountability and follow up as part of the FFD process, including through a strengthened DCF, to: i. Deepen exchange among providers, including members of the OECD DAC, non-traditional donors, MDBs, and others, as well as between providers and recipients, and to promote coherence in development cooperation. We invite the Secretary-General to convene expert technical discussions focused on issues such as coherent financing of development, climate, and humanitarian needs and appropriate use of delivery modalities in different circumstances, to support this exchange, involving relevant stakeholders. ii. Monitor the delivery, effectiveness and impact of development cooperation in all its forms, drawing on country-owned reporting of data to SDG 17.3.1 as agreed by the United Nations Statistical Commission, on Total Official Support for Sustainable Development (TOSSD), on ODA, on monitoring by the Global Partnership for Effective Development Cooperation, and on better evidence of development impact. To this end, we will work towards suitable measures of development impact of all types and modalities of development cooperation,	c)i Deepen exchange among providers, including members of the OECD DAC, non-traditional donors, MDBs, and others, as well as between providers and recipients, and to promote coherence in development cooperation. We invite the Secretary-General to convene expert technical discussions focused on issues such as coherent financing of development, climate, and humanitarian needs and appropriate use of delivery modalities in different circumstances, to support this exchange, involving relevant stakeholders. We will establish a UN intergovernmental process towards agreeing a legally binding convention on development cooperation that ensures policy coherence ii. Monitor the delivery, effectiveness and impact of development cooperation in all its forms, drawing on country-owned reporting of data to SDG 17.3.1 as agreed by the United Nations Statistical Commission, on Total Official Support for Sustainable Development (TOSSD), on ODA, on monitoring by the Global Partnership for Effective Development Cooperation, and on better evidence of development impact. To this end, we will work towards suitable measures of development impact of all types and modalities of development cooperation, building on ongoing efforts, ~~including by MDBs~~ through a United	○ Changing the discourse on the role of INFFs in Financing for Development ○ A central role for representative civil society organisations and peoples' movements ○ Enabling free choices on whether and how to implement INFFs ○ Rebalancing INFF policy options away from risky reforms • The United Nations offers all of the necessary attributes to establish a new normative framework on IDC, which can respond to the need for a transparent and inclusive multilateral process under UN auspices for agreeing on a common understanding of parameters and objectives of IDC flows. FfD4 is the place to recognise and agree that a new normative framework and global governance of IDC, on the basis of a framework convention. This would be the first step towards giving the UN the needed mandate to take forward such a proposal as a follow up to the FfD4 outcome. • The United Nations remains the global forum where challenges to development co-operation should be dealt with in a collective manner. It is the forum where the UN members can come to the table as equal partners: this is particularly important given the new development co-operation landscape that has emerged from the multiple global challenges currently ravaging the world. • Transition the governance of development cooperation to a UN like system whereby all relevant stakeholders take part in decisions that affect the extent to which they can benefit from development cooperation, including setting the rules and principles for ODA reporting. • Calls on UN member states to build on the UN's Development Cooperation Forum (DCF) process

building on ongoing efforts, including by MDBs. iii. Promote learning and sharing of experiences on emerging effectiveness challenges, drawing on the efforts by the Global Partnership for Effective Development Cooperation and other relevant stakeholders. iv. Enhance accountability of all relevant actors to their commitments - building on all available evidence.	Nations intergovernmental process.	and establish a UN intergovernmental process on development cooperation that can protect the integrity of ODA, and the credibility of ODA statistics and ensure the impact of ODA in eradicating poverty and addressing inequalities. This will allow all countries, especially from the Global South, to be part of decision-making on issues related to ODA. • Enact a convention on aid quantity, quality and objectives that move toward democratising global development cooperation and aid governance consistent with the Right to Development. • UN Convention on Development Cooperation that can address systemic imbalances that still leave rich countries in the driving seat of key global institutions whose policies affect the lives of millions of people in the global South • We will strengthen global governance of international development cooperation to make decision-making, policy setting and monitoring more representative and inclusive. The UN DCF must be preserved and enhanced. • cii) Effective monitoring is essential. All stakeholders should implement their commitments and report on the effectiveness of their progress, as outlined, for instance, in the GPEDC monitoring framework, and actively participate in related DCF efforts. In line with the spirit of a UN convention on development cooperation, different platforms should work closely to maximize synergies. The international community must strengthen and adequately fund these frameworks to ensure the consistent application and implementation of these principles.
II. D. International trade as an engine for development		

Summary and key takeaways:

- **Democratization and Developmental Impact of Trade**: FFD4 should move beyond the reductionist notion that trade multilateralism begins

<table>
<tr><td colspan="3">and ends with WTO and rather embrace an ecosystem approach that includes UNGA, ECOSOC and the UNCTAD's Trade and Development Board, and may even consider establishing new institutions. The democratization of trade governance is essential to ensure the developmental impact of trade which has been promised for long but not yet been delivered: This requires a democratic, representative, participatory and transparent inter-governmental review under the aegis of the UN of the role of "trade as an engine for sustainable development", in accordance with the aspirations of the Monterrey Consensus and the FfD formulations.

• **Actionable mandates for binding multilateral agreements**: The Zero Draft features interesting entry points (i.e., many references to strengthen policy space for developing countries which we support) but lacks clear actionable mandates. We reiterate our call for; multilateral agreements under the aegis of the UN on the permanent cessation of ISDS; reaffirming, updating and strengthening special and differential treatment in international, regional and bilateral trade agreements for developing countries; redesigning of international rules and commitments to ensure policy space for pursuing public policy goals; and, finally, the termination of unilateral economic, financial or trade measures that are inconsistent with the principles of international law and the Charter of the United Nations, building on the work of the United Nations System, or create adverse impact on sustainable development.

• **Handle with care – Critical Minerals**: The section on critical minerals should be maintained only if it unambiguously protects the sovereignty of developing countries over these resources and strengthens the policy space for the use of these resources to advance developing countries' pathways to structural transformation, economic sovereignty and their own pursuit of sustainable development. We remain concerned with possible attempts by Global North countries to use this section to undermine developing countries' control over these resources and reinforce extractive models and practices.</td></tr>
<tr><td>42. Open, fair and predictable multilateral trade is increasingly under threat as tariffs and trade restrictions are on the rise globally. Digital technology is creating new trading opportunities but is also putting traditional export-based development models in jeopardy. Developing countries with limited productive capacities and trade infrastructure have challenges integrating into value chains. This calls for concrete measures to improve developing countries' capacities to trade and generate value-added with a focus on the furthest behind, including from trade in commodities and critical minerals. It also calls for a recommitment to multilateral trade that upholds policy space for sustainable development within a rules-based, non-</td><td>Open, fair and predictable multilateral trade is increasingly under threat as bilateral agreements and retaliatory ~~tariffs and~~ trade ~~restrictions~~ measures are on the rise globally. Digital technology is creating new trading opportunities for those with technological power but is also putting traditional export-based development models in jeopardy, limiting the revenue that developing countries derive from trade and exacerbating inequalities. Developing countries with limited productive capacities and trade infrastructure have significant challenges integrating into value chains and can often only find room at the bottom, providing the least valuable goods and services and deriving the least value-added. This calls</td><td></td></tr>
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discriminatory, transparent, open and fair system.	for concrete measures to improve developing countries' capacities to trade and generate value-added with a focus on the furthest behind, including from trade in commodities and critical minerals. It also calls for a recommitment to multilateral trade that upholds policy space for sustainable development within a rules-based, non-discriminatory, transparent, open and fair system. At the same time, inappropriate trade policies have outsized negative impact on women and other marginalised constituencies. Predatory or insensitive trade policies drive countries deeper into debt and push women further into the margins, including by exacerbating their burdens of unpaid care work, which current trade rules fail to recognise.	
Multilateral trading system		
43. A universal, rules-based, non-discriminatory, transparent, open, predictable and fair multilateral trading system is a key driver of economic growth and sustainable development. Recent economic shifts, rising trade tensions and restrictions, and divergent interests among members have stalled multilateral negotiations at the World Trade Organization (WTO). Bilateral and regional trade agreements (RTAs) have added complexity and incoherence to the system, while obsolete investment agreements continue to restrict countries' sustainable development policy space. To promote such a multilateral trading system,	43. A universal, rules-based, non-discriminatory, democratic, transparent, open, predictable and fair multilateral trading system is a key driver of economic growth and sustainable development. Recent economic shifts, rising trade tensions and restrictions, and divergent interests among members have stalled multilateral negotiations at the World Trade Organization (WTO). Bilateral and regional trade agreements (RTAs) have added complexity and incoherence to the system, while obsolete investment agreements continue to restrict countries' sustainable development policy space. To	

countries should refrain from imposing unilateral economic, financial or trade measures not in accordance with international law and the Charter of the United Nations. There are also concerns about the implications of unilateral trade-related environmental measures on sustainable development.	promote such a multilateral trading system, countries should refrain from imposing unilateral economic, financial or trade measures not in accordance with international law and the Charter of the United Nations. There are also concerns about the implications of unilateral trade-related environmental measures infringing on the policy space of developing countries to invest in ~~on~~ sustainable development.	
Multilateral trading system through the WTO a) We recommit to a universal, rules-based, non-discriminatory, transparent, open, fair, predictable, multilateral trading system with the WTO at its core. We urge WTO members to accelerate the accession of developing countries in the process of, or consider, acceding the WTO and to provide technical assistance to support their accession. b) We call on WTO members to fully implement WTO agreements on Trade Facilitation, Fisheries Subsidies and Investment Facilitation for Development, including through capacity building to developing countries. c) We note with concern that the commitments made at the 13th WTO Ministerial Conference to have a fully and well-functioning dispute settlement system has not been fulfilled by December 2024, and call on WTO members to accelerate	*Revitalise and democratise the multilateral trading system ~~through the WTO~~* a) We recommit to a universal, rules-based, non-discriminatory, transparent, open, fair, predictable, multilateral trading system ~~with~~ including the WTO ~~at its core~~. We urge WTO members to accelerate the accession of developing countries in the process of, or consider, acceding the WTO on terms that are not less favourable than accorded to developing countries that form the original Membership of the WTO and to provide technical assistance to support their accession. b) We call on WTO members to ~~fully implement WTO agreements on Trade Facilitation, Fisheries Subsidies and Investment Facilitation for Development,~~ address the implementation issues raised by developing countries including through capacity building to developing countries. c) We note with concern that the	The Fisheries subsidies agreement Part 1 is not ratified by the required 111 Members, and Part 2 is not even concluded yet, nor is the IF adopted so it is too early to call for implementation. In addition, the Investment Facilitation is a plurilateral agreement and need not be implemented by all UN or WTO Member States. The implementation issues have been outlined in longstanding proposals by the G90 but have not been

discussions, building on progress already made to deliver on this commitment by 14th WTO Ministerial Conference in 2026. d) We encourage WTO members to strengthen special and differential treatment in a precise, effective and operational way for developing countries, in particular LDCs, LLDCs and SIDS and to take steps to provide such treatment for developing countries that are net importers of food products. We commit to a review of the rules of origin with a view to streamline and simplify them, to enable developing countries to take full advantage of preferential trade. e) We invite the WTO Director-General in collaboration with the United Nations Secretary-General to work with relevant actors to review the role of trade as an engine for sustainable development and the SDGs, taking into account the ongoing reforms at the WTO, building on inputs from member states and make recommendations, including on enhancing the development dimensions of a universal, rules-based, non-discriminatory, transparent, open, fair, predictable, multilateral trading system.	commitments made at the 13th WTO Ministerial Conference to have a fully and well-functioning dispute settlement system has not been fulfilled by December 2024, and call on WTO members to accelerate discussions, ~~building on progress already made~~ to deliver ~~on~~ an improved, fair and equitable dispute settlement system that works for all especially developing countries and LDCs, ~~this commitment~~ by 14th WTO Ministerial Conference in 2026. d) We ~~encourage WTO members to~~ agree to establish a multilateral agreement under the UN that reaffirms, updates and strengthens special and differential treatment in a precise, effective and operational way in multilateral, regional and bilateral trade agreements for developing countries, in particular LDCs, LLDCs and SIDS to achieve their economic development objectives ~~and to take.~~ Such an agreement will also ensure specific and additional steps to provide such treatment for developing countries that are net importers of food products. We commit to a review of the rules of origin with a view to streamline and simplify them, to enable developing countries to take full advantage of preferential trade. e) We ~~invite~~ agree to initiate ~~WTO Director-General in collaboration with the United Nations Secretary-General to work with relevant actors~~ democratic, representative, participatory and transparent inter-governmental review	addressed so far. These will help developing countries implement their WTO commitments.

	under the aegis of the UN to review the role of trade as an engine for sustainable development and the SDGs, taking into account the ongoing reforms at the WTO, building on inputs from member states and make recommendations, including on enhancing the development dimensions of a universal, rules-based, non-discriminatory, democratic, transparent, open, fair, predictable, multilateral trading system.	
Regional trade integration f) We encourage the consolidation of regional trade agreements, including most recently the expansion and deepening of the African Continental Free Trade Area, and support ongoing interregional trade agreements to promote inclusive growth and sustainable development.	f) We ~~encourage~~ will support the consolidation of regional South-South trade agreements, ~~including most recently the expansion and deepening of the African Continental Free Trade Area, and~~ support ongoing interregional trade agreements to promote inclusive growth and sustainable development within developing countries and in their LDC partner countries. We will ensure that South-South trade arrangements are not undermined by bilateral North-South trade agreements.	
Policy space in trade agreements g) We will work to ensure that all countries, and in particular developing countries have sufficient policy space, including to tackle food insecurity, while remaining consistent with relevant international rules and commitments. h) We resolve to undertake reform to	g) We will work to ensure that ~~all countries, and in particular~~ developing countries and LDCs have sufficient policy space, including for resilience building, structural transformation, to tackle food insecurity, and pursue sustainable development, ~~while remaining consistent with~~ and relevant international rules and commitments, including intellectual property rights regulations, will be	We strongly support this paragraph, but such policy space for development is needed for developing countries and LDCs and the current trade rules and commitments are failing to ensure the necessary trade policy space for development. International agreements must be redesigned to cater to this objective.

