FfD4 PrepCom 3 FINAL

IISD Earth Negotiations Bulletin

Earth Negotiations Bulletin

A Reporting Service for Environment and Development Negotiations

Vol. 23 No. 16 | Online at: enb.iisd.org/precom3-international-conference-financing-development-ffd4 | Monday, 17 February 2025

Summary of the Third Session of the Preparatory Committee for the Fourth International Conference on Financing for Development: 10-14 February 2025

In 2015, the world was on the cusp of adopting the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs). At the same time, delegates were separately negotiating what would become the Addis Ababa Action Agenda (AAAA), which was adopted at the third International Conference on Financing for Development (FfD3). Although conducted in parallel, the processes fit together, with the AAAA acting as the financing arm of the 2030 Agenda and enable governments to eradicate extreme poverty and hunger, and address the most pressing social and environmental challenges, such as economic inequality, climate change, and environmental degradation.

Ten years later, and with time quickly running out on the race to achieve the SDGs, the next International Conference on Financing for Development is in the offing. Having initiated the preparatory process for the fourth International Conference in 2024, delegates gathered at UN Headquarters for a third round of talks towards an ambitious outcome looking beyond the 2030 Agenda. At the third session of the Preparatory Committee (PrepCom3) for FfD4, delegates carried out a complete reading of the zero draft of the FfD4 outcome document, which contained eight main sections.

Participants provided comments on a wide range of contentious issues related to the international financial architecture, including tax cooperation towards increased domestic resource mobilization for development. Delegates also discussed how best to tackle illicit financial flows and financial governance issues, particularly those related to corruption.

Significantly, they considered the changing landscape of official development assistance (ODA), with familiar reminders that most developed countries have never met their commitment to direct 0.7% gross national income (GNI) towards ODA. They also discussed how best to reflect the need for climate financing with a large number of delegations noting this should be new and additional to, and separate from, ODA.

Delegates also debated debt and debt sustainability, with many supporting reform of the governance structures of the main international financial institutions to advocate for developing countries. They put forward their priorities for science, technology, and innovation, including on the need to close the digital divide and provide equitable access to new technologies, like artificial intelligence. Many delegations also called for a fit-for-purpose system for monitoring and follow-up to track the implementation of commitments.

Delegates agreed to reconvene for line-by-line negotiations of a revised outcome document at the end of March 2025, before meeting again in a formal session in late April 2025. Members of civil society voiced concerns over the fact that the next round of negotiations would only be open to states, calling for a more transparent process.

PrepCom3 for FfD4 convened at UN Headquarters in New York from 10-14 February 2025, bringing together over 200 representatives from governments, intergovernmental organizations, civil society, academia, and the private sector.

A Brief History of the Financing for Development Conferences

In June 1997, the UN General Assembly (UNGA) adopted the Agenda for Development, which called for consideration of the idea of holding an international conference on financing for

In this Issue

This issue of the *Earth Negotiations Bulletin* (ENB) © <enb@iisd.org> is written and edited by Tallash Kantai, Anna Dubrova, and Emma Vovk. The Photographer is Mike Muzurakis. The Editor is Pamela Chasek, Ph.D. <pam@iisd.org>. The ENB is published by the International Institute for Sustainable Development (IISD). The Sustaining Donor of the *Bulletin* is the European Union (EU). General support for ENB during 2025 is provided by the German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV), the Japanese Ministry of Environment (through the Institute for Global Environmental Strategies - IGES), the Government of Switzerland (Swiss Federal Office for the Environment - FOEN), and SWAN International. The contents of this report are the sole responsibility of the authors and can under no circumstances be regarded as reflecting the position of the donors or IISD. Generative AI was not used in the production of this report. Excerpts from ENB may be used in non-commercial publications with appropriate academic citation. For information on the *Bulletin*, including requests to provide reporting, contact the ENB Lead, Jessica Templeton, Ph.D. <jtempleton@iisd.org>.

development (FfD). Subsequently, during its 52nd session in December 1997, the UNGA adopted resolution 52/179, which noted the need for systematic, comprehensive and integrated high-level intergovernmental consideration of FfD, and created an *ad hoc* open-ended working group to formulate recommendations on the form, scope, and agenda for consideration.

The *ad hoc* working group held six sessions between December 1998 and May 1999, and adopted a report of recommendations (A/54/28) to forward to the UNGA on the form, scope, and agenda of a high-level intergovernmental event, proposed for 2001. In December 1999, the UNGA adopted resolution 54/196, which endorsed the report of the *ad hoc* working group and decided to convene a meeting of political decision makers, at least at the ministerial level. It established a Preparatory Committee (PrepCom) and a schedule for initial meetings and called on the UN Secretary-General to consult with the International Monetary Fund (IMF), World Bank, and World Trade Organization (WTO), and share the results of these consultations with the PrepCom; and called for consultations with relevant stakeholders.

First International Conference on Financing for Development: Following PrepCom meetings in May 2000, February 2001, April-May 2001, and October 2001, the first FfD Conference took place from 18-22 March 2002 in Monterrey, Mexico. UN Member States adopted the Monterrey Consensus, consisting of six general categories of issues: mobilizing domestic financial resources; mobilizing international resources for development; trade; international financial cooperation for development; debt; and systemic issues including enhancing the coherence of the international monetary system to support development. Member States agreed to mobilize financial resources and achieve the national and international economic conditions needed to fulfil internationally agreed development goals, including those contained in the Millennium Declaration, to reduce poverty and improve social conditions.

The Monterrey Conference decided to strengthen and make full use of the UNGA and the UN Economic and Social Council (ECOSOC), as well as the relevant intergovernmental/governing bodies of other institutional stakeholders, for the purposes of conference follow-up and coordination. As a follow-up to this decision, ECOSOC holds an annual special high-level meeting with the World Bank, the IMF, the WTO and the UN Trade and Development (UNCTAD) to address issues of coherence, coordination, and cooperation.

Second International Conference on Financing for Development: During its 62nd session in January 2008, the UNGA adopted resolution 62/187, which called for a Follow-up International Conference on FfD to Review the Implementation of the Monterrey Consensus to be held in Doha, Qatar, from 29 November - 2 December 2008.

During the preparatory process, substantive informal review sessions on the six thematic areas of the Monterrey Consensus, informal consultations, hearings with civil society and the business sector, and regional consultations were organized. In July 2008, the UNGA President released a draft outcome document. Informal consultations on this draft took place in September, and drafting sessions were held in October and November 2008.

The Doha Conference, which took place in the midst of a global economic crisis, included plenary meetings and interactive multi-stakeholder roundtables on the six major thematic areas of the Monterrey Consensus. In addition to the summaries of the plenary meetings and roundtable discussions, the report of the Conference included the Doha Declaration on Financing for Development, adopted after intense negotiations. The Declaration reaffirmed the Monterrey Consensus; stressed the need to maintain aid commitments despite global economic uncertainty; and called for a UN conference at the highest level to examine the impact of the world financial and economic crisis on development.

Third International Conference on Financing for Development: At its 68th session in January 2014, in resolution 68/204, the UNGA decided to convene a third international conference on FfD. In resolution 68/279, adopted in June 2014, the UNGA decided that the conference would be held in Addis Ababa, Ethiopia, from 13-16 July 2015. Stressing the need for coherence and coordination and to avoid duplication, the resolution emphasized the need for effective coordination between the preparatory process for the conference and the preparations for the UN summit to adopt the post-2015 development agenda in September 2015. The resolution also noted that the reports of the Intergovernmental Committee of Experts on Sustainable Development Financing, the Open Working Group on the Sustainable Development Goals, and the Secretary-General's synthesis report on the post-2015 development agenda should serve as important inputs to the preparations for the conference.

After three drafting sessions in January, April, and June 2015, the third FfD Conference opened in Addis Ababa. Delegates adopted the Addis Ababa Action Agenda (AAAA), building on both the Monterrey Consensus and the Doha Declaration. The AAAA contains three main sections: a global framework for financing development post-2015; action areas; and data, monitoring, and follow-up. The second section, on action areas, includes seven sub-sections: domestic public resources; domestic and international private business and finance; international development cooperation; international trade as an engine for development; debt and debt sustainability; addressing systemic issues; and science, technology, innovation and capacity building. Many considered the Action Agenda as the all-important financing piece of the 2030 Agenda for Sustainable Development.

UNGA Resolutions 78/231 and 78/271: At its 78th session in December 2023, the UNGA adopted resolution 78/231 on the "follow-up to and implementation of the outcomes of the International Conferences on Financing for Development," setting the stage for the preparatory process for FfD4. In April 2024, the UNGA adopted resolution 78/271 setting the date for FfD4 as 30 June – 3 July 2025 in Seville, Spain; and noting that the Conference shall result in an intergovernmentally negotiated and agreed outcome. The UNGA also decided that the intergovernmental preparatory process would be open to participation by states, specialized agencies, and UNGA observers, as well as relevant intergovernmental organizations, international financial institutions, and other interested international accredited bodies.

At its organizational session, the PrepCom elected Zéphyrin Maniratanga (Burundi) and Ana Paula Zacarias (Portugal) as the Co-Chairs of the Committee.

PrepComs 1 and 2: From 22-26 July 2024, delegates convened in Addis Ababa for PrepCom1, holding a series of multi-stakeholder roundtables on all the elements of the AAAA. Delegates elected Rui Vinhas (Portugal) to replace Zacarias. Delegates also elected four Co-Facilitators to guide the preparation of the FfD4 outcome document. They are Chola Milambo (Zambia); Merete Fjeld Brattested (Norway); Lok Bahadur Thapa (Nepal); and Alicia Buenrostro Massieu (Mexico).

At PrepCom2, which convened in New York from 3-6 December 2024, delegates discussed an elements paper for the FfD4 outcome document. They agreed to the development of a zero draft of the FfD4 outcome document based on their discussions, including sections on domestic public resources; domestic and international private business and finance; international development cooperation; international trade; debt and debt sustainability; systemic issues; science, technology, and innovation; and data, monitoring, and follow up.

PrepCom3 Report

FfD4 PrepCom Co-Chair Zéphyrin Maniratanga opened the session on Monday, 10 February, introducing the zero draft of the FfD4 outcome document that was circulated to Member States on Friday, 17 January 2025. He urged rethinking economic models to strengthen partnerships for a more equitable future, underlining that current governance is neither sufficiently representative nor fit-for-purpose.

FfD4 PrepCom Co-Chair Rui Vinhas noted that the draft presents concrete measures focused on the type and quality of reforms needed to achieve impactful investment for the SDGs. He stressed that the cost of inaction is too high, calling for constructive engagement to collectively correct course.