the mechanisms for investor-state dispute settlements in trade and investment agreements through a multilateral approach and establish an advisory support service for developing countries for international investment dispute settlements. i) We resolve to accelerate the replacement and termination of obsolete investment agreements, building on existing efforts by all stakeholders, including by United Nations Conference on Trade and Development (UNCTAD).	redesigned to ensure policy space for pursuing such goals and for fulfilling the rights and needs of people, workers, women, and other marginalised constituencies. h) We resolve to ~~undertake reform to the mechanisms for~~ reach a multilateral agreement for the coordinated and permanent cessation of investor-state dispute settlements~~s~~ provisions in trade and investment agreements through a multilateral approach and establish an advisory support service for developing countries for international investment dispute settlements as well as agree on a standstill of all pending ISDS cases until such an agreement is achieved.	Many developed countries have also called for a cessation of the ISDS, so FFd 4 can deliver on a more ambitious demand than just reform of the ISDS, and agree on permanent cessation. This is the opportune moment for such a decision.
Trade measures which restrict or distort trade j) We call on members of the WTO to conclude negotiations on a permanent solution to the issue of public stockholding to address food insecurity and call for the elimination of all forms of distortionary agricultural export subsidies. k) We call for discussion in the relevant multilateral fora and agencies on trade-related environmental measures and their impact on the trade and development prospects of developing countries, and for	j) We call on members of the WTO to conclude negotiations on a permanent solution to the issue of public stockholding to address food insecurity and call for the elimination of all forms of distortionary agricultural export subsidies while integrating special and differential treatment. We will strengthen our efforts to enhance food security and nutrition and focus our efforts on smallholders and women farmers, as well as on agricultural cooperatives and farmers' networks.	k) This paragraph is critical and must be preserved in its entirety.

measures to be taken to mitigate any negative impact, including through scaling up aid for trade. l) We invite the ECOSOC FFD Forum to consider the impact on sustainable development of unilateral economic, financial or trade measures that are inconsistent with the principles of international law and the Charter of the United Nations, building on the work of the United Nations System.	l) We ~~invite the ECOSOC FFD Forum to~~ call for the immediate termination ~~consider the impact on sustainable development~~ of unilateral economic, financial or trade measures that are inconsistent with the principles of international law and the Charter of the United Nations, building on the work of the United Nations System, or create adverse impact on sustainable development. Any measure premised on sustainability should be multilaterally agreed, transparent, democratic, based on the principle of CBDR and balance the three dimensions of sustainable development, namely economic, social and environmental. m) We welcome the process towards defining Guiding Principles on Sanctions, Business and Human Rights to ensure the promotion, protection and respect for human rights and to fulfil obligations under international law in the sanctions' environment and to eliminate compliance with unilateral sanctions that create obstacles to fair and equitable trade relations among states in accordance with paragraph 27 of the Human Rights Council resolution 55/7.	Such unilateral trade measures must be outright banned. Sustainability related trade measures cannot be imposed without the affected countries being consulted. Such measures will cause widespread adverse impact on all the three dimensions of sustainable development and is a deterrent and not an incentive to meeting sustainability objectives.
Trade capacities	~~**Trade capacities**~~ **Enhancing productive capacities through trade**	
44. In a context of slower growth in global trade, increasing geo-economic tensions and automation, development models	44. In a context of slower growth in global trade, increasing geo-economic tensions and automation, terms of trade for	

reliant on the export of low-cost manufactured goods are at risk. At the same time, many developing countries, in particular LDCs, LLDCs and SIDS, remain at the margins of global trade, with many reliant on raw commodity exports. Weak productive capacities and lack of trade infrastructure undermine further integration into regional and global value chains. Nevertheless, energy, digital and demographic transitions offer opportunities to boost trade based on inclusive and sustainable industrialization, digital skills, agricultural production and transformation of natural resources. a) We commit to develop trade-related physical and digital infrastructure, with attention to transport corridor development, in particular for easing trade bottlenecks for the LLDCs, and to support trade facilitation, including trade facilitation agreements. We therefore urge all MDBs and other PDBs to increase investment in trade-related infrastructure in developing countries, including core digital infrastructure, roads, railways, and ports, as well as power grids. b) We will support digital and sustainable trade by strengthening multilateral and regional collaboration on digital trade regulations, cross-border e-commerce rules, and interoperable systems. We will provide financial and technical assistance to producers	developing countries are continuously deteriorating as dependency on low-cost manufactured goods fails to generate needed revenue. ~~development models reliant on the export of low-cost manufactured goods are at risk. At the same time, m~~ Many developing countries, in particular LDCs, LLDCs and SIDS, remain at the margins of global trade, with many reliant on raw commodity exports. Weak productive capacities and lack of trade infrastructure undermine further integration into regional and global value chains. We face the danger that the ~~Nevertheless,~~ energy~~,~~ and digital ~~and demographic~~ transitions will happen completely asymmetrically, with labor and resources exploited from developing countries fueling transitions in the industrialized countries rather than domestically. ~~offer opportunities to boost trade based on inclusive and sustainable industrialization, digital skills, agricultural production and transformation of natural resources.~~ a) We commit to develop trade-related physical and digital infrastructure, with attention to transport corridor development, in particular for easing trade bottlenecks for the LLDCs, and to support trade facilitation, ~~including trade facilitation agreements~~. We therefore urge all ~~MDBs and other PDBs~~ development partners to increase investment in trade-related infrastructure in developing countries, including core digital infrastructure, roads, railways, and ports, as well as power grids.	

in developing countries on compliance with mandatory and voluntary international standards, including sustainability standards, and facilitate their market access. c) We will strengthen the important role of UNCTAD for the integrated treatment of trade and development and interrelated issues in the area of finance, technology, investment and sustainable development. d) We encourage public development banks to expand trade finance facilities, including for MSMEs, women and youth-owned businesses, to better integrate them in regional and global value chains, and invite the Financial Stability Board (FSB) to re-evaluate risk ratings for trade finance in regulatory systems, such as Basel III. e) We will strengthen the collection and dissemination of disaggregated data, including on gender or race, to guide the formulation and implementation of effective trade policies.	b) Support digital and sustainable trade by strengthen~~ing~~ multilateral and regional collaboration on digital trade ~~regulations, cross- border e-commerce rules,~~ and interoperable systems while retaining full policy space for domestic regulations, in a manner that does not undermine but strengthens domestic providers and suppliers of services in developing countries and LDCs. We will provide financial and technical assistance to producers in developing countries on compliance with mandatory and voluntary international standards, including sustainability standards, and facilitate their market access. d) We encourage public development banks to expand trade finance facilities, including for MSMEs, women and youth-owned businesses, to better integrate them in regional and global value chains~~, and invite the Financial Stability Board (FSB) to re-evaluate risk ratings for trade finance in regulatory systems, such as Basel III~~.	
Boosting trade in LDCs		
45. Despite commitments to double their share of exports in global trade, LDCs remain marginalized. Many LDCs are heavily dependent on natural resources and primary commodity exports, which are subject to price volatility causing revenue instability, to technical barriers to trade, and to cumbersome sanitary and phytosanitary measures. LDCs also face		

tariff escalation in many markets, where raw materials are taxed at lower rates than processed goods, discouraging value addition. Furthermore, LDCs lack the industrial capacity to process raw materials into finished products, as well as the know-how, technical capacity, and resources to meet quality, safety, and environmental standards. a) We call on WTO members, including developing country WTO members declaring themselves in a position to do so, to strengthen preferential market access for LDCs by ensuring the full implementation of duty-free, quota-free market access for all products originating from all LDCs by simplifying rules of origin. We also call on extending special and differential treatment measures and exemptions available to LDCs to graduated countries for a period appropriate to their development situation. b) We commit to increasing support to LDCs to industrialize, diversify their exports, and to integrate them in regional and global value chains. We will promote tailored technical and finance assistance to LDCs in the processing of commodity and agricultural products to add value locally. We will support LDCs' ability to comply with international quality and sustainability standards. We will phase out trade restrictions, including escalating tariffs, that	a) We call on WTO members, including developing country WTO members declaring themselves in a position to do so, to strengthen preferential market access for LDCs by ensuring the full implementation of duty-free, quota-free market access for all products originating from all LDCs by simplifying rules of origin. We also call on extending special and differential treatment measures and exemptions available to LDCs to graduated ~~countries~~ LDCs for a period deemed appropriate to their development situation by them.	In the WTO, graduating LDCs have asked for 12 years transition but have been promised only 3 years so far. The graduating LDCs are best suited to judge their own capacity to deal with the loss of trade preferences after graduation and they must determine an appropriate transition period. For example, many LDCs such as Bangladesh and Nepal have to comply with the TRIPS Agreement after graduation which will adversely affect their generic pharmaceutical industry and therefore access to medicines for their citizens.

prevent LDCs from locally processing natural resources. We will enhance support for LDCs in developing service sectors and exports, including through strengthened implementation of the LDC services waiver. c) We will also enhance capacity building for LDC governments in international trade negotiations. d) We commit to scale up aid for trade infrastructure and facilitation with the objective of doubling Aid for Trade to LDCs by 2031 with at least 50 per cent dedicated to building trade-related infrastructure.		
Trade in critical minerals and commodities		
46. Resource-endowed economies have a unique opportunity to leverage their resource wealth, yet a pathway to a more resilient and diversified economy requires deliberate policy efforts for countries to avoid being trapped in low-value added resource extraction. The demand for certain commodities, such as critical minerals which are largely located in developing countries, is on the rise. These reserves have huge potential for sustainable development. However, developing countries often lack the financial resources to invest in sustainable extraction, processing and value-addition activities. a) We encourage development partners and international financial institutions to engage in global commodity partnerships to support production, refining and processing	46. Resource-endowed economies have a unique opportunity to leverage their resource wealth, yet a pathway to a more resilient and diversified economy requires deliberate policy efforts for countries to avoid being trapped in low-value added resource extraction. The demand for certain commodities, such as critical minerals which are largely located in developing countries, is on the rise. These reserves have huge potential for sustainable development. However, developing countries often lack the financial resources to invest in sustainable extraction, processing and value-addition activities <u>and the trade & investment policy flexibility to ensure domestic development and value addition from the use of such critical minerals, and for pursuing sustainable objectives in all three dimensions.</u>	There is critical need for developing countries that own critical minerals to have full trade and investment policy flexibility to ensure the best nationally suitable deployment of such resources. For example, they must be able to impose export restrictions or taxes, impose conditionalities on investment and so on.

of critical minerals in developing countries, and support value-added activities by providing risk-sharing financing such as guarantees and syndicated finances, as well as through technical assistance, and market linkages. We will promote regional arrangements towards this end, including and where applicable with neighboring countries. b) We will strive to develop a global traceability, transparency and accountability framework along the entire mineral value chain – from mining to recycling – to strengthen due diligence, facilitate corporate accountability and build a global market for critical minerals. c) We encourage the Common Fund for Commodities to provide grants, concessional loans and equity investments to developing countries, especially LDCs, for projects that promote value addition, particularly in agriculture and to expand into processing and manufacturing and invite countries to increase voluntary contributions to the Common Fund for Commodities. d) We stress the importance of providing support to developing countries to negotiate commodity contracts with terms that provide predictability and stability for investment, while also providing flexibility to respond to changes in economic and market conditions. e) We encourage collaborative efforts	a) We ~~encourage~~ will ensure that resource rich developing countries and LDCs have full policy flexibility to determine their own trade and investment policy with regard to their critical minerals. Development partners and international financial institutions ~~to engage in Global Commodity Partnerships to~~ should support nationally owned and controlled production, refining and processing of critical minerals within resource rich developing countries and LDCs in manners conducive to the structural transformation of their economies and sustainable development including the development of renewable energy, ~~and~~ as well as support beneficiation and value-added activities within those countries of origin by providing risk-mitigating financing ~~such as guarantees and syndicated finances, as well as through~~ and technical assistance, and market linkages. We will promote regional arrangements towards this end, including and where applicable with neighboring countries. b) We will strive to develop a global traceability, transparency and accountability framework along the entire mineral value chain – from mining to recycling – to, strengthen due diligence of trans-national corporations, facilitate corporate regulation and accountability, though the framework should not be used as a unilateral trade barrier. It must also	Developing countries and LDCs must have the right and policy space to ensure the use of the critical minerals for their structural transformation, industrialisation, and beneficiation. This paragraph comes from the UNSG panel report and is one of the recommendations thereof. But interestingly, the line “though the framework should not be used as a unilateral trade barrier” contained in the original recommendation has been deleted from this draft. We strongly suggest it should be added back, and we also suggest other tweaks and additions for improving clarity and objective of this para.

involving governments, regulators, industry stakeholders, and civil society to foster fair, transparent, and resilient commodity markets that benefit all participants and contribute positively to global economic stability and sustainability.	ensure the upholding of human rights commitments, especially of local communities, and ~~build a global market for critical minerals~~ that there is no contravention of outcomes of multilateral environmental agreements. d) We stress the importance of providing support to developing countries to negotiate commodity contracts with terms that provide ~~predictability and stability for investment, while also providing~~ flexibility to respond to changes in economic and market conditions by governments and to guarantee they have the full policy space to design their trade and investment policies around their critical minerals to ensure their deployment for domestic value addition, both upstream and downstream, and to pursue the necessary industrial policies to tackle commodity dependence. e) We encourage collaborative efforts involving governments, regulators, industry stakeholders, and civil society to foster fair, transparent, and resilient commodity markets that benefit all participants and contribute positively to global economic stability and sustainability and to ensure publicly accessible information and accountability of the extractive industries – oil, gas and mining companies – allowing for public oversight and independent monitoring, including by local communities, to	

<table>
<tr><td></td><td><u>prevent revenue losses in the countries where resources are extracted from.</u></td><td></td></tr>
<tr><td>II. E. Debt and debt sustainability</td><td></td><td></td></tr>
<tr><td colspan="3">Summary & key takeaways:
The debt section takes a piecemeal approach to addressing different elements of urgent debt reforms needed. This piecemeal approach is concerning as it reinforces the current fragmented unfair and inefficient debt architecture. FfD4 needs to decisively move away from this ad-hoc, fragmented system and establish a legally binding UN framework convention on debt that addresses the challenges comprehensively and inclusively.
While partial reforms can be seen as positive steps in the right direction, the benefits these might provide can be overrun by the limitations and systemic failures in different stages of the debt cycle. The stages in the life cycle of sovereign debt are highly interdependent, and therefore a debt architecture reform needs to address all of the elements. Doing so in a comprehensive and inclusive intergovernmental process is possible if FfD4 agrees on a UN framework convention on sovereign debt. As the text says, “There is a need for a development-oriented debt architecture”, and this will only be achieved by an ambitious, systemic and comprehensive debt architecture reform.
IMF and G20 are the backbone of the creditor-dominated architecture that has historically failed in delivering fair, lasting solutions for global south countries dealing with debt challenges, and continues to do so. IMF and G20 are exclusionary institutions, where borrowing countries have little to no decision power, and there should be no further mandates given to them through FfD4 that would only strengthen the undemocratic status quo that has taken countries to a new debt crisis.
We welcome the proposal included in paragraph 50 e to initiate an intergovernmental process at the UN, however, this should be coupled with a firm decision on agreeing a UN framework convention on sovereign debt that will establish a multilateral debt workout mechanism (as called for by Africa Group), binding principles on responsible borrowing on lending (useless to have voluntary principles), agree extensive debt cancellation for countries that need it, establish debt data registry and other issues related to debt prevention and resolution.
Finally, there is insufficient acknowledgment of the impact of obligatory debt servicing on the ability of debtor States to fulfil their people’s fundamental human rights, ultimately forcing the burden of repayment on to the most marginalised and vulnerable, particularly women, in all their diversity. Detrimental policies continue to shape development paradigms, maintaining chronic stuntedness of indebted countries and rendering them increasingly vulnerable to even more crises, thus warranting further emergency borrowing and perpetuating debt traps. An approach that centers and prioritizes the preservation and fulfillment of human rights is imperative to ensure just and sustainable development. Any country spending more on debt servicing than on education or health should receive debt relief immediately. International financial institutions should remove existing obstacles such as public sector wage constraints that prevent increased spending on education, health and other basic public services.
</td></tr>
<tr><td>47. Borrowing, when prudently managed, is an important tool for financing sustainable development investments. Maintaining sustainable debt levels is the responsibility of the borrowing countries. We also acknowledge that lenders have a responsibility to lend in a way that does</td><td>47. Borrowing, when <u>transparently and</u> prudently managed, is an important tool for financing sustainable development investments. <u>While countries should borrow in a responsible way, structural economic imbalances, illicit financial flows, the impacts of climate change,</u></td><td>Borrowing responsibly is often not an option for global south countries given the multiple crises and systemic imbalances. For instance, the obstacles for domestic resources mobilisation given illicit financial flows and tax dodging by the rich and multinational corporations or the lack of concessional and debt free climate and development finance, leave no other option than</td></tr>
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not undermine a country's debt sustainability. Amid successive crises, shocks and record global debt levels, many developing countries face high borrowing costs and significant debt challenges. High debt service burdens severely constrain fiscal space for investment in sustainable development and climate action. Countries in need of debt workouts face "too little, too late" restructurings, with adverse growth and development impacts. There is a need for a development-oriented debt architecture to allow countries to sustainably borrow and invest in sustainable development, and for support to heavily indebted developing countries in need of immediate debt relief to return to a path of debt sustainability.	speculative financial markets and high cost of capital, together with other systemic features of the financialised capitalist system, recurrently led global south countries to overindebtedness. ~~Maintaining sustainable debt levels is the responsibility of the borrowing countries.~~ We ~~also~~ acknowledge that lenders have a responsibility to lend in a way that does not undermine a country's debt sustainability or government accountability, and therefore the capacity to fulfil its peoples' and ecosystems' fundamental rights. There is a co-responsibility between borrowers and lenders. Amid successive crises, shocks and record global debt levels, many developing countries face high borrowing costs and significant debt challenges. High debt service burdens severely constrain fiscal space for investment in sustainable development, particularly education and health public services, human rights and environmental obligations (climate action, biodiversity protection, addressing pollution). Countries in need of debt workouts, including debt cancellation, face "too little, too late" restructurings, with adverse growth and development impacts. There is a need for a human rights centred, decolonial, feminist, and development-oriented debt architecture to allow countries to sustainably borrow and invest in sustainable development, and for support, in the form of debt cancellation, to heavily indebted developing countries	borrowing to be able to sustain public budgets, including debt payments. Resolution 77/153: External debt sustainability and development A/HRC/20/23: Guiding principles on foreign debt and human rights A/HRC/40/57: Guiding principles on human rights impact assessments of economic reforms

	in need of immediate debt relief to return to a path of debt sustainability.	
Sustainable and responsible borrowing and lending, and debt crisis prevention		
48. Public debt accumulation and rising debt vulnerabilities over the past decade necessitate international and national efforts to strengthen debt management and debt transparency and responsible borrowing and lending. a) We request the United Nations Secretary-General to create a working group to develop a set of principles on responsible sovereign lending and borrowing, building on the existing principles and guidelines, and design tools for continuous monitoring and assessment of their implementation across different stages of the sovereign debt cycle, including issuance, management, sustainability, repayment and restructuring. b) We commit to enhanced parliamentary oversight and strengthened public investment management systems, with the aim to increase transparency and accountability over domestic and external debt issuance and use. We will scale up capacity building to support developing countries better manage their public debt, including domestic debt, and effectively invest borrowed resources. c) We urge the creation of a	a) We ~~request the~~ decide to establish an intergovernmental group under the auspices of the United Nations ~~Secretary-General to create a working group~~ to agree on a legally binding framework on debt that includes developing a set of principles on responsible sovereign lending and borrowing, building on the existing principles and guidelines, and design tools for continuous monitoring and assessment of their implementation across different stages of the sovereign debt cycle, including issuance, management, sustainability, repayment and restructuring. b) We commit to enhanced parliamentary and Supreme Audit Institution (SAI) oversight, robust public engagement with civil society and communities and strengthened public investment management systems in the contraction, negotiation and management of debt, with the aim to increase transparency and accountability over domestic and external debt issuance and use. We also commit to increasing transparency and accountability from the lender side, including official and private creditors. We pledge to support the efforts of Supreme Audit Institutions by facilitating the development of debt audits and	**a)** The UN SG has already set up a debt working group in December: https://www.un.org/sg/en/content/sg/note-correspondents/2024-12-06/note-correspondents-un-secretary-general-appoints-group-of-experts-promote-policy-solutions-resolve-debt-crisis. There is no need for more SG-led expert working groups on debt. There is also UNCTAD's Principles on Responsible Borrowing and Lending. The gap is the need for binding (not voluntary) principles on responsible borrowing and lending. Agreement should be not only developing the principles, a process of revision and updating may be important, but the core of this point should be the adoption of binding principles. b) We welcome the reference to enhanced parliamentary oversight. However, this is not a 'capacity building' issue. The issue is the lack of an international legal framework that establishes clear norms/standards to address sovereign debt issues. We commend the commitment to "enhanced parliamentary oversight and strengthened public investment management systems." However, to strengthen accountability of debt contraction and management specific provisions on the role of other oversight institutions such as, Supreme Audit Institutions, through the development of debt audits needs to be included. Also is critical to recognise the role of Civil Society, monitoring and scrutinising debt decisions and management. We encourage commitments to strengthen the whole-of-government approach also on the accountability for public debt. This should include robust oversight from

single global central debt data registry, housed in a relevant international institution, to harmonize debt data reporting, and the streamlining of existing debt databases of international financial institutions and organizations. This will contribute to enhanced debt transparency by both borrowing countries and creditors by improving disclosure, reporting and data reconciliation. d) We call on all creditors to include standardized state-contingent clauses in loan and debt contracts to ensure debt service standstills during times of crises that are not covered by standard force majeure clauses. We commit to include such clauses in official lending. We invite the IMF in collaboration with other relevant international financial institutions to carry out analysis of obstacles and solutions to help mainstream state-contingent clauses into commercial debt contracts. e) We encourage official lenders to increase lending in local currencies in developing countries to address currency risks and call for technical assistance to countries in special situations for issuing local currency debt in domestic markets and global financial markets. f) We will strengthen measures to curb corrupt lending and borrowing, including through	promoting the active participation of civil society in debt monitoring initiatives, including through ex post and ex ante gender, human rights, labor and environmental impact assessments. ~~We will scale up capacity building to support developing countries better manage their public debt, including domestic debt, and effectively invest borrowed resources~~. c) We decide to establish an intergovernmental process under the auspices of the United Nations to agree a legally binding framework on debt that includes ~~urge~~ the creation of a single binding global central debt data registry accessible to the public and with the necessary funding, housed in a permanent and relevant international institution within the UN system, to harmonize debt data reporting, and the streamlining of existing debt databases of international financial institutions and organizations, as well as align with improved domestic reporting on public debt, in consultation with parliaments and civil society, social movements and indigenous peoples. Such registry should include all debt operations and current holders of outstanding debt and apply to all lenders, including bondholders and other commercial lenders. Registering should be binding for all debt creating operations, and debts not included in the registry should not be enforceable by national courts. This will	Supreme Audit Institutions (SAIs) as well as spaces for public dialogue around the impacts and trade-offs in decisions around borrowing and public debt management. c) Notably, the recommendation to establish a single global central debt data registry to harmonize debt data reporting is commendable. To avoid yet another failed creditor-led debt transparency initiative (i.e. OECD DTI https://debtjustice.org.uk/press-release/banks-break-own-rules-to-hide-over-30-billion-of-loans-to-lower-income-countries) All decision-making on debt, including transparency, needs to be led by UN member states in an inclusive, intergovernmental process. To further strengthen transparency and enhance the effectiveness of such a registry, the FfD4 should consider including special provisions to mandate information sharing by private lenders (bondholders and commercial lenders). We also encourage efforts to improve public debt transparency to focus not just on the needs of creditors, but also on the information needs of domestic audiences and to encourage governments to improve domestic reporting on public debt. d) Lending and restructuring agreements include governance safeguards that prevent corruption and take into account local civil society demands. IMF , as the backbone and main defendant of the creditor-dominated architecture, continues to propose and impose solutions and innovations to benefit and protect creditors, and there should be no further mandates to them through FFD4 that would only strengthen the status quo. f) Recommend referencing UNCAC article 34* Consequences of acts of corruption: *Article 34 establishes "…In this context, States Parties may consider corruption a relevant factor in

fully utilizing UNCAC and exploring a UNCAC protocol that makes such contracts unenforceable. g) We encourage the creation of, and support existing, platforms for borrower countries to discuss technical issues, coordinate approaches, and share information and experiences in addressing debt challenges.	contribute to enhanced debt transparency by both borrowing countries and creditors by improving disclosure, reporting and data reconciliation. d) We call on all creditors to include standardized state-contingent clauses in loan and debt contracts to ensure risk-sharing of external shocks and crises between lenders and borrowers, including through debt service standstills during times of crises that are not covered by standard force majeure clauses. We commit to include such clauses in official lending and promote them. ~~We invite the IMF in collaboration with other relevant international financial institutions to carry out analysis of obstacles and solutions to help mainstream state-contingent clauses into commercial debt contracts~~. e) We encourage official lenders to increase lending in local currencies in developing countries to address currency risks, without increasing the borrowing costs and at very low interest rates, and call for technical assistance to countries in special situations for issuing local currency debt in domestic markets and global financial markets. f) We will implement and strengthen existing and new measures to curb corrupt lending and borrowing, including through fully utilizing UNCAC, including its 34th article on the "Consequences of acts of corruption", and exploring a UNCAC	legal proceedings to annul or rescind a contract, withdraw a concession or other similar instrument or take any other remedial action." We would welcome a request to ensure opportunities for meaningful consultation and scrutiny of public debt decisions by civil society and citizens. This should include participation in governance diagnostics and the oversight of debt resource management, as well as integrating debt management with public financial management systems to ensure alignment between borrowing and fiscal policy strategies.