In a video message, UN Deputy Secretary-General Amina Mohammed underscored that FfD4 is the last major opportunity before 2030 to unlock finance at the required speed and scale. She called on delegates to maintain the zero draft's ambition to deliver bold action towards a transformed and equitable system. Representing the FfD4 host government, Sergio Colina Martín, Ministry of Foreign Affairs, European Union and Cooperation, Spain, expressed hope that the conference will showcase a true global alliance in closing the finance gap for implementing the SDGs with constructive and integrated participation from stakeholders at all levels.

Norma Salomé Munguía Aldaraca, Ministry of Foreign Affairs, Mexico, underlined the need for an ambitious and inclusive financing agenda to provide development for all. She stressed the need for FfD4 to strengthen the international financial architecture (IFA) and close financing gaps.

Organizational Matters

On Monday, delegates adopted the organization of work (A/CONF.227/2025/PC/CRP.1). They also adopted the proposed dates of PrepCom4 (A/CONF.227/2025/PC/L.1), which is scheduled to be held over two sessions, from 30 April - 1 May 2025 and in mid-June 2025 as reflected in the FfD4 Negotiations Roadmap.

Presentation of the Zero Draft of the Ffd4 Outcome Document

On Monday, Outcome Document Co-Facilitator Chola Milambo presented the zero draft of the FfD4 outcome document, noting it reflects submissions from states and stakeholders. He highlighted the various sections of the draft, and noted that it would be revised after PrepCom3, taking into account comments and submissions.

Co-Facilitator Alicia Buenrostro Massieu stated that the draft, among other issues, envisioned an intergovernmental process under the UN to explore options for debt restructuring, and highlighted measures to enhance governance reforms at the global level towards rechanneling special drawing rights (SDRs) under the IMF. She highlighted the draft's proposals for an experience exchange forum similar to Voluntary National Reviews under the High-level Political Forum on Sustainable Development (HLPF).

Ministerial Scene Setter

Under the theme "bringing political momentum to the negotiations of the FfD4 outcome document," delegates engaged in a roundtable discussion on Monday, guided by a concept note.

Li Junhua, Under-Secretary General for Economic and Social Affairs and FfD4 Secretary-General, stressed rising debt and constrained fiscal space in developing countries, and called for a large-scale, publicly-led investment push and reform of sustainable development infrastructure to reduce the cost of capital and improve crisis response mechanisms.

Moderator Mahmoud Mohieldin, Special Envoy on Financing the 2030 Agenda, called for a systems approach to financial flows and pointed out growing trade restrictions, stressing digitalization and regional action among solutions to unlocking finance.

Achim Steiner, Administrator, UN Development Programme (UNDP), welcomed the zero draft's ambition in light of the financially stressed circumstances characterizing current international realities, including the chronic defunding and underfinancing of existing public sector commitments. He highlighted the need for a greater leveraging relationship between public and private finance, and stressed the importance of "investing in one another."

Noting the challenges are well known, EGYPT called for a draft with more focus on actionable, scalable solutions. They highlighted the importance of reducing borrowing risk and blended finance for unlocking private finance. To improve resource mobilization, they suggested digitalization and widening the tax base, and detailed efforts under the Sustainable Debt Coalition.

ETHIOPIA stressed the need to develop integrated approaches to development and humanitarian interventions, explaining that this coordination should happen on national, domestic, and international levels. They also noted challenges in attracting private sector investments, citing derisking as a possible solution.

GUATEMALA emphasized that "declarations are not enough," noting political will must be reflected in resource allocation and the establishment of effective accountability mechanisms. They stressed that ODA continues to be a vital source of finance for many economies.

INDIA urged for strengthened dialogue between negotiating blocs, stressing the importance of collective action in bridging the finance gap. They called for rebuilding trust and solidarity in the current geopolitical climate, achieving multi-level policy coherence, and providing developing countries with the necessary space to chart their own development pathways.

GERMANY welcomed the integration of climate and biodiversity finance, noting their pivotal role in advancing sustainable development. They called for strengthening existing institutional structures to deliver practical solutions for high-priority challenges.

In the ensuing discussion, the EUROPEAN UNION (EU) noted that the FfD4 process must bridge the SDG financing gap and highlighted the need for coherent, efficient, and effective action towards resource mobilization from all sources. They called for targeting inequalities, including gender, and underlined the need to finance peacebuilding.

Suriname, for the CARIBBEAN COMMUNITY (CARICOM), stressed there are unique challenges facing the region's small island developing states (SIDS) that require urgent targeted action. They underlined that FfD4 should deliver on the Antigua and Barbuda Agenda for SIDS (ABAS), and called for increased and more predictable climate finance, which should be separate from development finance. They underscored the need to restructure the current unsustainable debt financing framework.

Kyrgyzstan, for LAND-LOCKED DEVELOPING COUNTRIES (LLDCs) called for the draft to reference and leverage the Programme of Action for LLDCs. YEMEN stressed the need to coordinate development and humanitarian finance and called for a mechanism to support nations in crisis.

The RUSSIAN FEDERATION highlighted the role of small and medium enterprises (SMEs), calling for UN-wide rules on ensuring SME growth, and condemned unilateral trade measures. SOUTH AFRICA reported on creating a commission to investigate the high cost of capital and noted an effort to address FfD during the upcoming G20 meeting.

ANTIGUA AND BARBUDA called for recognizing the climate and development finance nexus and for integrating the Multidimensional Vulnerability Index (MVI). They called for further elaboration of the Debt Sustainability Support Service (DSSS). MALDIVES called for innovative debt solutions, like writing off debt for resilience building. BELIZE called for integration of MVI, debt relief for resilience building, reduction of capital costs, and scalable financial instruments like blue bonds.

Calling for long-term finance, technology transfer, and capacity building, CUBA lamented unmet ODA commitments and protested unilateral coercive measures (UCMs).

GHANA called for overhauling the credit rating system, ensuring debt sustainability, expanding long-term and concessional finance, and increasing local currency lending.

CANADA reported on including FfD under the G7 agenda and suggested alignment of this work with the G20 track. They suggested a holistic approach to long-term finance and good governance and urged against duplication of efforts and fragmentation.

BANGLADESH suggested including a framework to support graduating least developed countries (LDCs), better addressing illicit finance flows (IFFs), connecting to ongoing work towards the UN Framework Convention on International Tax Cooperation, and ensuring food and energy security.

JAMAICA called for the FfD4 process to include developing countries' voices and address the challenges of countries facing natural disasters, including a clause that excludes debt-servicing requirements for those countries.

The PHILIPPINES stressed the outcome should reflect the principle of common but differentiated responsibilities (CBDR) and contain tangible solutions.

AUSTRALIA supported prioritizing climate finance in FfD4 and called for the outcome to reaffirm the 2030 Agenda and SDGs, with national commitments to undertake necessary reform and address the needs of the most vulnerable.

The CIVIL SOCIETY FFD MECHANISM recalled the Monterrey Consensus had asserted the need to address systemic asymmetries, and urged this be reinvoked to redress intersectional inequalities. They underscored the role of the UN in financial and economic norm-setting to facilitate international cooperation and global action.

Consideration of the Zero Draft of the FfD4 Outcome Document

Led by Co-Facilitators Chola Milambo, Merete Fjeld Brattested, Lok Bahadur Thapa, and Alicia Buenrostro Massieu, delegates provided comments on the Zero Draft from Monday to Friday in informal sessions.

A global financing framework: Delegates commenced a review of the preambular paragraphs of this section, which also contains sub-sections pertaining to a renewed global financing framework and realizing sustainable development.

The GROUP OF 77 AND CHINA (G-77/CHINA), supported by the AFRICAN GROUP, INDONESIA, BRAZIL, GUATEMALA, FIJI, and CHINA, requested stronger language on the urgency to reform the IFA, recalling agreed language under the AAAA. They called for references to the outstanding SDG financing gap of USD 4.3 trillion per year and the SDG Stimulus goal of scaling up SDG financing and investment by at least USD 500 billion annually, which was also supported by the ALLIANCE OF SMALL ISLAND STATES (AOSIS), the AFRICAN GROUP, IRAN, FIJI, INDONESIA, AUSTRALIA, CUBA, and COLOMBIA; and suggested referencing climate and disaster-related "impacts" rather than "risks," with AOSIS preferring references to both.

AOSIS proposed reflecting that many commitments and pledges towards international assistance are unfulfilled. FIJI called for widening the global financial capacity CHINA stressed that the preamble should ensure economic reform is equitable and, with IRAN, recognize that significant challenges impacting the FfD landscape include unilateralism, protectionism, and agreement-breaking. CUBA urged reverting to multilateralism and condemned the rise in UCMs in trade. BANGLADESH called for acknowledgement that the world has not kept pace with rising financial needs, and for including specific reference to LDCs.

The AFRICAN GROUP lamented the draft's lack of references to the special circumstances of African states compared to the AAAA, calling for explicit commitments to continental initiatives. PARAGUAY called for integrating the new Programme of Action for LLDCs in the global financial framework, and for financial flows aimed at combating food insecurities and malnutrition to adhere to WTO rules.

LDCs, supported by the SOCIETY FOR INTERNATIONAL DEVELOPMENT, stressed the importance of the discussions towards the UN Framework Convention on International Tax Cooperation. LDCs also supported reflecting the SDG Stimulus and the need for transformative change, as well as binding targets to increase investment.

The EU cautioned against the draft's negative characterization of the state of the IFA and suggested: renaming the section to "a global framework for sustainable financing"; adding elements to the list of challenges, such as conflicts; and including paragraphs addressing the rights of women and girls and the three dimensions of sustainable development. AUSTRALIA called for clear reference to the 2030 Agenda and SDGs, and noted that citing financial infrastructure as the main reason for failed financing for SDGs does not reflect the variety of contributing challenges.

The RUSSIAN FEDERATION preferred renaming the section to "global financing landscape"; cautioned against references to the sustainable development "crisis"; and opposed "excessive climate alarmism."

The US expressed reservations on the entire draft, preferring a more concise document, and cautioned against expanding the mandate and prejudging other fora's outcomes. They welcomed language on equal economic opportunity and opposed all references to diversity, equity, and inclusion (DEI) and gender.

Delegations indicated their support for language on, *inter alia*:

- fiscal reform;
- a UN framework on debt reform;
- middle-income countries' (MICs) higher costs of debt and lower access to concessional finance;
- emerging economies as donors;
- the needs of countries in conflict and post-conflict transitions, and fragile states;
- intersectionality in addition to human rights;
- peacebuilding and sustainable development; and
- gender equality, women's empowerment, and gender transformative approaches to achieving the SDGs.

On the renewed global financing framework, the G-77/CHINA called to delete the reference to "all sources" of financing, and references to "aligning all flows, public and private." They also called for including CBDR as opposed to "shared responsibility," a recognition of states' capacities and capabilities, and proposed reference to the right to development, following its inclusion in the AAAA. This was supported by CUBA, the PHILIPPINES, RUSSIAN FEDERATION, SAUDI ARABIA, BRAZIL, INDIA, LEBANON, MADAGASCAR, NIGERIA, UGANDA, and others.