	protocol that makes such contracts unenforceable.	
Fiscal space for investment in countries facing debt challenges		
49. Rising debt service burdens and high costs of capital, exacerbated by recurrent external shocks, call for efforts to significantly lower the cost of borrowing, including more comprehensive and systematic support for countries that, while solvent, are burdened with high debt servicing costs. High sovereign borrowing costs also drive up the cost of capital for private investments, making sustainable development investments that would be financially viable in developed countries unattractive in these contexts. a) We appreciate ongoing efforts in this area, including the three-pillar approach proposed by the IMF and World Bank to help address liquidity challenges, as well as the proposed SIDS Debt Sustainability Support Service (DSSS). We call for the operationalization of DSSS and the expansion of its eligibility to cover other developing countries, especially LDCs, and encourage official creditors to provide coordinated and enhanced liquidity and liability management support to developing countries committed to their ambitious development objectives through the use of financing tools such as guarantees, credit enhancements, debt swaps and buybacks, and legal	49. Rising debt service burdens and high costs of capital, exacerbated by recurrent external shocks, call for efforts to significantly lower the cost of borrowing, including more comprehensive and systematic support for countries that~~,~~ ~~while solvent,~~ are burdened with high debt servicing costs. To significantly reduce high debt servicing costs, countries need to receive immediate debt cancellation of all unsustainable and illegitimate debts, from all creditors, consistent with states' human rights obligations. High sovereign borrowing costs also drive up the cost of capital for private investments, making sustainable development investments that would be financially viable in developed countries unattractive in these contexts. a) bis We agree with official and private creditors to provide coordinated and unconditional debt cancellation of all unsustainable and illegitimate debts for global south countries to be able to comply with the 2030 agenda and the Paris Agreement and fulfil fundamental human rights obligations. a) The debt crisis is far from being solely about liquidity problems. Despite this, we	Civil society proposal is to "Deliver immediate cancellation of all unsustainable and illegitimate debts, from all creditors, consistent with states' human rights obligations." LDCs, LLDCs, Mexico and Zambia support the need for debt relief in their inputs to the elements paper. Debt cancellation should be unconditional and Member states should agree on eliminating detrimental loan conditionalities that divert crucial resources from ensuring sustained fulfilment of fundamental human rights, SDGs and climate action. Several resolutions of the UNGA and HRC reiterate the obligations to ensure that "debt service does not result in violations of human rights and human dignity and does not prevent the attainment of international development goals" (A/HRC/40/57 and A/HRC/20/23). Liquidity challenges must be addressed by fulfilling the existing commitments on official development finance, paying up the aid debt and climate debt owed to the global south, and by enhancing commitments on climate finance, by providing non-debt creating public finance. Hosting a new financing / liquidity support facility within an IFI will only increase the impact of harmful conditionalities being pushed by IMF and World Bank in particular, including austerity measures, privatisation and PPPs, false market solutions and green conditionalities. Debt swaps have been proved inadequate to address debt vulnerabilities and to provide sufficient resources to tackle liquidity constraints. Before continuing pushing for debt swaps, FfD4 should open a critical analysis of the real impacts and results of existing initiatives, reforming first the current mechanisms to tackle the gaps and risks for public sector and communities or beneficiary population

instruments such as seniority clauses during buybacks to incentivize private creditor participation. b) We call for an institutional home within an existing facility of an international financial institution to provide such support in a systematic manner. This strengthened facility would: coordinate liquidity support from multilateral and bilateral creditors; coordinate development of term sheets for net present value-neutral rescheduling; offer a range of financial and legal tools to facilitate or incentivize liability management and reduce the cost of capital; support scaling up debt swaps, when appropriate, and maximizing their impact, including by simplifying their design, reducing transaction costs and increasing efficiency; provide countries with technical assistance, capacity support and legal advice, including cost-benefit analysis and the effective use of financial instruments such as debt swaps and dealing with sophisticated creditors; and engage with credit rating agencies to address concerns over adverse rating impacts of official debt programs.	appreciate ~~ongoing efforts in this area, including the three-pillar approach proposed by the IMF and World Bank to help address liquidity challenges, as well as~~ the proposed SIDS Debt Sustainability Support Service (DSSS). We call for the operationalization of DSSS and the expansion of its eligibility to cover other developing countries in need for debt reduction, especially LDCs, and encourage official creditors to provide coordinated and enhanced grant based liquidity and liability management support to developing countries committed~~to their ambitious development objectives through the use of financing tools such as guarantees, credit enhancements, debt swaps and buybacks, and legal instruments such as seniority clauses during buybacks to incentivize private creditor participation~~. Global north countries, multilateral development banks and the IFIs should support countries by providing sufficient grant-based development and climate finance that does not worsen debt vulnerabilities. ~~b)We call for an institutional home within an existing facility of an international financial institution to provide such support in a systematic manner. This strengthened facility would:~~ We decide to establish an intergovernmental group under the auspices of the United Nations to agree a legally binding framework on debt that includes establishing a global debt authority to coordinate liquidity support from multilateral and bilateral creditors;	

	coordinate development of term sheets for net present value-neutral rescheduling; offer a range of financial and legal tools to facilitate or incentivize liability management and reduce the cost of capital; ~~support scaling up debt swaps, when appropriate, and maximizing their impact, including by simplifying their design, reducing transaction costs and increasing efficiency; provide countries with technical assistance, capacity support and legal advice, including cost-benefit analysis and the effective use of financial instruments such as debt swaps and dealing with sophisticated creditors; and engage with credit rating agencies to address concerns over adverse rating impacts of official debt programs.~~	
Debt architecture for debt crisis resolution		
50. Heavily indebted countries require debt relief to restore them to a path of debt sustainability. But sovereign debt restructurings are often initiated too late and remain too slow and shallow, reflecting challenges with coordinating a diverse and changing set of creditors. The ad-hoc nature of debt resolution processes add uncertainty to the timeline and outcomes. Restructurings often do not provide sufficient fiscal space for necessary SDG investment, and result in profound economic and social costs. Restructurings should also account for the development needs of the indebted countries during the restructuring process.	50. Heavily indebted countries require debt relief to restore them to a path of ~~debt sustainability~~ sustainable development and climate action. But sovereign debt restructurings are often initiated too late and remain too slow and shallow, reflecting challenges with coordinating a diverse and changing set of creditors. The ad-hoc nature of debt resolution processes add uncertainty to the timeline and outcomes. Restructurings often do not provide sufficient fiscal space for necessary SDG investment, and result in profound economic and social costs, adverse effects on human rights and societies and economies as a whole. To	Sovereign debt restructurings must be more transparent and inclusive to build public trust and ensure the best outcomes for affected communities. Governments should openly share information and key documents related to debt restructuring, including trade-offs and difficult decisions. Transparency in these processes can help secure public buy-in and mitigate resistance to negotiated terms. Additionally, debt restructurings must account for the voices of those who rely heavily on social programs, as these expenditures are often the first to be cut. Ensuring that debt relief strategies prioritize essential services and support for vulnerable populations will help optimize the use of available resources and safeguard critical social spending.

A more development-oriented international debt architecture in which all creditors effectively participate could ensure efficient, fair, predictable, coordinated, timely and orderly restructurings, building on the call made in the Addis Ababa Action Agenda. a) Building on the ongoing efforts, we encourage the G20 to further strengthen the Common Framework by: expanding coordinated debt treatments to highly indebted countries which are currently ineligible; standardizing debt service suspension during negotiations; developing a user manual for debtors with clear timelines; and developing an accessible guideline for assessing comparability of treatment (CoT) and refining tools for enforcing CoT. We encourage debtor countries that need debt relief to actively seek debt treatments and pre-emptive debt restructuring. b) We support the setting up of a working group to develop a model law on debt restructuring for Member States to consider adopting as part of their domestic legislation. We encourage major financial jurisdictions to pass domestic legislations to limit holdout creditors and facilitate effective debt restructuring. c) We encourage the continued adoption of collective	enhance effectiveness, restructuring processes should be transparent and inclusive, engaging the public and affected communities to foster greater understanding and acceptance of difficult trade-offs. Restructurings should also account for the development needs of the indebted countries during the restructuring process. A more human rights, decolonial and development-oriented international debt architecture in which all creditors effectively participate could ensure efficient, fair, predictable, coordinated, timely and orderly restructurings, building on the call made in the Addis Ababa Action Agenda. a)~~Building on the ongoing efforts, we encourage the G20 to further strengthen the Common Framework by: expanding coordinated debt treatments to highly indebted countries which are currently ineligible;~~ Building on lessons learned from debt reliefs and debt resolution processes we decide to establish an intergovernmental process in the United Nations to review existing debt architecture with the aim to establish a UN Framework Convention on Sovereign Debt that addresses the establishment of a fair and transparent multilateral sovereign debt resolution mechanism in order to deliver on sufficient debt restructuring and cancellation for all countries in need to be able to fulfil its international human rights obligations, achieve the SDGs, ensure gender equality, and implement the necessary climate actions; as well as agree on the principles and parameters	a) Strengthening the G20 Common Framework seems to have a degree of contradiction with the precedent para: "The ad-hoc nature of debt resolution processes add uncertainty to the timeline and outcomes". Restructurings often do not provide sufficient fiscal space for necessary SDG investment, and result in profound economic and social costs. The Common Framework is leaving countries still at significant risk of repeated debt crises. In Ethiopia, Ghana and Zambia, even when they have completed the Common Framework, they will still be on the threshold between 'moderate' and 'high' risk of external debt distress under the IMF LIC-DSF. This means any shock will push them back to high risk, and risk the need for repeated restructurings. FfD4 should be expressing deep concern at the failed ad-hoc G20 debt initiatives and reclaim decision-making at the UN on debt. Not further mandate undemocratic bodies such as G20 or other creditor dominated clubs. b) The text on domestic legislation is very welcome and we strongly urge it to be kept in the final draft. We welcome the inclusion of a multilateral sovereign debt resolution mechanism, as envisioned in the Monterrey consensus. We understand that the outcome of the FfD4 conference cannot be yet another 'follow up' and 'explore' the need, but an agreement for setting up such a mechanism. The UNGA in 2015 already adopted 'Basic Principles on Sovereign Debt Restructuring Processes'. The gap to be filled is the need for a legally binding framework that can ensure effective and comprehensive solutions to debt prevention and resolution.

action clauses in bonds and majority voting provisions in loan agreements. We call for assessing and refining contractual tools and instruments used in debt restructuring to facilitate participation of creditors, including most favoured creditor clauses, claw back clauses, loss reinstatement features, and value recovery instruments. d) We support entities such as the African Legal Support Facility, which provide legal and financial advice to developing countries during negotiations and structuring of complex debt transactions and workouts with creditors; and/or will utilize the above facility for this purpose. e) Building on existing work, the review of the sovereign debt architecture envisioned in the Pact for the Future and the United Nations Secretary-General's update on progress and proposals, we will initiate an intergovernmental process at the United Nations, with a view to closing gaps in the debt architecture and exploring options to address debt sustainability, including but not limited to a multilateral sovereign debt mechanism.	that should guide a fair debt restructuring, including the need for unconditional debt cancellation, from all creditors to all countries that need it, including standardizing debt service suspension by private and bilateral creditors during negotiations; developing a user manual for debtors with clear timelines; agreeing deeper debt relief so countries are not at risk of going back into crisis; and developing an accessible guideline for assessing comparability of treatment (CoT) and refining tools for enforcing CoT. We encourage debtor countries that need debt relief to actively seek debt treatments and pre-emptive debt restructuring. b) We support the setting up of a working group to develop a model law on debt restructuring for Member States to consider adopting as part of their domestic legislation. We encourage major financial jurisdictions to pass domestic legislations, both in lender and borrower countries, that mandates transparent and fair governance and management of sovereign debts, and to limit holdout creditors and facilitate effective debt restructuring. c) We encourage the continued adoption of collective action clauses in bonds and majority voting provisions in loan agreements. We call for assessing and refining contractual tools and instruments used in debt restructuring to facilitate participation of creditors, including most favoured creditor clauses, claw back clauses, loss reinstatement features, and	

	value recovery instruments. Debt relief instruments and measures, in any form, must fulfil principles of transparency and accountability, both in the negotiation and the implementation process, guaranteeing meaningful participation and rights of the local communities over the interests of private intermediaries. e)Building on existing work, the review of the sovereign debt architecture envisioned in the Pact for the Future and the United Nations Secretary-General's update on progress and proposals, we will initiate an intergovernmental process at the United Nations towards agreeing a legally binding framework on debt, with a view to ~~closing gaps in~~ comprehensively reforming the debt architecture and exploring options to address debt sustainability, including but not limited to a multilateral sovereign debt restructuring mechanism, binding principles on responsible borrowing on lending, agree extensive debt cancellation, establish debt data registry and other issues related to debt prevention and resolution.	
Debt sustainability assessments and credit ratings		
51. Sound and transparent analysis on sovereign debt sustainability is important for the smooth functioning and fair pricing of debt markets. Both public sector-led debt sustainability assessments and private sector credit ratings have evolved to address some of their weaknesses, but challenges remain, including in accurately assessing the risks and benefits of public	Sound, comprehensive and transparent analysis on sovereign debt sustainability is important for the smooth functioning and fair pricing of debt markets, and reduce risk and exposure to market speculation. Both public sector-led debt sustainability assessments and private sector credit ratings have evolved to address some of their weaknesses, but challenges remain,	a) Debt sustainability assessments (DSAs) are often designed primarily to meet the information needs of creditors, rather than those of domestic oversight institutions. Debt management offices (DMOs) tend to focus their reporting on potential investors, reflecting their role in securing financing, while IMF and World Bank training programs emphasize debt reporting that enhances investor confidence. This creditor-centric

policies affecting long-term debt sustainability. Private sector credit ratings of sovereigns are insufficiently transparent and may reinforce short-term, procyclical market reactions, undermining the ability of developing countries to borrow and invest in sustainable development. Stronger public action and regulatory efforts can ensure that credit assessments are more accurate, objective and long-term oriented. a) Building on the ongoing LIC-DSF review, we urge the IMF and World Bank to continue to refine debt sustainability assessments to better account for SDG spending needs, better capture climate and nature risks, account for investments (e.g. in resilience, nature protection, and productive capacity) and their impact on long-term growth and sustainable development, which requires a longer-term perspective, and to more accurately distinguish between solvency and liquidity. We recommend that the IMF and the World Bank implement revisions in an open and consultative manner. We will strengthen countries' capacities to carry out their own debt sustainability assessments. b) We commit to promote transparent, accurate, objective and long-term model-based credit assessments. We call on public entities conducting economic	including in accurately assessing the risks and benefits of public policies affecting long-term debt sustainability. Private sector credit ratings of sovereigns are insufficiently transparent and may reinforce short-term, procyclical market reactions, undermining the ability of developing countries to borrow and invest in sustainable development. Stronger public action and regulatory efforts can ensure that credit assessments are more accurate, objective and long-term oriented. a)~~Building on the ongoing LIC-DSF review, we urge the IMF and World Bank to continue to refine~~ Develop a new approach to assess debt sustainability assessments to better balance the information needs and accessibility for national policymakers, parliament, civil society and creditors, account for the achievement of the SDG and human rights spending needs, better capture climate and nature risks, corruption threats, account for investments (e.g. in resilience, nature protection, and productive capacity) and their impact on long-term growth and sustainable development, which requires a longer-term perspective, ~~and~~ to more accurately distinguish between solvency and liquidity, including long-term liquidity problems, establish the use of other relevant ratios that include domestic debt, such as total public debt service to revenues and include ex-post and ex-ante gender, human rights and environmental impacts assessments and audits to identify illegitimate debts. We request	approach limits the ability of national policymakers, parliaments, and civil society to effectively oversee debt strategies, assess long-term fiscal risks, and ensure alignment with development priorities. Strengthening DSAs to serve both investor and domestic accountability needs—by improving accessibility, transparency, and alignment with national budgeting processes—would enhance fiscal governance and the effectiveness of debt management.

surveillance to publish such assessments in ways that can be compared to private credit ratings. We also call on all ratings to positively reflect the long-term debt sustainability benefits of voluntary debt restructurings, rather than penalizing countries that engage in such transactions and official sector debt programs. We also agree to reduce mechanistic reliance on ratings and implement consistent regulatory regimes for rating agencies (as laid out under Systemic Issues).	~~recommend~~ that the IMF and the World Bank implement revisions in an open and consultative manner, ensuring the participation of civil society in debt assessments, governance diagnostics and the meaningful participation. We will strengthen countries' capacities to carry out their own debt sustainability assessments.	
II. F. Addressing systemic issues		

Summary and key takeaways:

- **Reaffirming the role of the United Nations in Global Economic Governance**: It is distressing that the section on systemic issues – one of the most innovative and critical dimensions of the Monterrey Consensus – reduces global economic governance to the BWIs. The systemic issues section and language throughout the zero draft incorrectly presents the mandates and governance structures of international finance institutions as independent from agreements made within the United Nations process. Notwithstanding that BWIs are UN specialized agencies, the FfD process offers an opportunity to consider reforms to the international financial architecture in its entirety coherently and democratically, with universal and inclusive participation. It is high time to bring the IFIs (BWI and other IFI/MDBs) under proper intergovernmental democratic governance and restore their foundational establishment as an integral part of the UN system with full accountability to the UNGA. FfD4 should therefore initiate a profound review of the IFI/MDB ecosystem, hence reaffirming the role of the United Nations in global economic governance, in full respect of the spirit of Monterrey.

- **Actionable mandates to reform and regulate monetary and financial systems**: The Monterrey Consensus aimed to provide a response to the global South's lack of control over their national currencies, and thus economic stability/security, for the confluence of deregulated cross-border capital flows, international currency hierarchy and unregulated transnational financial actors, and higher borrowing costs under the continued influence of biased and adverse sovereign ratings. All previous FfD conferences called for international monetary cooperation to avert negative spillovers on developing countries which recurrently proved harmful to their national monetary and financial stability. The practices adopted in recent years, including more flexible exchange rate regimes, accumulation of large stocks of international reserves or borrowing in local currency, do not adequately buffer developing countries against severe external shocks. FfD4 should undertake decisive actions in monetary and financial cooperation and regulation by establishing a global consensus on capital account management, regulatory frameworks for credit rating agencies and the asset management industry, and a new playbook on the role and issuance modalities of SDRs.

• **<u>Rejection of mandates to non-inclusive bodies such FSB and BIS</u>**: We reject mandates to the Financial Stability Board, given its exclusive representation (very few jurisdictions) and extensive conflicts of interest. We further demand a reform of the BIS to ensure adequate representation of developing countries (currently 63 central banks). The premise to mandate regulatory financial functions, and the concomitant assignment of jurisdictional powers, need to be the establishment of democratic, representative and legitimate institutions with clear and transparent accountability mechanisms.		
52. The international financial architecture – the existing set of international financial frameworks, rules, institutions and markets that safeguard the stability and function of the global monetary and financial systems – plays a pivotal role in shaping sustainable development outcomes. Notwithstanding recent efforts to reform the architecture, increasing inequalities, extreme poverty, risks of spillover effects of macroeconomic policies and financial crises to developing countries, and a widening financing divide persist. Addressing these systemic challenges is an urgent priority. With full respect for independent mandates and governance bodies, the international community must work together to ensure that the international financial architecture becomes more efficient, equitable, fit for the world of today and remain dynamic and responsive to challenges facing developing countries. It is of utmost importance to deliver more effective, credible, accountable, and legitimate institutions. Solutions are urgently needed, including those related to global governance, the global financial safety net, international aspects of financial regulation, the international monetary system and global macroeconomic coordination and coherence. Our successful implementation of these actions	52. The international financial architecture – the existing set of international financial frameworks, rules, institutions and markets that safeguard the stability and function of the global monetary and financial systems – plays a pivotal role in shaping sustainable development outcomes. Notwithstanding recent efforts to reform the architecture, increasing inequalities, extreme poverty, ~~risks of~~ <u>significant</u> spillover effects of macroeconomic policies and financial crises to developing countries, <u>particularly through capital flows and the exchange rate function</u>, and a widening financing divide persist. Addressing these systemic challenges is an urgent priority. ~~With full respect for independent mandates and governance bodies, the international community must work together.~~ <u>We commit</u> to ensure that the international financial architecture becomes more <u>democratic, accountable,</u> efficient, equitable, fit for the world of today and ~~remain dynamic and~~ responsive to challenges facing developing countries. It is of utmost importance to deliver more effective, credible, accountable, and legitimate institutions. Solutions are urgently needed, including those related to	The fundamental challenge of FfD4 is to ensure that the reform of the international financial architectures is based on the foundational aspiration of democratizing global economic governance and fully realizing the Right to Development for all countries. The emphasis on the international monetary system, which had a central role in the origins of the FfD process, has been diminished over time. Significant negative external spillovers of monetary tightening through the exchange rate function deserve adequate attention in the systemic issues section.

reflects our commitment to rebuild trust in multilateralism.	global governance, the global financial safety net, international aspects of financial regulation, the international monetary system and global macroeconomic coordination and coherence. Our successful implementation of these actions reflects our commitment to rebuild trust and commitment in democratic multilateralism.	
Global economic governance		
	52 bis. The Monterrey Consensus emphasized the importance of continuing to improve global economic governance and strengthening the leadership role of the United Nations. It also emphasized the critical importance of coherence and consistency of the international financial and monetary and trading systems in support of development. Reaffirming and recommitting to the spirit of Monterrey, we will take decisive measures to establish a more coherent, inclusive and representative International Financial Architecture that can support the realization of the Right to Development. We recognize the importance of policy coherence for sustainable development and the destabilizing spill-over effects that macroeconomic policies in major economies can have on developing countries. a) We will dedicate a segment of the annual FfD Follow-up Forum to	The very first paragraph of global economic governance section needs to re-affirm and re-commit to the spirit of the Monterrey Consensus and propose concrete actions to strengthen the centrality of ECOSOC in macroeconomic coordination and immediate response to crises.

	expose such spillover effects and provide guidance for macroeconomic policy coordination, including by undertaking necessary resolutions in the intergovernmentally agreed outcome document. b) We commit to convene with urgency, under the aegis of the UN, in case any economic, financial and trade crises emerge, and request the President of ECOSOC to call for a special session of the Council should such circumstances arise.	
53. International economic and financial institutions have made significant efforts at governance reform. Recent efforts to realign IMF quotas and World Bank shareholding are welcome. However, the current architecture does not accurately reflect the diversity and complexity of the world. Insufficient representation and voice of developing countries in international institutions has resulted in insufficient recognition of developing country needs and a suboptimal allocation of resources. The representation and voice of developing countries in norm-setting, global economic governance, and decision-making in international economic and financial institutions must be enhanced to deliver more effective, credible, accountable, and legitimate institutions. The international system must work effectively for all countries, especially those that need the most support.	53. ~~International economic and financial institutions have made significant efforts at governance reform. Recent efforts to realign IMF quotas and World Bank shareholding are welcome. However, t~~ The current economic governance architecture does not accurately reflect the diversity and complexity of the world. Insufficient representation and voice of developing countries in international institutions has resulted in insufficient recognition of developing country needs and a suboptimal allocation of resources. The representation and voice of developing countries in norm-setting, global economic governance, and decision-making in international economic and financial institutions must be enhanced to deliver more effective, credible, accountable, and legitimate institutions. The international system must work effectively for all countries, especially those that need the most	Past efforts of the BWI to reform their own governance have been deeply inadequate and IMF governance reforms have now ground to a complete halt. Even the most significant governance reforms at these institutions since Monterrey have resulted in only marginal vote increases to developing countries, while the 15th and 16th IMF quota reviews failed to realign any vote shares whatsoever. FfD4 should break the cycle of past promises, failed attempts and proposals for what ultimately may prove to be only minor adjustments. It is high time to bring the IFIs and MDBs under proper intergovernmental democratic governance and restore their foundational establishment as an integral part of the UN system with full accountability to the UNGA. FfD4 should therefore initiate a profound review of the IFI/MDB ecosystem to be undertaken by the UNGA. This is also critical to reaffirm the role of the UNGA in global economic governance, in full respect of the spirit

a) We recommit to further IMF quota realignment to enhance developing country voice and better reflect members' relative positions in the world economy, while protecting the shares of the poorest members. We will work through the Governors of the IMF to consider restoring basic votes back to 1/9 the total voting rights in the IMF, among other measures. b) We will work through the World Bank Board of Governors to conduct a comprehensive and successful World Bank shareholding review in 2025 that delivers a more equitable balance of voting power at the institution, to speedily implement the review outcomes, and to ensure future reviews achieve a balance of voting power between country groups. c) We will work through the Executive Boards of the international financial institutions to consider increasing the sizes of the boards of directors to create balanced geographic representation of the members. We will work through the IMF Executive Board to enhance geographical representation in IMF senior management positions, particularly for Africa, including the creation of an additional IMF Deputy Managing Director. We also commit to achieve gender balance in the executive boards of all international organizations through	support. *We request deletion of all sub-paras of Art 53 and propose their replacements with the following text (as also featured in the MDB-reform section of the IDC pillar of the Zero Draft):* a) We agree to initiate an intergovernmental review under the aegis of the UN of the mandates and governance structures of the International Financial Institutions, including the World Bank, the IMF and MDBs, aimed to: • Democratize the governance of IFIs, including by adjusting the size of their boards, adequately redistributing voting rights, avoid *de facto* veto powers, strengthen basic votes premised on the principle of equality of member states, among others • Re-purpose IFIs to support sustainable development progress, promote the realization of the Right to Development and operate in full respect with human rights standards and obligations • Enhance transparency and ensure adequate public scrutiny of the decisions, policies and programmes of IFIs. • Strengthen existing or establish independent accountability mechanisms of IFIs that can	of Monterrey.

more balanced nominations to the boards. We will work through all international organization boards to conduct regular reviews on diversity in the board and the executive and senior leadership to address geographic underrepresentation and gender imbalance, and to publish regular public reports on diversity and our reviews. d) We commit to enhance the transparency and accountability of decision making at international organizations.	address and redress complaints by communities and social groups affected by IFI programmes and decision-making.	
Global financial safety net		
54. The global financial safety net, a multilayered arrangement for responding to crises with the IMF at its centre, has both gaps in its architecture and uneven coverage. During crises, resources available through multilateral and regional arrangements have not matched needs, as demonstrated during the pandemic. This has prompted some developing countries to accumulate excess international reserves in order to cushion volatility, which contributes to resource transfers to developed countries and reduces investment capacity in those developing countries. With increasing systemic risks and growing frequency and intensity of crises, including those related to climate change, many countries will need external support to manage volatility and shocks. The global financial safety net must be expanded, have better coverage, and be more reliable to allow countries to expand	54. The global financial safety net, a multilayered arrangement for responding to crises ~~with the IMF at its centre~~, has both gaps in its architecture and uneven coverage with very limited resources available, often at high cost, to developing countries. During crises, resources available through multilateral and regional arrangements have not matched needs, as demonstrated during the pandemic. This has prompted some developing countries to accumulate excess international reserves in order to cushion volatility, which contributes to resource transfers to developed countries and reduces investment capacity in those developing countries. With increasing systemic risks and growing frequency and intensity of crises, including those related to climate change, many countries will need external support to manage volatility and shocks. Global imbalances in reserves and assets	Contrary to the prognostications that the need for international reserves should decrease as developing countries gain access to international financial markets and respond to balance-of-payments shocks through exchange rate adjustments, there has instead been a rapid accumulation of international reserves in the last several decades. The main objective is to provide self-insurance against sudden and volatile capital outflows and interruptions to access to international capital markets, often triggered by shifts in developed country policies. However, foreign exchange reserves in developing countries are invested mainly in low-yielding assets issued by major developed countries. Given higher interest rates paid on external debt, such assets entail a significant 'net carry cost' for most developing countries. This cost constitutes a drain on national resources of developing countries and a net transfer to reserve-issuing developed countries. include borrowed liabilities in various forms such as equity investment as well as debt, which all generate outward income transfers.