CHINA, SAUDI ARABIA, BRAZIL, and the RUSSIAN FEDERATION supported reference to the UN's role in global economic governance.

The AFRICAN GROUP called for including the fight against IFFs, and for a new paragraph addressing disease, pandemics, and outbreaks. SOUTH AFRICA urged for language on the economic impacts of racism.

The EU called for additional language on combating climate change and environmental degradation, noted edits to language on public and private financial flows, and called for the inclusion of equal gender opportunities.

AOSIS underlined that developed countries must take the lead in providing financing for development. With the HOLY SEE and several others, they called for stronger references to the special circumstances of LDCs, LLDCs, SIDS, and African countries.

The PHILIPPINES underlined the need to clarify that the Bretton Woods Institutions were established to provide development financing and called for support for micro-, small-, and medium-sized enterprises (MSMEs).

CUBA, with CHINA and the RUSSIAN FEDERATION, called to delete language referencing "rules based" approaches to sustainable development.

The HOLY SEE underlined that international support and Integrated National Financing Frameworks (INFFs) must "complement" rather than replace the primary responsibility of states for their own development. The UK urged minimizing duplication of efforts and for INFFs to work with existing initiatives. LEBANON called for scaled-up commitments to support countries' strategies and plans, including through INFFs.

On realizing sustainable development, the G-77/CHINA, supported by BRAZIL, NICARAGUA, SIERRA LEONE, CABO VERDE, NIGERIA, and LIBYA, suggested adding language on poverty and hunger, industrialization, and universal healthcare. They called to prioritize SDG 2 on hunger, and suggested adding language on desertification and water scarcity. They also requested reaffirming the commitment to technology transfer on concessional and preferential terms.

LDCs called for a reference to strengthening social protections in their countries, stressing the need for support from multilateral development banks (MDBs) for developing infrastructure, and called for increased SDR allocation for such projects. AOSIS called for prioritizing developing countries and adding a reference to uninterrupted finance, supported by CUBA; welcomed a call for increased investment in culture and creative economies; supported attention to women-led businesses; and called for an emphasis on youth-driven startups and small-scale projects. On climate change, they requested using agreed language from the climate process on "existing commitments to keep warming under 1.5°C."

The EU suggested edits on, *inter alia*: policy coherence; introducing multidimensional aspects of inequality; referencing SDG 6 on water and sanitation, where appropriate; equipping future generations with necessary entrepreneurial, social, and green skills; transformation to resilient food systems; language on education and health coverage for women and girls; and the human rights of women and girls. With SOUTH AFRICA and the UK, they also suggested adding new language on peace being a critical enabler to achieving sustainable development, and called for new language on pollution.

The RUSSIAN FEDERATION stressed that gender equality is not "essential" to meeting all the SDGs and that development finance should not address climate issues.

Delegations also called to include language on, among other issues:

- reaffirming the Beijing Declaration and Platform for Action;
- grant-based climate finance from developed to developing countries, including text referencing the New Collective Quantified Goal on Climate Finance (NCQG);
- artificial intelligence;

- the development of digital public infrastructure;
- anticorruption as a cross-cutting issue, with references to the UN Convention Against Corruption (UNCAC) and work under UNCTAD;
- financing poverty eradication, education, and health;
- food security and protections for small-scale food producers; and
- disaster risk reduction investments, including multi-hazard warning systems.

Domestic public resources: On Tuesday, the Outcome Document Co-Facilitators changed the modalities of the PrepCom process, inviting comments on the entire chapter, with subsections on fiscal systems and alignment with sustainable development covered first.

Acknowledging the need to align fiscal systems with the SDGs, the G-77/CHINA underlined the need to address the capacity gaps faced by developing countries in domestic resource mobilization. They also stressed preventing overburdening developing countries with climate finance reporting.

The EU proposed adding that domestic resource mobilization helps catalyze additional funding, and called for a clear mandate for public development banks (PDBs). They also suggested language on taxing undertaxed sectors and underscored the need for data governance to ensure the rights of citizens.

LDCs pointed to the narrow tax bases, large informal sectors, and IFFs affecting LDCs, and welcomed a whole-of-government approach to mobilizing domestic resources. They called for capacity building to implement this approach and support for new tax systems in LDCs that address inequalities. YEMEN opposed a whole-of-government approach and proposed a specific technology support framework, among other things.

PAKISTAN called for a balance between domestic resource mobilization and international financial support, and for clarity regarding minimum standards for tax reporting. With JAPAN and SAUDI ARABIA, they underlined that national sovereignty should be emphasized throughout this section.

AOSIS called to reduce the cost and burden of compliance and appropriate incentives for domestic resource mobilization.

SAUDI ARABIA, IRAN, LIBYA, and the HOLY SEE opposed emphasizing gender- and climate-responsive budgeting, taxation, and considerations in fiscal programming.

BANGLADESH called for language to enhance energy security for energy importing countries. ALGERIA called for language to ensure donor countries provide the requisite support to ensure that developing countries achieve the SDGs.

VENEZUELA underlined that fossil fuels are imperative for development, echoed by the RUSSIAN FEDERATION, and called for inequalities between countries to be addressed. INDONESIA suggested a balanced approach to phasing out fossil fuel subsidies to ensure a just energy transition and avoid exacerbating poverty, and PARAGUAY proposed covering all harmful subsidies, including for agriculture.

INDIA underlined that developing countries' ability to achieve the SDGs depends on global public financing. They noted that language on taxing high-net-worth individuals is premature, citing ongoing UN Framework Convention on International Tax Cooperation talks. PERU queried how provisions promoting taxation of high-net-worth individuals can be implemented.

CUBA lamented UCMs and welcomed the inclusion of the international environment's role. They proposed using agreed language on gender references and, with IRAN and NICARAGUA, called for inclusion of CBDR.

TUVALU lamented constrained fiscal systems in SIDS and called for a global framework to combat IFFs and for innovative tax mechanisms, like carbon taxes.

CANADA welcomed the link between digitalization and broadening the tax base, suggested expanding gender-responsive language to include tracking, and supported climate and environmental considerations in fiscal programming and phasing out fossil fuel subsidies.

IRAN suggested adding quantifiable targets on capacity-building support.

CHINA stressed aligning domestic resource mobilization priorities and staying free of external influence. They called for the section to ensure strengthened cooperation between domestic institutions and international financial instruments (IFIs), proposed reframing text on gender to reflect national priorities, and suggested deleting language on tax-to-GDP (gross domestic product) ratios.

COLOMBIA supported gender-responsive and progressive taxation and broadening the tax base through informal sector engagement. They called for taxation of high-net-worth individuals, and effective strategies for climate finance, including carbon pricing.

AUSTRALIA praised inclusion of the resource mobilization and financing for social systems nexus, called for clearly defined roles of development banks, and emphasized sovereignty over taxation issues and national responsibility for development.

SOUTH AFRICA stressed that "this is our last chance to rescue the SDGs." They called for institutionalizing the task force on INFFs and, with ICELAND, welcomed gender language and stressed the importance of maintaining a 15% tax-to-GDP ratio. SIERRA LEONE supported language on strengthening national development banks (NDBs) and capacity building.

The US suggested replacing the term IFFs with "tax evasion" and "financial crime." They also called for softer overall language, noting taxation is the sovereign prerogative of states, and expressed reservations on climate and gender language.

ICELAND and INDONESIA welcomed language on subnational bonds. The PHILIPPINES called for concrete and practical capacity-building measures, underlining investment in digital infrastructure and modernizing revenue administrations.

BRAZIL opposed diluting language on progressivity and reduction of scope to only ultra-high-net-worth individuals, stressing the need to expand the tax base in developing countries. The REPUBLIC OF KOREA highlighted a lack of concrete implementation measures on taxation of high-net-worth individuals and welcomed instruments for SDGs localization.

The UK called for stronger reference to redirecting inefficient and harmful subsidies and aligning financial flows with the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework. They proposed new language for introducing taxes on tobacco, sugary beverages, and alcohol, noting co-benefits.

BURKINA FASO stressed protecting tax sovereignty. SINGAPORE suggested replacing a commitment "implementing minimum standards" for tax expenditure reporting with "sharing best practices."

The DOMINICAN REPUBLIC suggested language to simplify national taxation structures, to facilitate monitoring and incentivize investment. CAMEROON stressed the importance of addressing expanded producer responsibility across product lifecycles, including equitable North-South benefit-sharing from tax cooperation.

The INTERNATIONAL CHAMBER OF COMMERCE (ICC) welcomed the economic integration of informal sectors and called for robust language on carbon pricing.

TAX JUSTICE NETWORK AFRICA and CHRISTIAN AID stressed the importance of progressive taxation and inequality reduction. The INCLUSIVITY PROJECT urged for stronger enforcement of non-discrimination laws and social protection.

Delegates then discussed sub-sections related to international tax cooperation and innovative taxes, IFFs, and NDBs. Many welcomed the strong language and focus on reducing IFFs.

The G-77/CHINA welcomed focus on promoting fiscal transparency. They called for stronger references to mechanisms catalyzing and maintaining private investment and engagement.

The AFRICAN GROUP proposed language encouraging increased support to ongoing negotiations for the UN Framework Convention on International Tax Cooperation and on providing actionable recommendations for enhancing beneficial ownership and transparency. With IRAN, they opposed reference to the Financial Action Task Force standards.

The AFRICAN GROUP and AOSIS opposed prescriptive language regarding assistance provided relating to, and examples of, international tax cooperation frameworks such as the Two-Pillar solution.

The EU called to avoid language that duplicates efforts or premeditates ongoing negotiations for the UN Framework Convention on International Tax Cooperation. They supported strengthening current multilateral mediation mechanisms rather than creating new ones and proposed deleting language on defining regulatory requirements for NDBs.

AOSIS called for a consultative approach to international tax cooperation, and proposed calls to action for MDBs and international partners to support NDBs, including on concessional terms. The LDCs, with SWITZERLAND, COLOMBIA, IRAN, the RUSSIAN FEDERATION, ALGERIA, and others, called for representative and inclusive international tax decision-making processes,

LDCs called for the return of stolen assets and for concessional MDB financing for LDCs as part of efforts to support domestic resource mobilization. GUATEMALA encouraged states to implement the UN Convention against Transnational Organized Crime.

SAUDI ARABIA called to delete language referencing innovative taxes for sustainable development, including in the form of global solidarity levies, with CHINA and INDIA.

SWITZERLAND suggested new language on returning confiscated assets. They also proposed including a reference to the African Union Commission and the Organization for Economic Co-operation and Development (OECD)'s joint African Virtual Investment Platform.

INDIA suggested ensuring that companies pay taxes in the countries in which they operate, and with ARGENTINA, called to delete references to reporting obligations for high-net-worth individuals, with CHINA adding there is no consensus on imposing such obligations, underscoring the need to avoid global solidarity levies.