their investment in their sustainable development and take on leverage without fear of incurring liquidity and financial crises. a) We welcome the conclusion of the IMF facilities review in 2023 and 2024. We will work through the IMF Executive Board to create a much larger pool of resources, accessible to all countries, for fast disbursement in response to shocks and crises, for example through an IMF multilateral swap line, and we will consider adjusting borrowing limits in all layers of the safety net to ensure that emergency and stand-by resources can meet needs.	played a significant role in the financial crisis of 2007-8, and addressing these imbalances requires international cooperation to ensure international financial stability. The global financial safety net must be expanded, have better coverage, and be more reliable in parallel to reforms to the global reserve system, in order to allow countries to pursue their right to development by expanding their investment in their sustainable development and take on leverage without fear of incurring liquidity and financial crises.	
b) We welcome recent action on IMF surcharges and will work through the IMF Executive Board to consider suspending surcharges during disasters and exogenous shocks.	b) We agree to undertake definitive action to eliminate IMF surcharges. ~~We welcome recent action on IMF surcharges and will work through the IMF Executive Board to consider suspending surcharges during disasters and exogenous shocks.~~	
c) We will work through the IMF board to consider ways to ease access to the Resilience and Sustainability Trust, including by removing the requirement of an upper credit tranche programme. We welcome the recent PRGT review and will work through the IMF Executive Board to further increase the IMF's self-sustaining capacity to lend concessional resources without worsening borrowers' terms of financing.		
d) We welcome the IMF's issuance of	d) We welcome the IMF's issuance of	

SDRs in 2021 and the rechannelling for countries in need by both developed and developing countries in a position to do so. We encourage countries in a position to do so to expeditiously rechannel 50 per cent of current unused SDRs, including through MDBs, while retaining SDR's liquidity and reserve asset character. We will work through the IMF Executive Board to consider the issuance of new SDRs to help address the developing country liquidity and debt crises. e) We will work through the IMF Board of Governors to review SDRs to create a new playbook that strengthens their role, including: a rules-based approach to recommendations for SDR issuance to speed up approval by the IMF Executive Board of new issuances; international commitments based on voluntary ex ante agreements to facilitate expeditious rechannelling of unused SDRs to countries in need; and considering approaches that allow SDR allocations that respond specifically to the needs of countries during future crises and shocks. f) We commit to strengthen existing regional arrangements and closing gaps in coverage by supporting the creation of robust new regional arrangements, especially in Africa,	SDRs in 2021 and the rechannelling for countries in need ~~by both developed and developing countries in a position to do so~~. We encourage countries in a position to do so to expeditiously rechannel at least 50 per cent of current unused SDRs, including through MDBs, ~~while retaining SDR's liquidity and reserve asset character.~~ without generating more debt and without conditionalities, in alignment with the characteristics of the SDR as a global reserve asset. We will ~~work through the IMF Executive Board to~~ consider ~~the~~ issuances of new SDRs, including issuances decoupled from the IMF quota system, to help address the developing country liquidity and debt crises, including the use for fiscal purposes. e) ~~We will work through the IMF Board of Governors to review SDRs to create a new playbook that strengthens their role, including: a rules-based approach to recommendations for SDR issuance to speed up approval by the IMF Executive Board of new issuances; international commitments based on voluntary ex ante agreements to facilitate expeditious rechannelling of unused SDRs to countries in need; and considering approaches that allow SDR allocations that respond specifically to the needs of countries during future crises and shocks~~. We agree to establish an	The working group will have to explore possible complementary ways of reforming the global reserve system. They include: a) reducing the instability of capital flows by establishing a global framework for controlling them both in recipient and source countries; b) employ countercyclical issuances of SDRs to address boom-bust cycles in capital flows, including regular annual allocations to non-reserve countries and reversible allocations at times of sharp downturn in capital inflows; and c) Expand the reserves of

to enhance the complementarity of the layers of the global financial safety net.	intergovernmental working group under the ECOSOC to identify a set of reforms that can facilitate a more efficient reserve system, including the function of Special Drawing Rights and the complementary roles that can be exercised by various regional arrangements. The working group will also create a new playbook for SDR that would establish new rules that facilitate their issuance, their widespread use and their channeling to the countries that need them most, including through changes that facilitate SDR transfers to multilateral development banks. The playbook will also determine changes in the accountancy registry of SDRs in central banks, through a shift in the Balance of Payments Manual (BoP) rules.	developing countries at the IMF without commensurate increases in their contributions.
Regulation for a sustainable financial system		
55. Credit ratings, which affect the cost of borrowing, are much less regulated than other aspects of the financial system. Credit assessments are pro-cyclical and excessively focused on short-term factors, which can disincentivize credit based on long-term growth and sustainability prospects. The sovereign ceiling on corporate ratings has unwarranted negative impacts on capital markets access for entities in developing countries. Regulatory regimes should encourage credit ratings to be more transparent, accurate, objective,	We request deletion of sub-paras a) and b) and their replacements with the following text: a) We resolve to establish an Intergovernmental Commission under ECOSOC to regulate Credit Rating Agencies (CRAs) including ESG rating bureaus. The Commission will aim to: • Establish a regulatory framework that can address current dysfunctionalities, from a developing country perspective, in terms of bias and pro-	There is widespread agreement on the need to regulate CRAs. While this is a long-lasting issue, recent pandemic and debt crises exposed the current dysfunctionalities, from a developing country perspective, in terms of bias and pro-cyclicality in ratings, market concentration and dominant position, and conflicts of interest. Current debates are largely focused on soft interventions and voluntary measures, often with the direct participation of those same market actors that need to be regulated. The UN should lead in furthering CRA supervision and regulation, including ESG rating bureaus, by convening a universal, intergovernmental commission under ECOSOC to examine needed international institutional innovations

and long-term oriented. a) To help enhance the transparency and accuracy of ratings and ensure regulation of this sector is appropriate, we decide to establish an annual special high-level meeting under the auspices of ECOSOC for dialogue among Member States, credit rating agencies, regulators, standard setters, and long-term investors, along with public institutions that publish independent debt sustainability analysis. We request ECOSOC to determine the modalities to ensure that it builds on existing processes. b) We recommit to reduce the mechanistic reliance on credit-rating agency assessments in regulatory frameworks.	cyclicality in ratings, as well as tackle market concentration and dominant position, and conflicts of interest • Examine needed international institutional innovations required to correct and avert the adverse impacts of CRAs • Explore proposals such as the establishment of an international public credit rating agency at the UN to provide more transparent and equitable assessments of creditworthiness	required to correct and avert the adverse impacts of CRAs. The Commission should also further study proposals such as establishing an international public credit rating agency at the UN to provide more transparent and equitable assessments of creditworthiness
56. Adequate financial regulation is essential to the stability and sustainability of the financial system. While banking regulation has been strengthened since the 2009 financial crisis, financial regulatory frameworks can misprice risks, especially related to new challenges and instruments (such as lending with guarantees), which can raise the cost of borrowing for sustainable development investments, especially in LDCs. Incorporation of environmental sustainability into financial regulation is in its infancy. Climate risk disclosure, which is most advanced, is not sufficient. Creating an effective financial regulatory framework that addresses social	56. Adequate financial regulation is essential to the stability and sustainability of the financial system. While banking regulation has been strengthened since the 2009 financial crisis, financial regulatory frameworks can misprice risks, especially related to new challenges and instruments (such as lending with guarantees), which can raise the cost of borrowing for sustainable development investments, especially in LDCs. Incorporation of environmental sustainability into financial regulation is in its infancy. Climate risk disclosure, which is most advanced, is not sufficient. The current global reserve system is inherently unstable and imposes significant international reserves by	The current monetary and financial frameworks undermine the economic, monetary and financial sovereignty of developing countries, trapping them into currency hierarchies, liquidity challenges and regressive monetary policies that restrict policy and fiscal space for macroeconomic stability, structural transformation and economic diversification, with real-economy effects on the cost of living, employment opportunities and social expenditures, including for gender equality and climate adaptation. Capital account liberalization, underpinned by market-based exchange rates and the international currency hierarchy, generates procyclical capital flows. When interest rates are low in rich countries, many developing countries receive a surge of inflows. When reserve

and environmental impact, coupled with effective climate policies, can generate both stability and sustainability. a) We invite the FSB to launch a review of the potential mispricing of risk in international riskweighting frameworks used in regulation, such as Basel III, to ensure that weightings correctly reflect risks in different country contexts, including for guarantees and blended finance, SMEs, infrastructure, and trade finance, and to review risks posed by the asset management industry. We invite the FSB to present their findings at the ECOSOC FFD Forum. b) Without diluting our focus on financial stability, we commit to expand our financial regulations to incorporate climate transition plans and climate stress testing and invite the FSB to consider including sustainability factors in risk weightings. **We invite the Bank for International Settlements (BIS) and the IMF to work together with developing countries to develop a prudential banking regulation framework to address difference in risk profiles, especially in the LDCs.**	developing countries for them to counter highly pro-cyclical capital flows and the limited policy space for counter-cyclical macroeconomic interventions. Creating an effective financial regulatory framework ~~that addresses social and environmental impact, coupled with effective climate policies,~~ is therefore essential to ~~can~~ generate ~~both~~ stability, equity and sustainability. *We then request deletion of sub-paras a) b) and c) and their replacements with the following new sub-paras:* a) We undertake to define a global agreement under the aegis of the UN on the importance of capital account management *(This builds on the precedent set in the Addis Ababa Action Agenda, Para 105: "When dealing with risks from large and volatile capital flows, necessary macroeconomic policy adjustment could be supported by macroprudential and, as appropriate, capital flow management measures.")* b) We agree to initiate an intergovernmental process towards a UN global regulatory framework to adequately regulate and supervise for the asset management industry. The process will include a review of existing regulatory bodies for banking and non-baking intermediaries and ensure their governance is reformed to	currency issuing central banks raise rates, capital flows reverse directions, typically triggering currency depreciations. In turn, the cost of servicing foreign exchange denominated debt and purchasing international imports soar, risking the onset of financial and debt crises. As such, capital account regulation and management must be recognized as a first best measure to safeguard national economic security and stability, and indeed, as a crisis-prevention measure, when faced with an externally generated and unsustainable surge in capital inflows or outflows. However, many countries face legal restrictions on their ability to employ capital account regulations due to stipulations in Bilateral Investment Treaties (BITs). The absence of statutory protection against litigation, asset grabbing, and restrictions resulting from BITs remains central to recourse to capital account management and regulation. It is essential for all UN Member States to assess the current system from both developmental and global financial stability perspectives and undertake decisive steps towards financial regulation, recognizing the limitations of voluntary non-binding measures, starting with capital account management and the regulation of the asset management industry. This cannot be demanded to bodies such as the Financial Stability Board and the Bank of International Settlement, given their exclusive representation and, in the case of FSB, extensive conflicts of interest. The FSB has been created by the G20 and reports back to the G20 finance ministers. It therefore strengthens the G20 decision-making power. The FSB has a selective membership, mostly finance ministries and central banks of the G20 member countries and a few other countries with large private financial sectors (e.g.

	ensure adequate representation of developing countries c) We commit to dedicate a special session of the ECOSOC to discuss the reform of the Bank of International Settlement and ensure its governance can be expanded to adequate represent developing countries, including countries in special situation	Netherlands). **Here the composition of the FSB:** https://www.fsb.org/about/organisation-and-governance/ **Here the composition of the BIS board:** https://www.bis.org/about/board.htm?m=4 **Here the composition of the Basel Committee on Banking supervision:** https://www.bis.org/bcbs/membership.htm **Here the composition of the Committee on Global Financial System:** **https://www.bis.org/cgfs/membership.htm**
Public payment systems		
57. International payments, often intermediated by correspondent banks, have significant frictions and high and variable costs. As central banks explore digital currencies and inter-operable settlement systems, policy makers need to consider new macroeconomic risks. a) We invite the BIS to include more developing countries in discussions on how to create central bank digital currencies that harness the benefits of digital technologies, increase efficiency of cross-border payments, and address potential macroeconomic risks. b) We encourage the BIS, IMF, and other relevant institutions to provide capacity building to support developing countries to make robust design and implementation decisions about central bank digital currencies.	57. International payments, often intermediated by correspondent banks, have significant frictions and high and variable costs. As central banks explore digital currencies and inter-operable settlement systems, policy makers need to consider new macroeconomic risks. a) We commit to dedicating special sessions of ECOSOC, ~~invite the~~ in collaboration with the BIS, ~~to include more developing countries in discussions on~~ to explore how to create central bank digital currencies that harness the benefits of digital technologies, increase efficiency of cross-border payments, and address potential macroeconomic risks. b) ~~We encourage the BIS, IMF, and other relevant institutions to provide capacity building to support developing countries to make robust design and implementation decisions about central bank digital currencies.~~ b) We recognize that developing countries' capacity to harness digital	**Here the composition of the Committee on Payment Systems and Market Infrastructure:** https://www.bis.org/cpmi/membership.htm

	technologies needs to be based on national public digital infrastructure to avoid excessive dependence on commercial services and infrastructure, and curb the international concentration of such commercial services.	
	57 bis. We recognise the importance of developing bilateral and plurilateral payments initiatives for settling international economic obligations and managing foreign exchange transactions. We commit to explore options to increase the use of national currencies to settle such obligations, complemented by improvements in cross-border payments, clearing, and settlement systems.	
II. G. Science, technology, innovation and capacity building		
Summary and key takeaways • This section has no reference to the democratic deficit in the global governance of STI. It is largely reduced to the idea of riding on the wave of the data and AI revolution, a puzzling move in the current context that demands a holistic, coordinated response to the twin digital and climate transition. • Member states should prioritise establishing an intergovernmental, inclusive, transparent and participatory global mechanism at the UN for the evaluation of new and emerging technologies, inter alia artificial intelligence, and their actual and potential impacts on society, economy, environment and the climate. • The role of people in engaging with innovation at all levels is obscured (whereas there is a glib reference to multistakeholderism, which is not a stand-in for participatory and democratic STI). Instead, there is lip service to inclusion of women and children and populations of the majority world in the STI paradigm. There is increasing consensus that accountability and people's oversight is core and non-negotiable. • The section is also silent on the need for policy and regulation to check the excesses of the market (both international /speculative finance as well as national actors) and should be corrected.		
58. Science, technology and innovation (STI) have advanced at an unprecedented scale and pace, amplifying its contribution in sustainable development. However, its full potential is constrained by persistent	58. Science, technology and innovation (STI) have advanced at an unprecedented scale and pace, amplifying its contribution in sustainable development. However, its full potential is constrained by persistent	"Inadequate global digital cooperation": In the governance of new platform, data and AI technologies, and the governance of cross-border data flows, there needs to be enhanced global digital cooperation, as the UN Global Digital Compact has also highlighted, in