COLOMBIA called for extending reporting obligations to high-net-worth individuals and BRAZIL supported language on country-by-country reports, including for high-net-worth individuals. The REPUBLIC OF KOREA and CANADA sought clarity on the process for reporting obligations, with CANADA noting reservations on making country-by-country reports public.

The US proposed focusing on the central role of domestic resource mobilization, called to narrow the scope of the section on international tax cooperation and innovative taxes, and did not support the establishment of costly new mechanisms.

ICELAND stressed the importance of responsible tax behavior and finding solutions that ensure untaxed revenue is returned to developing countries.

CHINA called for a stepwise approach to establishing a global beneficial ownership registry, with JAPAN calling for clarity on the registry. The UK called for reviewing language on registries to utilize existing structures instead of establishing new ones. They sought clarification on asset recovery language and opined that "for one new UN meeting added to the schedule, one should be removed."

JAPAN supported the deletion of the multilateral mediation mechanism. MADAGASCAR proposed adding commitments to strengthen tax cooperation between developing countries and called on IFIs to provide support in this regard.

ARGENTINA noted their reservation on references to the international tax cooperation discussions. BANGLADESH supported establishing a UN mechanism on asset recovery and return.

The RUSSIAN FEDERATION suggested deleting the reference to global solidarity levies and, on IFFs, called for the full implementation of obligations under UNCAC. SINGAPORE registered concerns on the grace period for full reciprocity under the automatic exchange of tax information, noting that differentiated standards would create an uneven playing field.

ALGERIA called for setting clear targets for capacity building and technology transfer and proposed that developed countries share information on IFFs with developing countries.

CHILE and JAMAICA welcomed the international tax cooperation negotiations. CHILE also supported the Two-Pillar solution on global corporate tax reform, and language on reporting and creating a registry to allow information sharing among countries.

SOUTH AFRICA supported language on technical assistance and capacity building, global solidarity levies, and IFFs. They suggested exploring ways for scaled-up support for NDBs.

JAMAICA stressed SIDS priorities to combat tax avoidance. KIRIBATI called for action-oriented language around technical assistance and capacity building to implement and enforce tax measures.

CANADA opposed language around reciprocity and information exchange and opposed earmarking global levies to support global initiatives. AUSTRALIA cautioned against duplication of work, citing OECD efforts to address taxation. They suggested using existing registries, and opposed language on barriers to assets recovery, highlighting existing best practices.

BURKINA FASO supported emphasis on countering IFFs and ensuring fiscal transparency, and proposed reform of systematic tax exemptions. COLOMBIA requested clarification on how the proposed ownership registry will interact with those existing in the OECD.

BRAZIL highlighted concentration of wealth in the private sector and constrained fiscal space in developing countries, and supported language on IFFs, transparency standards, and asset recovery. CUBA noted the need for safeguards, pointing to the lack of clarity on who defines and monitors transparency standards.

TANZANIA suggested stronger language on participation of developing countries in global tax rules-setting bodies and called for broader scope of technical assistance to ensure strengthened compliance and focus on digital taxation. YEMEN supported language on establishing registries and suggested adding provisions on an implementation mechanism.

SIERRA LEONE stressed that strengthening development banks' capacities is crucial for countries without access to international capital markets, and suggested adding language on supporting development of NDBs in countries where there are none. PAKISTAN requested deleting a reference to international tax cooperation frameworks and suggested moving from the Two-Pillar system to meaningful participation in tax cooperation.

The ICC stressed importance of tax cooperation and decreasing uncertainty as a key element of an enabling environment for the private sector. They urged countries to view taxes not just as a revenue source but an enabler for development. AFRICAN TAX ADMINISTRATION welcomed the UN process on tax cooperation and the establishment of an intergovernmental negotiating committee.

TAX JUSTICE NETWORK AFRICA stressed that FfD4 should recognize and uphold agreed language related to global tax cooperation and supported deleting references to the Two-Pillar system and the Financial Action Task Force. TRANSPARENCY INTERNATIONAL stressed the importance of beneficial ownership and transparency, and guaranteeing public access to the global beneficial ownership registry.

The INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD) welcomed the focus on PDBs as catalytic actors in the agricultural sector and encouraged partnerships with development banks at all levels.

Domestic and international private business and finance: This section, which delegates discussed on Tuesday, contains subsections addressing enabling environments and access to financing, foreign direct investment (FDI), and private capital mobilization for sustainable development, and alignment of private business and finance with sustainable development.

The G-77/CHINA, supported by the AFRICAN GROUP and LDCs, welcomed the section's balanced approach. They noted that private international capital and any blended finance should complement and align with national plans and priorities, adding private capital is not a substitute for traditional ODA. They called for action-oriented language and examples throughout the section, including on: reducing the transaction costs of sending remittances, supported by the AFRICAN GROUP; derisking local markets; support for MSMEs; actions for developed countries to scale up FDI; and for a private capital mobilization target to serve as a performance indicator regarding MDBs' ability to attract private investment.

The AFRICAN GROUP called for references to capacity-building support for developing countries to strengthen institutions; for deploying alternative credit scoring models to overcome traditional collateral constraints for SMEs; and for new language on developing innovative derisking instruments to facilitate financing for sustainable development projects in Africa.

LDCs stressed the need for systemic change to align private sector activities with sustainable development objectives and proposed strengthening the section with respect to the needs and challenges of LDCs. They called for dedicated assistance and capacity building for developing domestic markets; commitments from partners for developing comprehensive risk management and digital and public infrastructure; expanding access to credit for MSMEs, with PAKISTAN and IRAN; and operationalizing the Investment Support Centre agreed under the Doha Programme of Action.

The EU proposed amendments, including on: reforms to improve market liquidity for creating enabling environments; inviting the World Bank to suggest concrete actions on how to lower remittance transaction costs; and using language consistent with the G20 Roadmap on the need for MDBs to provide coordinated technical assistance.

CUBA called for clarity on the model framework for investment for sustainable development, noting that a one-size-fits-all model may be unsuitable; and, with GUATEMALA and INDONESIA, underlined the importance of removing obstacles to remittances, with CUBA noting that the US blockade had severely impacted their ability to receive remittances.

SOUTH AFRICA called for commitments for higher ratios of blended finance from public sources; and, with CUBA and AOSIS, called to review language on transposing International Sustainability Standards Board and Global Reporting Initiative standards. INDIA called for flexibility when implementing these standards. INDONESIA urged scaling up the quantity and quality of blended finance.

AOSIS called for clarity on the suggested model framework for sustainable development investing, suggested promoting MSMEs' access to affordable finance, and supported the establishment of a SIDS Centre of Excellence for FDI. ARMENIA welcomed the proposed establishment of the Infrastructure Investment Financing Facility for LLDCs.

SAUDI ARABIA underlined that sustainability disclosures should be voluntary and reflective of national priorities. JAPAN registered concern about calls to reevaluate credit rating methodologies and existing financial regulations, as well as on the adoption of sustainability disclosure legislation. CHINA supported creating a body on international sustainability disclosures to work with national bodies on enhancing the interoperability of measures.

CANADA supported the inclusion of gender bonds; called for additional information on the proposal for MDBs to establish a Pooled Technical Assistance Platform to help developing countries to originate, prepare, and support high-impact infrastructure projects; and, with the US, proposed deleting references to the methodologies of credit rating agencies.

NIGERIA supported a proposal to establish a global beneficial ownership registry. URUGUAY and PARAGUAY supported investment vehicles like green bonds and called for more innovative financial mechanisms and higher focus on regional actions, derisking tools, and public-private partnerships.

COLOMBIA called for support for developing bankable projects in all areas, not just infrastructure. PARAGUAY lamented that the exclusion of developing countries' MSMEs from access to credit for not meeting sustainability criteria will exacerbate existing inequalities, and, with YEMEN, stressed that innovative finance should not be a substitute for ODA.

The HOLY SEE, with ZIMBABWE and BRAZIL, welcomed language on remittances and reducing their cost. With the PHILIPPINES, they called for recognizing role of migrants, and with BRAZIL, stressed that remittances do not replace ODA.

ICELAND, with URUGUAY, the UK, and AUSTRALIA, supported references to gender. LICHTENSTEIN suggested including victims of trafficking as an additional class in need of financial protection. BRAZIL called for stronger language on negative externalities and for technical assistance and capacity development also for Indigenous Peoples and local communities. They stressed the need to retain language on revising credit rating methodology.

The RUSSIAN FEDERATION stressed the importance of sovereignty over natural resources and reserved on references to gender-based practices.

AUSTRALIA called for strengthening language on reducing cost of access for local banks. The PHILIPPINES called for including all institutions that can support capital building, not just MDBs, highlighted that blended finance models should be country-specific, and supported reforming the credit agency report methodologies.

The US and PAKISTAN supported creating enabling environments, and urged against prescriptive text aimed at MDBs, noting they have their own governing bodies.

The ICC underscored the need for comprehensive domestic regulatory frameworks and for equity investment to support the effectiveness of blended finance initiatives.

IFAD welcomed actions on remittances, digital solutions, and data collection, urging for better recognition of the role of remittances for financial inclusion and resilience of agriculture. UNDP noted that although disclosure and reporting requirements are not one-size-fits-all, management system standards will be complemented by guidelines and capacity building to support developing countries and organizations.

IBON INTERNATIONAL noted the lack of clarity on additionality and development outcomes of blended finance in the Global South and noted concern with the expansion of MDBs' role in catalyzing capital. The GLOBAL INVESTORS FOR SUSTAINABLE DEVELOPMENT ALLIANCE welcomed the proposed recommendations on FDI and private capital mobilization, underscoring the interoperability of innovative instruments.

DEVELOPMENT ALTERNATIVES WITH WOMEN FOR A NEW ERA (DAWN) stressed the need for private sector accountability to human rights standards and cautioned against the use of green, blue, and gender bonds, citing perverse incentive creation. PRINCIPLES FOR RESPONSIBLE INVESTMENT welcomed actions to scale up efforts aligning business models with sustainable development strategies.

The INTERNATIONAL TRADE UNION CONFEDERATION called for ambitious regulatory frameworks that ensure private sector alignment with sustainable development objectives and compliance with International Labour Organization (ILO) standards. The VIRGINIA GILDERSLEEVE INTERNATIONAL FUND proposed strengthening language on inclusivity and social protection for vulnerable groups, including through regulatory frameworks and risk management.

The GLOBAL REPORTING INITIATIVE (GRI) noted co-benefits in improving data availability and quality to support blended finance investments and in harmonizing interoperable reporting systems. MORNINGSTAR SUSTAINALYTICS noted the need to distinguish private investors from corporations and supported language addressing the interoperability of standards. The WORLD BENCHMARKING ALLIANCE called for clarifying and defining the responsibilities of business to facilitate their contribution to UN frameworks addressing social, climate, and nature issues.

The FOOD AND AGRICULTURE ORGANIZATION OF THE UN (FAO) flagged the critical role of blended finance and green bonds as innovative financing instruments with co-benefits, but noted not all risks can be addressed by these instruments and called for concessional finance.

International development cooperation: On Wednesday, delegates considered this section, which contains subsections on volumes and allocations, financing for climate, biodiversity and ecosystems, development effectiveness, and development cooperation architecture.

The G-77/CHINA underlined that North-South cooperation remains the basis of development cooperation, and supported by many, lamented that donor countries have not met the 0.7% of GNI for ODA target. Stressing ODA is the main basis for development, they, echoed by many developing countries, called on developed countries to meet their ODA obligations. Supported by many, they underscored that climate financing should be additional and not double counted with ODA, and underlined that it is an obligation of developed countries. With SAUDI ARABIA, they expressed concern on the absence of language on the "provision of finance" from developed to developing countries. With CHINA and others, they called for deleting the reference to "Total Official Support for Sustainable Development" to capture data related to South-South cooperation on sustainable development, which was opposed by the EU, SWITZERLAND, AUSTRALIA, and others.

AOSIS called for "IFA" to be used instead of "development cooperation architecture." With COLOMBIA, they supported referencing the MVI as a measure that goes beyond GDP. With ECUADOR, they called for language strengthening climate change, biodiversity, and ocean-governance financing, as well as text reaffirming the special circumstances of SIDS. INDONESIA and PARAGUAY emphasized that the Global North is responsible for resource mobilization and provision.

SIDS and the LDCs underlined that the Loss and Damage Fund should provide new and additional financing. SIDS urged IFIs to simplify access procedures for SIDS to enable faster uptake of funds for resilience building.

The EU called for clarification on the trends and objectives of development cooperation, recognizing the catalytic role of ODA in leveraging other sources of financing. They underlined the importance of financing for peacebuilding and the humanitarian-peace nexus.

SAUDI ARABIA proposed language recognizing the importance of regional cooperation in leveraging investment to strengthen South-South cooperation. They also called for regional platforms for countries to exchange best development practices.

The LIKE-MINDED GROUP OF MIDDLE-INCOME COUNTRIES (LMGMICs) called for predictable, stable, and responsive ODA for MICs and with CHILE, requested language on a system-wide response strategy to support MICs.

SOUTH AFRICA stressed that "ODA is fuel for the engine we are trying to create," and called for alignment with the 2030 Agenda. With CUBA and ZIMBABWE, they called for overall ODA transparency. They also stressed that for development sustainability, projects should rely on local contractors and loans should be accompanied by grants, technology transfer, and capacity building.

GUATEMALA and ZIMBABWE stressed the climate finance gap and underscored the need to ensure equal access. LESOTHO opposed the use of insurance in climate finance.

CUBA warned against rolling humanitarian assistance into ODA and suggested including the principles of South-South and triangular cooperation.

JAPAN suggested adding language on non-traditional donors and stressed that ODA alone cannot ensure achievement of the SDGs, calling for South-South cooperation and mutual learning. The RUSSIAN FEDERATION stressed that provisions for MDBs should not infringe on their mandates, opposed text on climate finance, stating this should be discussed under relevant platforms, and stressed that participation of stakeholders is neither universal nor obligatory.

ZIMBABWE called for MDB and PDB reform to ensure they provide more concessional finance. JAMAICA requested MDBs take into account structural and environmental vulnerabilities of SIDS, and with TANZANIA, called for long-term finance with lower rates and local currency bonds. TANZANIA proposed new language on prioritizing flexible concessional and grant-based climate finance.

COLOMBIA underlined that concessional financing is essential for high-risk activities. HONDURAS underlined that South-South and triangular cooperation are complementary to ODA, and stressed the need for effective partnerships with MDBs to ensure MICs are not excessively burdened.

The US stressed upholding country ownership, noting they never committed to the 0.7% of GNI target for ODA. They also noted that decisions on MDB resource allocation are outside FfD4's mandate; opposed all references to financing for climate, biodiversity, and ecosystems; and stressed transparency as a core principle for increasing development effectiveness.

ARMENIA supported the commitments to scale up: humanitarian assistance without impacting ODA commitments; climate, biodiversity, and ecosystems finance; and contributions to the Loss and Damage Fund. BURKINA FASO called for South-South and triangular cooperation tailored to LDCs' needs and, supported by INDONESIA, cautioned against channeling ODA away from sustainable development priorities towards emergency responses and humanitarian aid. CABO VERDE urged for commitment to using and implementing the MVI.

INDIA proposed amendments to: specify voluntary reporting by South-South providers; encourage strengthened MDB reporting; distinguish between climate and development finance to prevent resource dilution; and emphasize the need for non-debt-creating instruments and untying aid for stable concessional finance.

The REPUBLIC OF KOREA proposed amendments including strengthening partnerships and promoting a results-oriented approach for development effectiveness.

KENYA called for revitalizing the Global Partnership for Effective Development Cooperation to monitor the realization of ODA commitments, supported by AUSTRALIA but opposed by CHINA and BRAZIL, and for ensuring projects supported by MDBs are country-led and driven.

CHINA underlined that climate finance is the obligation of developed countries and, with SWITZERLAND, called to harmonize the language in the document with the NCQG on climate finance. SWITZERLAND called for new language referencing the Kunming-Montreal Global Biodiversity Framework. TUVALU underlined the need for immediate financial flows, specifically grants, to build resilience to climate change. They said that "climate finance is not about dollars and cents; it is about survival."

ICELAND underlined that there is no replacement for ODA, and suggested, with the EU and others, including gender equality references including through a dedicated financing target. He called for an emphasis on MDB cooperation and coordination. CHILE called for a mechanism to make concessional finance more flexible, especially for MICs.

The UK suggested relocating the sections on MDBs to systemic issues and financing for climate and biodiversity to a new section on financing for shocks and removing reference to "new and additional" climate finance. VIETNAM requested deleting reference to social and environmental safeguards in all MDB operations, noting these are usually applied to developed countries.

BRAZIL suggested adding text on incorporating incentives for countries preserving primary forest through, for example, innovative financial mechanisms like Tropical Forests Forever Facility. KYRGYZSTAN supported inclusion of mountain economies and called for stronger language on debt swaps.

URUGUAY supported expansion of language on concessional finance, and requested that commitments to sufficient funding for mitigation, adaptation, and resilience-building are extended to all developing countries.

KIRIBATI supported making ODA more flexible, predictable, and responsive to address immediate economic priorities.

PAKISTAN opposed specifying ODA for specific SDGs, citing country-determined priorities. IRAN requested language on UCMs.

COSTA RICA supported 0.2% ODA allocation to LDCs but warned against excluding MICs. She: called for a binding deadline to meet the ODA commitment and reversing the trend of replacing ODA with concessional loans; stressed that humanitarian aid should be additional to development, protesting double counting of climate finance; and suggested adding a section on multi-stakeholder cooperation.

SUDAN proposed separating a provision on scaling up humanitarian assistance from the subsection on ODA allocation to prevent undermining the latter's development focus. PERU, with the UN OFFICE OF THE HIGH REPRESENTATIVE FOR THE LDCs, LLDCs AND SIDS (OHRLLS), stressed the need for climate adaptation financing. OHRLLS called for an IFA that is responsive to the needs of climate-vulnerable countries.

IBON INTERNATIONAL called for governance reform of the current international development cooperation architecture and increasing the share of ODA allocated to women and girls' rights. The EUROPEAN NETWORK ON DEBT AND DEVELOPMENT (EURODAD) noted concern with current unrepresentative IFI and MDB governance and called for FfD4 to reaffirm the UN's norm-setting role in global economic governance.

The FINANCIAL TRANSPARENCY COALITION called for scaled-up non-debt instruments for climate finance and emphasized that biodiversity and ecological finance must go beyond credit-based instruments. The OECD stressed the importance of policy coherence, enhanced data systems and data-driven decision making for a monitorable framework and achieving development outcomes.

ACTIONAID INTERNATIONAL underscored the need to preserve ODA's grant-based nature, considering recent decisions by actors in the donor community, and for results-oriented language on development effectiveness. GLOBAL WOMEN LEADERSHIP FOUNDATION encouraged collaboration with universities and PhD researchers to fulfil data monitoring objectives.

The INTERNATIONAL TELECOMMUNICATION UNION (ITU) proposed language on digital infrastructure to support climate finance solutions. The COUNCIL OF EUROPE DEVELOPMENT BANK and the INTER-AMERICAN DEVELOPMENT BANK noted that any decisions directed to MDBs will have to be considered within their governance structures, as appropriate.

International trade as an engine for development: This section of the draft, which was addressed on Wednesday, contains subsections related to the multilateral trading system, trade capacities, boosting trade in LDCs, and trade in critical minerals and commodities.

The G-77/CHINA underlined international trade as an engine for development in developing countries and expressed concern about trade restrictive measures imposed on some states. They stressed the need to respect the relevant WTO provisions related to this part in its entirety and suggested a stand-alone section on investment and trade. He stressed that the focus of the outcome document should be on supporting developing countries.

The AFRICAN GROUP, AOSIS, the LDCs, and the PACIFIC SIDS supported the rules-based, non-discriminatory, transparent, open, predictable, and fair multilateral trading system to address economic shifts, and combat rising trade tensions and restrictions. The AFRICAN GROUP called for reference to the African Continental Free Trade Area as a regional trade area (RTA), and lamented trade measures that restrict or distort trade.

AOSIS proposed additional language on boosting trade in SIDS taken from the ABAS, including strengthening national, regional, and local institutions, and cautioned against UCMs.

LDCs stressed the need for dedicated financial and technical assistance for LDCs to meet their development goals, and, with PACIFIC SIDS, welcomed special and differential treatment for SIDS and LDCs, including for developing countries that are net importers of food products. They called for an immediate end to discriminatory food subsidies; welcomed the commitment to double aid-for-trade by 2031; and supported a separate section on boosting trade for LDCs and the call for a common fund for commodities to support value addition for exports from LDCs.

The EU underlined that trade agreements assist in leveraging additional financing for development and noted the group's conceptual support for special and differential treatment of certain states. They noted the trading system can contribute to reducing food insecurity and opposed text suggesting that the ECOSOC FfD Forum could consider the impact on sustainable development of unilateral economic, financial, or trade measures that are inconsistent with international law. The UK supported trade facilitation, digital trade, and a focus on LDCs.

BOLIVIA called for policies benefiting Indigenous Peoples and farmers, and to boost partnerships with IFAD and FAO to promote food security.

SOUTH AFRICA called for addressing "root causes, not symptoms" and urged support for developing countries' industrial transformation. With CHINA, SAUDI ARABIA, and the RUSSIAN FEDERATION, they stressed the need to address "trade protectionism disguised as environmental measures." They further noted that critical minerals provide an opportunity for development and address extraction injustice.