inequality in innovation and technology access, along with inadequate digital infrastructure and digital public goods. Limited national capacity and insufficient international support further hinder the development and use of technologies, including fintech, for sustainable development. Unregulated technological advances can also have unintended consequences for economic and social outcomes, cause environmental degradation, and worsen gender inequality. Coordinated national and international efforts are needed to close digital divides, leverage technological advances for sustainable development, and realize the full potential of digital technology in achieving financial inclusion and financial health.	inequality in innovation and technology access, along with inadequate digital infrastructure and digital public goods. Limited national capacity, ~~and~~ insufficient international support, and inadequate global digital cooperation further hinder the development and use of technologies, including fintech, for sustainable development. Unregulated technological advances can also have unintended consequences for economic and social outcomes, cause environmental degradation, ~~and~~ worsen gender and race inequality and hinder inclusivity for people with disabilities. Coordinated national and international governance is ~~efforts are~~ needed to close digital divides, leverage technological advances for public trust and sustainable development, enable context-appropriate digital industrialization pathways, and encourage public digital innovation to realize the full potential of digital technology in achieving financial inclusion ~~and~~ financial health, and bridging the digital divide for marginalized groups, particularly women, youth, persons with disabilities, and senior citizens.	order to leverage the potential of digital technologies for sustainable development. "Coordinated national and international governance ": A laissez-faire approach to the digital economy has led to inequality and market concentration. It is also becoming clear that the market will not fill gaps in digital innovation for public good in domains where the profit imperative is weak.
Technological advances for sustainable development		
59. STI plays a critical role in pursuing sustainable development. However, developing countries, in particular, face challenges in leveraging the potential of STI, further impeding their sustainable development. To realize the full potential of STI, countries need strengthened	59. STI plays a critical role in pursuing sustainable development. However, developing countries, in particular, face challenges in leveraging the potential of STI, further impeding their sustainable development. To realize the full potential of STI, countries need	

technical capacity and resources for designing and implementing effective, mission-oriented, multistakeholder STI policy and enhancing national innovation systems. Policy frameworks and regulation should also be strengthened to provide adequate oversight of technology, ensuring it supports sustainable development and the full enjoyment of human rights.	strengthened technical capacity and resources for designing and implementing effective, mission-oriented, rights-enabling, and participatory ~~multistakeholder~~ STI policy and enhancing national innovation systems for inclusive and equitable outcomes. Policy frameworks and regulation should also be strengthened to provide adequate public scrutiny and oversight of technology and fundamental rights impact assessments, ensuring it supports sustainable development and the full enjoyment of human rights. Digital inclusion should also be reflected in public procurement, particularly concerning the compliance with standards of digital inclusion of persons with disabilities.	
National innovation systems, including STI4SDG roadmaps a) We will support countries to develop and implement mission-oriented national STI4SDG roadmaps that foster an enabling environment to incentivize innovations aligned with sustainable development. We will provide support and training on strategic STI governance, regulation, and institutions for STI policy in developing countries, especially countries in special situations. b) We call for strengthened competition laws that are adapted to the digital economy, to foster an open, non-discriminatory, fair and inclusive environment for	a)We will support countries to develop and implement mission-oriented national STI4SDG roadmaps that foster an enabling environment to incentivize innovations aligned with maximising public value and sustainable development. We will provide support and training on strategic STI governance, regulation, and institutions for STI policy in developing countries, especially countries in special situations. b) We call for strengthened competition laws that are adapted to the digital economy, data and AI governance regimes to foster an open, non-discriminatory, human rights-oriented, fair, accessible and inclusive environment for innovation and technological development, and deepened international cooperation between national	A holistic approach to digital economy regulation, moving beyond the governance of the marketplace, is essential to promote inclusive innovation.

innovation and technological development, and deepened international cooperation between national competition authorities, given the global reach of major technology firms and the impact of regulatory spillover.	competition authorities, tax authorities, data protection authorities and other data and AI governance bodies, given the global reach of major technology firms and the impact of regulatory spillover.	
Technology transfer, knowledge sharing, capacity building, and financing for STI c) We acknowledge the role of intellectual property regimes and the application of TRIPS flexibilities in contributing to innovation and sustainable development. We commit to promote and encourage further agreements on technology transfer. d) We urge operationalizing the Online University for LDCs to promote science, technology, engineering, and mathematics (STEM) education. e) We will facilitate access to STI funds, through capacity building and knowledge sharing, including ensuring that resources are directed to countries and regions with high needs and impacts. We call for the IFIs, international organizations, and development partners to enhance financing and capacity support to STI projects in developing countries, and invite public development banks, in particular, to scale up support for investment in mission-oriented innovation through risk-sharing instruments, public venture capital funds or	c)We acknowledge the role of intellectual property regimes, and the application of TRIPS flexibilities in contributing to innovation and sustainable development. We commit to promote and encourage further agreements on technology transfer, especially through the non-market route, for inclusive and equitable innovation and knowledge and benefit sharing to democratize the benefits of innovation. e) We will facilitate access to STI funds, through capacity building and knowledge sharing, including ensuring that resources are directed to countries and regions with high needs and impacts. We call for the IFIs, international organizations, and development partners to enhance financing and capacity support to STI projects in developing countries, and invite public development banks, in particular, to scale up support for investment in mission-oriented, rights-respecting innovation through risk-sharing instruments, public venture capital funds or similar instruments. f) We will promote equitable access to AI infrastructural capabilities and ensure adequate financing for capacity building	In the context of data and AI innovation, reforms to existing IP regimes may be critical for inclusive and equitable innovation, along with technology transfer through non-market routes to build infrastructural capabilities in the global South. With AI innovation - data extractivism has led to a flight of resources from people in the South. We need benefit sharing as an explicit complement to tech transfer.

similar instruments. f) We will promote equitable access to AI and ensure adequate financing for capacity building for AI adoption, for development of a regulatory ecosystem that promotes safe, secure, and trustworthy AI systems, and for facilitating developing countries' participation in the global AI dialogue, while taking into consideration the previous internationally agreed outcomes.	for AI adoption, for development of a regulatory ecosystem that promotes human rights-respecting, safe, secure, inclusive, accessible and trustworthy AI systems, and for facilitating developing countries' participation in the global AI dialogue, while taking into consideration the previous internationally agreed outcomes.	
International cooperation on STI g) We resolve to enhance national and international cooperation between actors in the STI ecosystems, including MDBs and DFIs, on open science, open data, digital public goods, affordable and open-source technology, education, and collaborative international research and development that ensures access to countries in need. h) We commit to strengthen the capacity of the UN Technology Facilitation Mechanism and the Technology Bank for LDCs with adequate resources so they can effectively fulfill their mandates. i) We support enhanced collaboration among the STI Forum, the Commission on Science and Technology for Development, and other international platforms. This includes promoting digital infrastructure-related knowledge	g)We resolve to enhance national and international cooperation between actors in the STI ecosystems, including MDBs and DFIs, on open science, open data, digital public goods, digital public infrastructure, affordable, accessible and open-source technology, education, and collaborative international research and development that ensures access to countries in need with appropriate guardrails for eliminating harm and maximising benefit sharing. i)We support enhanced collaboration among the STI Forum, the Commission on Science and Technology for Development, and other international platforms. This includes promoting inclusive digital infrastructure-related knowledge sharing, particularly in identifying investment risks and opportunities, among DFIs and other partners. j)~~We request the Interagency Task Team on STI for the SDGs to undertake~~ We	A data commons approach rather than an open data approach will enable equitable distribution of the development dividends of digitalisation. As the UN acknowledges in the GDC, digital public goods and digital public infrastructure are equally essential. There are already several CSTD Resolutions on the need to establish a global mechanism on technology assessment and UNCTAD has completed a pilot project on technology assessment in Africa. The rapid advances in frontier technologies including artificial intelligence, there is urgency in creating a global mechanism on technology assessment under the UN.

sharing, particularly in identifying investment risks and opportunities, among DFIs and other partners. j) We request the Interagency Task Team on STI for the SDGs to undertake an assessment of the major obstacles that hamper international diffusion of technologies for the SDGs, especially green technologies.	decide to establish an intergovernmental, inclusive, transparent and participatory global mechanism at the UN for the evaluation of new and emerging technologies, inter alia artificial intelligence, and their actual and potential impacts on society, economy, environment and the climate, including an assessment of the major obstacles that hamper international diffusion of technologies for the SDGs, especially green technologies.	
Digital divides		
60. The lack of essential digital infrastructure poses a significant barrier for many developing countries, especially countries in special situations, exacerbating the digital divides, including the gender digital divide. Increasing investment in resilient digital public infrastructure and digital public goods is extremely important. Achieving universal connectivity will require mapping out gaps and measures to scaling up investment at the national level with the support of the international community. a) We commit to develop financing plans and coordinate investment in digital public infrastructures and digital public goods as part of national financing frameworks, and technical support from partners through country-led platforms. We will support countries in their design of digital infrastructure financing models and impact measurement to close	60. The lack of essential digital infrastructure poses a significant barrier for many developing countries, especially countries in special situations, exacerbating the digital divides, including the gender, race and disability digital divide. Increasing investment in resilient digital public infrastructure and digital public goods is extremely important. Achieving universal connectivity will require mapping out gaps and measures and appropriate governance frameworks to scaling up public investment at the national level for universal, affordable, and meaningful connectivity with the support of the international community, as well as creating enabling environments for complementary connectivity solutions. a) We commit to develop financing plans and coordinate investment in inclusive digital public infrastructures and digital public goods as part of national financing frameworks, and technical support from partners through country-led platforms for	Evidence suggests that the market will not close the access gap in pockets where the profit incentive does not work (rural, remote populations). Public investment is essential for universal, affordable and meaningful connectivity – a precondition for closing the digital divide. “Complementary connectivity solutions” is the term included in the Digital Divide resolutions from the ITU in both WTDC and Plenipotentiary Conferences to refer to community-centred connectivity.

the connectivity gap and improve the quality and affordability of connectivity as called for in the Global Digital Compact. b) We will promote access to science and technology for women, youth, and children. c) We invite countries to bring projects on digital public infrastructures and digital public goods to the SDG Investment Fair.	building infrastructural design and governance capabilities. We will support countries in their design of inclusive digital infrastructure financing models and impact measurement to close the connectivity gap and improve the quality and affordability of connectivity as called for in the Global Digital Compact. c) We invite countries to bring projects on digital public infrastructures and digital public goods, and good practices in ethical and rights-respecting digital innovation to the SDG Investment Fair.	
Digital technology for financial inclusion and financial health		
61. The rapid growth of digital technology has improved financial inclusion for individuals and MSMEs. Despite progress, there are still significant gaps in access and use, and new risks, as some fintech companies are not subject to the same regulations as other financial institutions. To fully realize the potential of fintech, complementary investments in technology access, financial and digital literacy skills, infrastructure and regulatory frameworks are needed. Coordinated national policy actions and strengthened international cooperation, especially on emerging issues, are essential to safeguard consumer protection, foster fair competition, ensure financial stability, and uphold financial integrity. a) We will support countries in creating enabling domestic	61.The rapid growth of digital technology has improved financial inclusion for individuals and MSMEs. Despite progress, there are still significant gaps in access and use, and new risks, as some fintech companies are not subject to the same regulations as other financial institutions. To fully realize the potential of fintech, complementary investments in technology access, financial and digital literacy skills, infrastructure and regulatory frameworks are needed and should be made available for all, particularly marginalized groups, including persons with disabilities. Coordinated national policy actions and strengthened international cooperation, especially on emerging issues, are essential to safeguard consumer	

environments for development of digital financial services, underpinned by partnerships between local banks and fintech firms to expand financial inclusion services' reach, especially in rural areas, and adaptive regulatory frameworks that effectively manage the opportunities and risks of new technologies. b) We commit to implement comprehensive and ethical financial and digital literacy programmes that target all segments of society, including women, youth, and marginalised communities, including by mainstreaming these into educational curricula at all levels. c) We invite relevant stakeholders to the respective sessions of the ECOSOC FFD Forum to exchange knowledge and share experiences and expertise on policy and regulatory frameworks to respond to the development of digital financial services, avoiding silo-style regulation. d) We will consider utilizing the Global Dialogue on AI Governance, convened in accordance with the Global Digital Compact, as a platform to discuss governance of fintech, including exploring the development of a set of principles for safe, equitable, and inclusive development and use of AI in fintech.	protection, foster fair competition, ensure financial stability,~~ and~~ uphold financial integrity, and hold transnational corporations effectively accountable for individual and collective harm stemming from business practices in cross-border fintech value chains, in accordance with the UN Guiding Principles on Business and Human Rights a)We will support countries in creating enabling domestic environments for development of digital financial services, underpinned by partnerships between local banks and fintech firms to expand financial inclusion services' reach, especially in rural areas, and adaptive regulatory frameworks ~~that effectively manage the opportunities and risks of new technologies~~ based on human rights due diligence requirements and accountability and reparation mechanisms to effectively manage the opportunities and risks of new technologies. b)We commit to implement comprehensive and ethical financial and digital literacy programmes that target all segments of society, including women, persons with disabilities, youth, and marginalized communities, including by mainstreaming these into educational curricula at all levels and adult literacy and life-long learning education initiatives. c)We invite relevant stakeholders to the respective sessions of the ECOSOC FFD Forum to exchange knowledge and share	