SAUDI ARABIA requested deleting text on the commitment to the global traceability, transparency, and accountability framework for trade in critical minerals and commodities.

YEMEN suggested a financial mechanism to boost trade capacities of LDCs and called for technology transfer for critical minerals and ensuring value addition. GUATEMALA called for clear provisions on countering unilateral trade measures and elimination of non-tariff barriers.

The US noted that multilateral discussions on trade should only take place under the WTO and opposed text on reforming the mechanisms for investor-state dispute settlements in trade and investment agreements as going beyond the mandate of FfD4.

EGYPT acknowledged reference to unilateral trade measures and on dispute settlement and suggested specifying policy space in trade agreements to address food insecurity "especially for net-importing countries."

The REPUBLIC OF KOREA suggested refining language encouraging WTO members to explore preferential market access to products from LDCs by simplifying rules of procedure. The RUSSIAN FEDERATION supported the call against imposing unilateral measures and suggested adding language on removing existing ones. They called for language boosting trade in LDCs to align with the outcomes of the Fifth UN Conference on LDCs.

AUSTRALIA opposed language deleting UCMs, citing sanctions as a legitimate tool to uphold international law. They stressed that any changes to trade rules should be made through the WTO.

BRAZIL suggested that language on the historic elimination of export subsidies should be better reflected with focus shifting to remaining measures that affect markets in developing markets.

JAPAN suggested focusing on non-market policies and practices as root causes of unilateral trade measures. NIGERIA emphasized the need for international assistance for the African Continental Free

Trade Area and urged specific reference to Africa within provisions on trade in critical minerals and commodities.

JAMAICA urged strengthened differential treatment provisions for SIDS and supported increasing investments in infrastructure and digital technology to enhance trade capacities.

ARGENTINA noted concerns regarding food security, and, with CHILE, stressed the need to accelerate progress on agricultural subsidies negotiations under the WTO. URUGUAY called for focus on market access and domestic support pillars rather than on eliminating distortionary agricultural export subsidies.

INDONESIA, supported by URUGUAY and CHINA, suggested amendments, including to recognize that bilateral and RTAs have positive, complementary roles to the multilateral trading system. INDIA emphasized the need to distinguish provisions on investment issues from those on trade and noted that public stockholding should not be considered as trade distorting.

ZIMBABWE, with CUBA, called for stronger language on the negative impacts of UCMs and for strengthening the negotiation capacities of developing countries on discussions on critical minerals. NICARAGUA noted the ECOSOC FfD Forum should evaluate and consider the impacts of UCMs. CHINA called for enhanced transparency and traceability of mineral value chain systems. HONDURAS lamented trade wars' major effect on sustainable development, stressing that protectionist measures undermine trade, and such interventions should be in line with the WTO.

COLOMBIA called for concrete measures and accountability on environmental measures linked to trade and suggested that infrastructure development also generates synergies and fosters regional value chains. The HOLY SEE called for stronger language on enhancing SIDS' trade capacities.

PARAGUAY suggested noting the rise in subsidies and calling for implementing all WTO agreements. The DOMINICAN REPUBLIC suggested the WTO sanction those breaking agreed trade rules, including developed countries. BURUNDI highlighted unfair competition from developed countries, and tariff barriers that limit access to global markets for developing countries.

BANGLADESH proposed a concessional trade financing window and extension of agriculture subsidies language for graduating net-importing LDCs and suggested adding reference to trade connectivity in language trade corridor development. PAKISTAN opposed language on a mineral value chain framework, while supporting creating the Common Fund for Commodities.

REGIONS REFOCUS stressed the disproportionate impact of inappropriate trade policies on women and girls and urged for greater ambition on a dispute settlements system. THIRD WORLD NETWORK called for higher ambition regarding UCM termination, ensuring sufficient policy space for developing countries, and investment-state dispute settlement reform.

The SOUTHERN AND EASTERN AFRICA TRADE INFORMATION AND NEGOTIATIONS INSTITUTE stressed the need to protect the sovereignty and policy space of resource-rich developing countries across value chains. The ICC called for coordinated international interventions on trade and environment.

Debt and debt sustainability: This section, which delegates considered on Thursday, contains provisions addressing borrowing and lending and debt crisis prevention; providing fiscal space for investment in countries facing debt challenges; debt architecture for debt crisis resolution; and debt sustainability assessments and credit ratings.

LMGMICs stressed the lack of reference to MICs in this section. With EGYPT, LEBANON, the HOLY SEE, PAKISTAN, and many others, they called for a balanced narrative to acknowledge that debt servicing challenges are not the sole responsibility of borrowers, and can be consequences of external shocks. The LMGMICs suggested amendments related to addressing liquidity constraints, supporting innovative instruments like debt-for-nature or climate swaps, and to recommend that debt sustainability assessments are also undertaken by the Expert Review on Debt, Nature, and Climate.

LDCs and BRAZIL supported the calls for a working group to develop principles on responsible sovereign lending and borrowing, and for debt service standstills during crises.

The AFRICAN GROUP emphasized the need to recognize the importance of reforms to debt resolution processes such as the G20 Common Framework for Debt Treatments, and called for the establishment of a multilateral sovereign debt payment mechanism and a global debt authority.

The EU supported building on the existing architecture addressing debt in order to address the challenges being faced by developing countries. They proposed a reference to the challenges faced by SIDS and LDCs in this area. They also called for a discussion on the role and format of a proposed UN working group to develop principles on responsible sovereign lending and borrowing; queried the need to create a single global central debt data registry; and called for further discussions before agreement on operationalizing the DSSS.

AOSIS urged concrete actions to address debt distress in order to meet the SDGs. They stressed that, for SIDS, debt distress is caused by external factors; and underlined the need for language on the role of disasters in propelling debt in SIDS. They supported a call for all creditors to include tailored state-contingent clauses in loan and debt contracts; noted proposals for including climate risks in eligibility criteria; and, with CUBA and others, called for a process to initiate global talks on a convention that includes a multilateral sovereign debt mechanism under the UN. They underscored that debt relief is a matter of justice and human dignity.

SAUDI ARABIA opposed language encouraging the G20 to further strengthen its Common Framework for Debt Treatments, noting this goes beyond the mandate of the FfD process.

YEMEN supported the creation of a single global central debt data registry, as well as language related to debt service standstills during times of crises, with COLOMBIA noting additional measures beyond standstills. YEMEN, LDCs, GHANA, and others supported local currency lending.

COLOMBIA proposed new language on the need for transparency for effective debt management and called for stronger language on debt swaps. The US underlined the importance of responsible borrowing; opposed the expansion of the mandate of the UNCAC and language on debt restructuring; and opposed the establishment of an intergovernmental process working to close gaps in the debt architecture and exploring options to address debt sustainability.

GHANA proposed the establishment of a multilateral sovereign debt authority to address sovereign debt challenges and called for a dedicated platform for developing countries to discuss debt related matters. CUBA opposed a reference to the IMF reviewing the current debt architecture, underlining, with several others, that the IMF "is part of the problem."

INDIA highlighted the importance of principles of responsible borrowing, which should remain voluntary to ensure broad adoption. She called for a global central debt data registry to be hosted by the IMF and suggested further examination of debt swaps. Concerned about the underutilization of the DSSS due to negative effects on credit rating, they called for careful and balanced language.

The REPUBLIC OF KOREA called for a balanced text to ensure both lenders' and borrowers' concerns are reflected, and pointed out that the DSSS was designed for most vulnerable countries and expanding it to all developing countries would be problematic.

AUSTRALIA supported debt sustainability for countries in vulnerable situations, but warned against duplication, opposing the creation of the UN working group on principles for responsible sovereign lending and borrowing. They called for a more holistic approach on fiscal space for investment in countries facing debt challenges, suggesting building on the IMF three pillar approach. While recognizing the importance of safety nets, they opposed engaging MDBs in the SDR reallocation model, which was echoed by ICELAND.

HONDURAS, concerned about lenders imposing unbearable conditions that strain developing countries long-term development, called for a more inclusive outcome document. INDONESIA queried the institutional housing for the proposed global debt data registry. They supported a more inclusive approach to debt restructuring and, with TANZANIA, stressed the importance of debt-for-climate swaps.

JAMAICA called for fixed spread and caps, and loans in local currency in MDB lending, and suggested instruments like MVI are used by IFIs for determining funding eligibility.

ICELAND lamented the exceptionally high debt levels in LDCs and pointed to the pivotal role of ODA with regard to debt sustainability. Welcoming language on debt crisis resolution and reforming financial architecture, they warned, with JAPAN and CANADA, against duplication of efforts, pointing to discussions under the G20 and the Paris Club.

JAPAN suggested the World Bank house the debt data registry. They requested clarification on the sources for proposed debt relief under the DSSS, and noted that debt restructuring needs a case-by-case approach.

KENYA noted that a single debt data registry may not be relevant to all countries, calling for support to countries that do not have a debt recording system. With COSTA RICA, they stressed that currently, debt restructuring leads to credit rating downgrades.

ZIMBABWE called for a reference to preserving access to finance on favorable conditions while under debt restructuring processes and called for regional credit rating agencies in Africa to address transparency and adequacy concerns. CANADA suggested including standardized state-contingent clauses on climate into loan and debt contracts, and suggested language on debt crisis resolution does not go beyond what was agreed in the Pact for the Future.

SWITZERLAND suggested holistically addressing the vulnerabilities and root causes affecting debt-challenged countries' fiscal spaces. They noted that the review of sovereign debt architecture should be conducted by the IMF, World Bank, and G20, rather than by a new intergovernmental process under the UN.

The RUSSIAN FEDERATION, *inter alia*, queried the value addition of new initiatives addressing guidelines and data registries on debt; highlighted that state-contingent clauses must be examined on a case-by-case basis; noted flexibility regarding expanding the G20 Common Framework to include highly-indebted countries and MICs; and opposed the reference to the Pact for the Future in the review of foreign debt architecture.

LEBANON urged for stronger language on MICs' needs and noted that FfD4 is an opportunity to develop a multilateral sovereign debt mechanism. The HOLY SEE stressed the importance of debt cancellation and called for stronger commitments to lower borrowing costs.

CABO VERDE noted that debt relief and swaps create local-level private sector opportunities and urged considering MVI in determining countries' eligibility for debt relief.

The UK supported measures for ensuring new lending is debt sustainable, sought clarity on the three-pillar approach to liquidity challenges, and alongside the RUSSIAN FEDERATION, opposed a proposal for a working group to explore legislative options on debt restructuring as this is a country matter. CHINA proposed deleting this provision.

HAITI proposed that strengthening efforts on the G20 Common Framework also address the need for democratic and representative governance, citing the need to give SIDS and LDCs a voice.