<table>
<tr><td></td><td>experiences and expertise on policy and regulatory frameworks to respond to the development of digital financial services, avoiding silo-style regulation and erosion of public banking infrastructure.

d)We will consider utilizing the Global Dialogue on AI Governance, convened in accordance with the Global Digital Compact, as a platform to discuss governance of fintech, including exploring the development of a set of principles for safe, equitable, transparent, accountable and inclusive development and use of AI in fintech</td><td></td></tr>
<tr><td>III. Data, monitoring and follow up</td><td></td><td></td></tr>
<tr><td colspan="3">Summary and key takeaways:
Member states should move away from inter-agency to strengthening intergovernmental review of the implementation of the FfD agenda
A UN intergovernmental process should be established to agree any data and monitoring framework ensuring that the focus is on international cooperation aspects of the FFD agenda rather than highly prescriptive national implementation and review approaches.
As much as we appreciate the cooperation with the FfSD Office, we have been very critical of the work of the IATF because of its internal power asymmetries and political economies. The IATF is failing on its mandate by providing a biased report annually reflecting the internal politics of the agencies & institutions, rather than a politically neutral and relevant assessment of progress, gaps and recommendations.
When discussing IFA reform, there is an obvious conflict of interest in the IATF to lead the work. The core struggle of the FfD process is that of democratizing global economic governance and establishing a more democratic governance ecosystem centred around the UN. Some of the big powers behind the IATF are clearly out of sync with such a focus and rather stand to defend the institutional status quo. The path breaking decision to initiate the tax convention process has been taken despite the IATF process (which includes the OECD) rather than thanks to the IATF process.
Member states should instead further strengthen intergovernmental negotiations and review of the implementation of the FFD agenda.
The role of the FfD process is to ensure international enabling economic environment and the need for international cooperation to address global systemic challenges. INFFs as a tool risk domesticating this agenda, moving focus away from 'global' to national. Link to our policy brief highlighting concerns on INFFs: https://csoforffd.org/resources/undue-inffluence-the-risk-of-the-united-nation-s-growing-emphasis-on-integrated-n/
</td></tr>
<tr><td>62. Timely, reliable, high-quality, and disaggregated data and statistics are essential for advancing the financing for development agenda. They support</td><td>62. Timely, reliable, high-quality, and disaggregated data and statistics are essential for advancing the financing for development agenda. They support</td><td></td></tr>
</table>

informed decision-making across all action areas while enabling effective monitoring and follow-up. Strengthened mechanisms for monitoring and follow-up are equally vital to ensuring sustained progress on financing for development.	informed decision-making across all action areas while enabling effective monitoring and follow-up. Strengthened intergovernmental mechanisms for monitoring and follow-up are equally vital to ensuring sustained progress on financing for development.	
Investment in data and statistical systems		
63. Many Member States, in particular developing countries, have not been able to fully capitalize on the power of data. Investment in data remains insufficient, resulting in gaps in the availability of high quality and disaggregated data and statistics (e.g., on gender and sex) needed to inform evidence-based decision making, especially for developing countries. This was particularly apparent during the COVID-19 crisis. a) We commit to accelerate progress on the Cape Town Global Action Plan for Sustainable Development Data, and invest in national data and statistical systems, including digital infrastructure. We further commit to the Medellin Framework [to be adopted by the United Nations Statistical Commission in March 2025]. b) We commit to increase financial support for data and statistical capacity building in developing countries, especially countries in special situations and those facing specific challenges,	63. Many Member States, ~~in particular developing countries~~, have not been able to fully capitalize on the power of data. Investment in data remains insufficient, resulting in gaps in the availability of high quality and disaggregated data and statistics (e.g., on gender and sex, race, disability and age) needed to inform evidence-based decision making, ~~especially for developing countries~~. This was particularly apparent during the COVID-19 crisis. a) We commit to accelerate progress on the Cape Town Global Action Plan for Sustainable Development Data, and invest in building inclusive national data and statistical systems, including inclusive digital infrastructure. We further commit to the Medellin Framework [to be adopted by the United Nations Statistical Commission in March 2025].	Not just a challenge in developing countries.

and will scale up predictable financing for sustainable development data. This includes support for the SIDS Data Hub as called for in the Antigua and Barbuda Agenda for SIDS.		
Data frameworks for sustainable development, accessibility and innovation		
64. The SDG indicator 17.3.1 on financing data was developed in 2022 to track resources mobilized for developing countries from multiple sources, alongside a breakthrough UN conceptual framework to measure South-South cooperation. Stronger efforts are needed to enhance disaggregated data, accessibility and innovative data sources. Political momentum is also growing for measuring and monitoring progress in sustainable development using metrics that go beyond GDP. a) We support the continued strengthening of the SDG indicator framework, including support for enhancing the consistent reporting on and use of SDG indicator 17.3.1 and prioritization of highquality, disaggregated data collection, including on gender and vulnerable groups. b) We encourage the promotion of open, interoperable data platforms and standards to improve data sharing and accessibility, addressing challenges for developing countries.	a)We support the continued strengthening of the SDG indicator framework, including support for enhancing the consistent reporting on and use of SDG indicator 17.3.1 and prioritization of highquality, disaggregated data collection, including on gender, disability and vulnerable groups.	

c) We encourage the enhanced coordination on data among international financial institutions, the United Nations, Member States, and development agencies. d) We encourage leveraging innovation in non-traditional data sources like citizen-generated data and remote sensing, supported by public-private partnerships and specific, measurable, achievable, relevant and time-bound or SMART indicators. e) We commit to advance the process on measures of progress on sustainable development that complement or go beyond GDP, as agreed in the Pact for the Future.		
Monitoring and follow-up		
65. The Addis Ababa Action Agenda strengthened the financing for development follow-up process. However, challenges remain with participation of Member States, engagement of all relevant stakeholders, tight negotiation timelines, and insufficient space for sustained engagement between ECOSOC and the Executive Directors of the Bretton Woods institutions. There is also room to improve the incorporation of national and regional perspectives into the global dialogue. The strengthened follow-up process after the Fourth International Conference on Financing for Development will enhance monitoring, global policy coherence, and links to regional and national-level action, without significant new burdens or data	The Addis Ababa Action Agenda strengthened the financing for development follow-up process. However, challenges remain with participation of Member States, engagement of all relevant stakeholders, tight negotiation timelines, and insufficient accountability of ~~space for sustained engagement between ECOSOC and~~ the Executive Directors of the Bretton Woods institutions. There is also room to improve the incorporation of national and regional perspectives into the global dialogue. The strengthened follow-up process after the Fourth International Conference on Financing for Development will enhance intergovernmental monitoring, global policy coherence, and links to regional	This entire section pre-empts negotiation outcomes across thematic areas. This is particularly concerning as it entirely ignores critical UN intergovernmental processes that need to be agreed to fill governance gaps. The suggested edits demonstrates these gaps. A UN intergovernmental process should be established after the FfD4 outcome document is adopted to agree any data and monitoring framework ensuring that the focus is on international cooperation aspects of the FFD agenda rather than highly prescriptive national implementation and review approaches.

demands. a) We request the Inter-Agency Task Force on Financing for Development to propose a concise set of financing indicators to measure the progress and implementation of the Addis Ababa Action Agenda and [Seville outcome], using existing data where possible, with intergovernmental negotiation and agreement on the framework at the General Assembly in the second half of its 80th session; emphasizing the importance of disaggregation of data where possible**.** Financing indicators should be relevant, methodologically sound, measurable, easy to communicate and access, and limited in number. We also invite the United Nations Statistical Commission to followup on gaps in coverage and capacity building needs on the financing indicators. b) We commit to deepen substantive discussions at the ECOSOC FFD Forum through an in-depth review of the action areas of the financing for development outcomes in a biennial cycle. This will allow for deeper reporting by the Inter-agency Task Force on Financing for Development, more focus in ECOSOC FFD Forum outcome document negotiations, and more in-depth and meaningful	and national-level action, without significant new burdens or data demands. a)We decide to establish a UN intergovernmental process to ~~request the Inter-Agency Task Force on Financing for Development to~~ propose a concise set of financing indicators to measure the progress and implementation of all FfD outcomes, including the Addis Ababa Action Agenda and [Seville outcome], using existing data where possible, with intergovernmental negotiation and agreement on the framework at the General Assembly in the second half of its 80th session; emphasizing the importance of disaggregation of data where possible**.** b)We commit to deepen ~~substantive~~ intergovernmental negotiations and discussions at the ECOSOC FFD Forum through an in-depth review of the action areas of the financing for development outcomes in a biennial cycle. This will allow for deeper intergovernmental decision-making ~~reporting by the Inter-agency Task Force on Financing for Development,~~ more focus in ECOSOC FFD Forum outcome document negotiations, and more in-depth and meaningful discussion at the ECOSOC FFD Forum by Member States and relevant stakeholders on emerging issues and specific challenges, including in the special high-level meeting with the Bretton Woods institutions, WTO and UNCTAD.	

discussion at the ECOSOC FFD Forum by Member States and relevant stakeholders on emerging issues and specific challenges, including in the special high-level meeting with the Bretton Woods institutions, WTO and UNCTAD. To strengthen follow-up on action areas in the years that they are discussed in-depth, we will: i. on domestic public resources, use the ECOSOC Special Meetings on Financial Integrity and on Tax, which involve all relevant stakeholders, to discuss options for commitments and actions to be agreed in the ECOSOC FFD Forum outcome; ii. on private business and finance, commit to enhanced engagement of the private sector, building on existing mechanisms such as the Fourth International Conference on Financing for Development Business Steering Committee and the Global Investors for Sustainable Development Alliance; iii. on international development cooperation, align the ECOSOC FFD Forum and the DCF cycles, with the DCF held prior to and reporting to the ECOSOC FFD Forum; iv. on international trade, hold the special high-level meeting that engages with WTO and UNCTAD in a separate	i.on domestic public resources, use the negotiations towards a UN framework convention on tax, ECOSOC Special Meetings on Financial Integrity and on Tax, which involve all relevant stakeholders, to discuss options for commitments and actions to be agreed in the ECOSOC FFD Forum outcome; ii.on private business and finance, commit to ~~enhanced engagement of~~ regulating the private sector, ~~building on~~ including intergovernmental review of the existing mechanisms such as the Fourth International Conference on Financing for Development Business Steering Committee and the Global Investors for Sustainable Development Alliance; iii.on international development cooperation, establish a UN intergovernmental process towards a legally binding convention on IDC that includes reviewing relevant data and monitoring mechanisms, align the ECOSOC FFD Forum and the DCF cycles, with the DCF held prior to and reporting to the ECOSOC FFD Forum; iv.on international trade, we agree to establish a UN intergovernmental process to review trade as an engine for development and SDGs, hold the special high-level meeting that engages with WTO and UNCTAD in a separate session in the ECOSOC FFD Forum; v.on debt, we agree to establish a UN intergovernmental process to agree a	

session in the ECOSOC FFD Forum; v. on debt, hold a dialogue between the Paris Club, other official creditors and debtors and the United Nations, along with the IMF and World Bank and other relevant actors; vi. vi. on systemic issues, discuss the outcomes of the ECOSOC High-level Special Meetings on Credit Ratings, and invite regulatory standard setters such as the Financial Stability Board to participate in the ECOSOC FFD Forum; vii. on science, technology and innovation, invite authorities of different jurisdictions to share experience and expertise on policy and regulatory frameworks to respond to the effects of digital technologies on financing for development. c) We will continue to hold the High-level Dialogue on Financing for Development of the General Assembly every four years, back-to-back with the High-Level Political Forum under the auspices of the General Assembly when the high-level political forum is convened. d) To strengthen national follow-up, we will appoint focal points for financing for development in our finance and other relevant ministries and establish cross-departmental platforms for	legally binding convention on debt., ~~hold a dialogue between the Paris Club, other official creditors and debtors and the United Nations, along with the IMF and World Bank and other relevant actors;~~ vi. on systemic issues, we agree to establish an ~~discuss the outcomes of the~~ ECOSOC Commission ~~High-level Special Meetings~~ on Credit Ratings, and invite regulatory standard setters such as the Financial Stability Board to participate in the ECOSOC FFD Forum ~~d)To strengthen national follow-up, we will appoint focal points for financing for development in our finance and other relevant ministries and establish cross-departmental platforms for financing for development policy coordination and preparing national presentations, building on INFF experiences, where appropriate.~~ ~~e)To strengthen peer review and further enhance participation from capitals, we will invite countries to present Financing Action Reviews on progress and challenges in implementing the Financing for Development outcomes at the ECOSOC FFD Forum, building on INFFs where appropriate, in a similar format to voluntary national reviews on SDG implementation, in a ministerial segment of the ECOSOC FFD Forum to incentivize reporting by Member States, and to catalyze investment through the SDG Investment Fair.~~ g)We will ~~consider the need to~~ hold a follow-up conference by 2029.	

financing for development policy coordination and preparing national presentations, building on INFF experiences, where appropriate. e) To strengthen peer review and further enhance participation from capitals, we will invite countries to present Financing Action Reviews on progress and challenges in implementing the Financing for Development outcomes at the ECOSOC FFD Forum, building on INFFs where appropriate, in a similar format to voluntary national reviews on SDG implementation, in a ministerial segment of the ECOSOC FFD Forum to incentivize reporting by Member States, and to catalyze investment through the SDG Investment Fair. f) We commit to strengthen regional follow-up processes, led by regional economic commissions, with regular regional reporting on progress, regional committees, and consultations on progress and priorities. g) We will consider the need to hold a follow-up conference by 2029.		
66. We commit to undertake collective efforts to enact concrete policies and actions within this renewed global financing framework, with the aim of achieving sustainable development and rebuilding trust in multilateralism.		