PAKISTAN and BRAZIL decried that due to debt servicing, net capital flows from the Global South to the Global North. PAKISTAN emphasized the need to make stronger and more direct commitments on initiating an intergovernmental process under the UN on closing gaps in the debt architecture.

Regarding the proposal to create a single global central debt data registry, CHINA emphasized the importance of respecting national circumstances and international rules on information disclosure. LIBERIA called for concrete measures to address the systemic challenges in the current debt architecture, especially those pertaining to LDCs.

Lamenting that countries could soon hit a debt wall given the current geopolitical climate, SOUTH AFRICA underlined the need to focus on practical, high-commitment actions that can be implemented after FfD4, including providing technical support to empower developing countries to navigate asymmetries in their debt negotiations and widening the use of credit enhancements to lower costs. TANZANIA highlighted the need for discussions on how debt burdens constrain fiscal space for sustainable development.

LATIN AMERICAN NETWORK FOR ECONOMIC AND SOCIAL JUSTICE (LATINDADD) said the current system of debt repayment threatens sustainable development in developing countries and underscored the need for a systemic and comprehensive approach to debt restructuring.

ASIAN PEOPLES' MOVEMENT ON DEBT AND DEVELOPMENT reiterated, with the AFRICAN FORUM AND MOVEMENT ON DEBT AND DEVELOPMENT (AFRODAD), the need for a UN framework convention on sovereign debt and stressed the urgency of implementing the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), which is also linked to addressing debt.

AFRODAD lamented that the current debt architecture will ensure that the 2030 Agenda and SDGs are not met, and called for civil society organization participation throughout the FfD4 process.

The PEAC INSTITUTE recommended adding that debt sustainability assessments considering climate vulnerability and stressed the need for debt relief after climate disasters.

Addressing systemic issues: On Thursday, delegates discussed this section, which contains sub-sections on global economic governance, the global financial safety net, regulation for a sustainable financial system, and public payment systems.

LDCs called for global financial adjustment across all safety layers to support LDCs' recovery from crises and shocks, and enhance their access to capital markets. They supported efforts to improve credit ratings and welcomed an invitation to the Financial Stability Board (FSB) to launch a review of the potential mispricing of risk in international risk-weighting frameworks used in regulations such as Basel III (agreed measures developed by the Basel Committee on Banking Supervision in response to the 2008 financial crisis). SAUDI ARABIA and the RUSSIAN FEDERATION opposed the FSB including sustainability factors in risk weightings.

Calling for an enhanced voice from developing countries in norm setting, the G-77/CHINA stressed accelerated reform and focus on Member States' expectations, including delivering credible, accountable, legitimate, and inclusive institutions. With the AFRICAN GROUP, AOSIS, and the PHILIPPINES, they requested, restoring basic votes in the IMF to 1/9 of the total voting, and ending the agreement on the nationality of IMF and World Bank presidents. With AOSIS, the AFRICAN GROUP, LDCs, TUVALU, ZIMBABWE, DJIBOUTI, and others, they welcomed rechanneling unused SDRs to developing countries and emphasized the importance of text on regulation for a sustainable financial system, which was not in the AAAA, questioning its operationalization. They noted that dialogues under ECOSOC are insufficient and supported the reassessment of Basel III. CHINA highlighted the importance of increasing the decision-making power of developing countries in the global financial governance structure.

Stressing that the UN has a mandate to discuss macroeconomic issues, AOSIS reiterated a request for dedicated seats for SIDS and called for reforming credit-rating methodologies. The AFRICAN GROUP welcomed text on addition of a fifth deputy managing director from Africa in the IMF.

The EU suggested reframing the section to recognize the role of the IFA in sustainable development while noting the need to address pressing challenges. With AUSTRALIA and JAPAN, they stressed that negotiations on IMF governance should only be considered by its governing bodies, noting the importance of fair burden-sharing among advanced economies in the future. They called for respecting credit agencies, explaining that undermining their credibility can result in a decline in private investments in developing countries, and suggested improved dialogues between credit agencies, the private sector, MDBs, and governments.

SOUTH AFRICA suggested that FfD4 adopt a framework akin to the EU rules to govern credit rating agencies. IRAN supported a credit rating agency under the UN. CHINA highlighted the importance of increasing the decision-making power of developing countries in the global financial governance structure.

CANADA called for an approach focused on the need for representation beyond voting power. The RUSSIAN FEDERATION and INDIA welcomed focus on voting rights.

AUSTRALIA underlined that the FSB cannot review Basel III. They supported improving the efficiency of correspondent banking services and reducing costs of cross-border payments. JAPAN noted that the developing-developed country paradigm is outdated and cautioned against reopening Basel III discussions. SWITZERLAND underscored that the IFA must be responsive to the needs and challenges of all, not only developing countries. LIECHTENSTEIN called for references to the implementation of UNCTAD.

ICELAND called for recognizing IFI reform efforts already underway and for adhering to the Lima Declaration principles regarding the World Bank shareholding review. With INDIA, they noted concerns on rechanneling SDRs. SWITZERLAND opposed a numerical target on SDR rechanneling, and INDIA called for increasing the liquidity of SDRs before additional allocations. The UK noted SDR rechanneling should be done on a voluntary basis.

The PHILIPPINES called for a strengthened safety net, including a larger and readily accessible pool of resources, and for credit agencies to take into account sustainable development needs and long-term stability. BRAZIL called to include new language on the global financial safety net related to safe migration and the safety of migrants.

GUATEMALA, with JAMAICA and ZIMBABWE, called for a reassessment of World Bank standards to reflect the multidimensional realities and needs of LDCs and SIDS, and for a clear definition of "exogenous shocks" to facilitate the responsiveness of IMF surcharge suspensions. CUBA called for, among other things, stronger commitments regarding IMF surcharges."

The US opposed the language related to reforms in the governance bodies of Bretton Woods Institutions; and called to delete all the text related to public payment systems, including a call to the Bank for International Settlements to include more developing countries in discussions on how to create central bank digital currencies that harness the benefits of digital technologies, noting this goes beyond FfD4's mandate.

BANGLADESH and VANUATU highlighted the "astronomical" cost of IMF surcharges for disaster-prone countries and requested SDRs be considered as a source for climate finance. He suggested finding alternatives to reduce reliance on credit risk ratings, and requested language on ensuring climate stress testing is included in risk factors to avoid recognizing climate-vulnerable countries as less credit-worthy.

FAO suggested including a safety net on rapid response to food crises and called for creation of a financial food facility to support low- and middle-income countries. MENA FEM stressed that presenting IFI governing bodies as independent of the UN is in the interest of rich countries and called for IFI's accountability to the UNGA.

THIRD WORLD NETWORK suggested the creation of an intergovernmental commission under ECOSOC to regulate credit agencies, including buyers, and supported a credit-rating agency under the UN for more transparency. ACTIONAID INTERNATIONAL lamented the decline in committing to limit the scope of Bretton Woods Institutions since Monterrey, requested eliminating IMF surcharges, and called for representation of developing countries on its board.

Calling for continued civil society engagement in the FfD4 process, the AFRICA SOVEREIGN DEBT JUSTICE NETWORK stressed the need for capital account regulation agreements, and for a special session of ECOSOC to discuss banking shocks in countries with special circumstances.

Stressing that public finance can ensure ecological and climate planning, EQUIDAD DE GÉNERO cautioned against using it for derisking private investments, and urged degrowth in industrialized countries. MAN UP CAMPAIGN stressed the centrality of public finance and the importance of SDRs, blue and green bonds, and donor finance.

Science, technology, innovation (STI) and capacity building: This part of the draft, discussed on Friday morning, contains subsections on technological advances for sustainable development, including national innovation systems, international cooperation for STI, digital divides, and digital technology for financial inclusion and financial health.

The G-77/CHINA welcomed language on competition laws and urged aligning STI regimes with the SDGs and addressing the impact of STI development on labor, including on mitigating brain drain and ensuring technological advances complement rather than replace labor. They also called for a multilateral fund to stimulate cooperation and research and enable developing countries to benefit from new and emerging technologies. With the EU, they did not support using the Global Dialogue on Artificial Intelligence (AI) Governance to discuss fintech governance.

LDCs called for stronger language to support infrastructure development and, with LESOTHO, for clear targets and commitments on technology transfer, capacity building, and skills training.

AOSIS proposed aligning language regarding national roadmaps with ABAS, and suggested amendments to ensure focus on supporting developing countries, particularly LDCs, SIDS, and LLDCs.

The EU, the US, JAPAN, SAUDI ARABIA, AUSTRALIA, ARMENIA, CANADA, and others underscored the importance of technology transfer that is voluntary and based on mutually agreed terms. The EU stressed the importance of science-based policy panels and of strengthening research capacity in developing countries and called for reference to the potential of Indigenous knowledge. LESOTHO urged reference to the protection and promotion of Indigenous Peoples' knowledge systems.

The US sought clarification on the Online University for LDCs and STI funds and welcomed programmes promoting equal opportunities for all, opposing references to DEI.

CANADA stressed the importance of ensuring work on AI is gender-responsive and does not perpetuate or amplify inequalities and biases. She called for stronger language on "promoting access" to STI, to address systemic barriers. COLOMBIA stressed the importance of open financial policies and data access.

SAUDI ARABIA proposed references to impact-driven investment in STI and to the need for enhanced international cooperation for cutting-edge technologies. AUSTRALIA supported equal access to AI but cautioned against pre-empting discussions under the Global Dialogue on AI Governance, called for language on a network of AI dialogues, and suggested references to the Global Digital Compact.

The RUSSIAN FEDERATION called for a reference to an open, non-discriminatory environment for technology development and urged using agreed language on the design, development, and use of AI for sustainable development. INDIA proposed strengthening laws to govern the digital economy and called to reference the Global Partnership of AI instead of the Global Dialogue.

ARMENIA and BRAZIL supported the promotion of access to science and technology for youth and children. JAMAICA stressed the need to finance digital infrastructure and digital literacy in developing countries on issues such as AI, blockchain, and the internet of things.

GUATEMALA underscored the need for investment in connectivity infrastructure in rural areas to close the digital divide, suggesting increasing investments to fight cybercrime. COSTA RICA called for reference to fintech and financing for research.

CHINA welcomed AI as empowering development, calling for inclusive and open AI systems to benefit all, and called to respect national circumstances in the development of digital public infrastructures. IRAN called for the Interagency Task Team on STI to provide recommendations on overcoming identified obstacles, including UCMs.

The HOLY SEE called for: stronger language on investing in digital infrastructure, echoed by PERU; including older persons and persons with disabilities in the list of recipients of digital literacy programmes, later echoed by the UK; and requested that "marginalized communities" be replaced with "in vulnerable situations."

UK expressed interest in establishing an online university for LDCs, as well as increased vocational and tertiary education, and called for inclusive STI projects and policies and for adding equitable partnerships for international cooperation to promote bridging the digital divide in an equitable manner, especially for women and girls.

PERU suggested indicating the importance of ethical principles and mitigating risks from digital fraud, and adding text on accessibility of digital financing systems for SMEs, especially in rural areas.

INDONESIA suggested noting deepening technological gaps, and called for enhanced international support for developing countries in building up their digital economies to prevent brain drain and ensure provision of knowledge on financial and digital literacy for population.

BRAZIL lamented the commodity trap, stressing it can be addressed through science and technology. They stressed that technological diffusion is very unequal, and technology transfer rarely happens in practice. They suggested adding worsened environmental degradation and racism to negative consequences of unregulated STI and inclusion of social technologies and commitment to enhancing equity; and supported promoting access to STI for youth, women, and children.

ZIMBABWE welcomed sections on digital divides that prevent investment in digital infrastructure and support digital literacy programmes for youth, women, and children. He also called for anticipating risks from STI advancement, including job displacement and AI bias, and mitigate any risks through workforce upskilling and reskilling. He also requested stronger language on technology transfer.

ITU highlighted lack of digital infrastructure in low- and middle-income countries, and called for, among other things: stable regulatory frameworks alongside competition laws and cooperation among relevant bodies; and development of digital infrastructure and public digital infrastructure.

DJIBOUTI called for technology transfer to LDCs through a resource-empowered UN technological mechanism and Technology Bank for LDCs.

LATINDADD called for an intergovernmental, inclusive, and participatory UN mechanism to evaluate new technologies, like AI, and their impacts.

BRIDGING GAPS and the NGO COMMITTEE FOR SOCIAL DEVELOPMENT suggested language on consumer protection, and safeguarding risks of STI and AI, particularly for algorithmic biases, protecting consumer rights, and ensuring cybersecurity.

Data, monitoring and follow up: The final section of the draft, which delegates considered on Friday morning, addresses investment in data and statistical systems; data frameworks for sustainable development, accessibility, and innovation; and monitoring and follow up. The G-77/CHINA, the EU, the UK, LDCs, CUBA, and others emphasized the cross-cutting nature of this section and underlined that it should not be an afterthought. Several delegations supported developing progress metrics that go beyond GDP.

The G-77/CHINA welcomed reference to SDG indicator 17.3.1 (FDI, ODA, and South-South cooperation as a proportion of GNI); called for stronger investment in national statistics agencies; and sought clarification on follow-up actions, noting these must be action-oriented and avoid duplication of efforts. CANADA called for more information on SDG indicator 17.3.1.

The EU suggested referencing the Global Digital Compact target aiming for a 50% increase in the data available to monitor the SDGs and urged using agreed language on data disaggregation. Among other amendments, they expressed reservations on a commitment to discuss the outcomes of the ECOSOC High-level Special Meetings on Credit Ratings and invite regulatory standard setters to participate in the ECOSOC FfD Forum.

LDCs called for stronger commitments on strategic financial support for data and statistical capacities in developing countries. GUATEMALA stressed the need for capacity-building support for developing countries' statistical agencies and to improve disaggregation and accessibility of data.

CUBA noted that not all commitments in the draft are easily measurable, and with AOSIS, EGYPT and PAKISTAN, did not support calls for the Inter-Agency Task Force on FfD to develop financing indicators, noting the SDGs already have an applicable set of indicators. INDIA supported the development of the indicators. CUBA, with EGYPT and IRAN, and opposed by SOUTH AFRICA, questioned the utility of inviting countries to present financing action reviews.

SAUDI ARABIA proposed replacing language on "gender and sex" with "race, age, and sex." The HOLY SEE did not support reference to gender-disaggregated data, while the RUSSIAN FEDERATION called to delete references to gender and vulnerable groups.

AOSIS and SAUDI ARABIA cautioned placing additional administrative and reporting burdens on developing countries. AOSIS further noted that actors should be assigned responsibilities in the outcome document, pointing to the universal "we" used throughout the text.

COLOMBIA called for references to ongoing work under the UN Statistical Commission, with SWITZERLAND, and expressed concern regarding the fragmentation and duplication of efforts on indicator development. CANADA requested the rationale on the call for a follow-up conference in 2029, noting that this should not be an FfD5. ARGENTINA underlined the need to avoid the duplication of processes or the expansion of mandates regarding the follow-up mechanisms included in the document. CHINA called for coordination with existing follow-up processes.

ICELAND emphasized the importance of improved coordination for creditors beyond the Paris Club. AUSTRALIA, with INDIA, supported increased references to financing for data and statistical systems, and called for more references to gender, Indigenous Peoples and local communities, and people with disabilities. They called for new language on the respect and responsibility for data privacy.

SWITZERLAND suggested referring to the Bern Network on Financing Data for Development, and proposed language on data sharing between governments. The UK proposed including text on the International Aid Transparency Initiative and called for suggestions on how to strengthen the ECOSOC FfD Forum. Pointing to the urgent task of bridging the financing gap to address extreme poverty, HAITI called for a reference to the Istanbul Programme of Action for LDCs.

The US noted that they could "strive to commit" finances and could consider targeted financing but noted they could not commit to blanket financing; and preferred that follow-up actions promote equal opportunities for all.

IRAN suggested focusing on the follow up of unmet means of implementation commitments.

BRAZIL opposed suggestions to pare down the text, underlining that the AAAA was twice as long as the zero draft and still remained robust and concise. They noted that data reporting should not create additional burdens for developing countries, suggesting creation of indicators to track implementation progress.

NIGERIA requested technical support for data collection, analysis, and disaggregation, and suggested data provisions are mainstreamed in the document. SOUTH AFRICA suggested follow-up through national oversight teams instead of focal points.

The ICC proposed strengthened data exchanges between the private sector and governments. IFAD recommended referring to the dedicated tools to track financial flows to the agrifood and agriculture sectors developed by IFAD and the World Bank.

JUBILEE US NETWORK stressed the importance of transparency and civil society participation, with EQUIDAD DE GÉNERO underscoring that the process is as important as the outcome.

GLOBAL FORUM FOR MEDIA DEVELOPMENT highlighted that successful implementation of FfD relies, *inter alia*, on information flows through media systems operating nationally and internationally.

Next Steps: Closing the informal discussions on Friday afternoon, Co-Facilitator Merete Fjeld Brattested thanked all states and stakeholders for their detailed comments on the zero draft. She noted the much-appreciated participation of civil society, academia, and the private sector. She lauded the feedback on the zero draft, noting that PrepCom3 has provided guidance for the Co-Facilitators on how to refine and strengthen the document in its next revision. She advised that all are welcome to submit written statements towards revising the document and stated these will be published on the FfD4 website for transparency. She noted that outstanding queries raised at PrepCom3 will be clarified in due course.

On the roadmap, she noted that a first revised outcome document will be circulated the week of 10 March 2025, marking the beginning of the intersessional stage of the negotiations, and announced that the first intersessional line-by-line text-based negotiations will be held from 24-28 March 2025 and 1-4 April 2025. On stakeholder participation, she noted that the Co-Facilitators would work with the FfD4 Co-Chairs and the Bureau to find a solution to this concern.

She reaffirmed the Co-Facilitators' commitment to providing an ambitious and pragmatic outcome document and closed the informal meeting on the zero draft at 4:15 pm.

Closure of the Meeting

On Friday afternoon, Ana María Menéndez Pérez (Spain) outlined logistical matters regarding the FfD4 Conference to be held in Seville. Navid Hanif, Assistant Secretary-General, Department of Economic and Social Affairs, emphasized that discussions towards the Seville outcome must be impact focused and address issues where there is not yet clear consensus, including concrete solutions on debt burdens, scaling up the provision of concessional finance, and the different approaches to IFA and global economic governance reform. Calling for realism, he urged delegates to make "financing work for everyone."

FfD4 Co-Chair Vinhas stressed that success in Seville will be a result that "contributes to citizens' aspirations for a decent life and planet," and commended delegates for completing the first reading of the zero draft. Co-Chair Maniratanga underscored the need to explore and develop concrete initiatives to facilitate the implementation of the FfD4 outcome document's commitments. Lauding states and stakeholders for their active engagement at this meeting, he closed the session at 4:51 pm.

A Brief Analysis of PrepCom3

With only five years left before the world is supposed to achieve the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs), the Earth is in the throes of nested crises and multilateralism is suffering a deficit of trust. These crises include global conflicts, climate change, food insecurity, biodiversity loss, corruption, elevated pollution, and increasing inequality. The current discussions on financing for development are not immune to these crises. And delegates to the third session of the Preparatory Committee (PrepCom3) for the fourth International Conference on Financing for Development (FfD4) quickly recognized that current international realities will affect their ability to deliver.

The zero draft of the FfD4 outcome document presented for consideration at PrepCom3 contained all the sections agreed at the previous two PrepCom sessions held in 2024, but it was clear from comments throughout the week that more work is needed to address core areas of concern, including reaching concrete solutions on the debt burden, the matter of international concessional finance, and divergences in approaches to international economic governance and institutional reform.

This brief analysis will consider PrepCom3's discussions around the growing calls to restructure the international financial architecture. To do this, it will address the major sticking points identified during the week that may affect the achievement of the SDGs. It will also discuss the complex process toward reaching agreement on a robust outcome document at FfD4 in Seville, Spain, in July 2025.

Reforming the Global Financial Architecture: Toward 2030 or Beyond?

As delegates reflected on the zero draft, the ambitious vision for a Seville outcome quickly emerged as yet to be discovered: will it follow the pattern of previous FfD conferences and establish the future for development financing for the next 10 years? Or should it concentrate on achieving the SDGs and convene another FfD conference in five years? Is the document's length justified—the 2015 Addis Ababa Action Agenda after all was twice as long—or should it be significantly shortened to ensure clarity and attainability, as the US requested? Views quickly diverged, signaling the complexity of the issues at hand and the current geopolitical landscape.

Proponents of sticking to the usual 10-year FfD timeline spent the week brainstorming on ways to future-proof the outcome document and ensure it remains relevant beyond 2030. Supporters of the shorter timeframe, including many members of civil society, stressed the impacts of the most recent geopolitical shifts and their ramifications across the development landscape. Hoping for a more favorable environment in five years, in light of election cycles in major economies, several expressed wariness of investing too much time and energy fighting for long-term change in a situation where "a bold outcome is highly unlikely."

The uncertainties surrounding the withdrawal of funding by the US and the potential dissolution of the US Agency for International Development (USAID) "undermines an already inadequate system" of official development assistance (ODA), which, the Group of 77 and China reminded delegates, is the bedrock of international development. This, combined with the fact that only a few developed countries have met the target of 0.7% gross national income (GNI) for ODA, ramped up the pressure on discussions to "reform" versus "refine" the international financial architecture. The calls for leveraging public finance to attract private capital were viewed by many as a way for developed countries to "shy away from their responsibility" to provide adequate, stable, and accessible finance for development.

Sustainable Development Slipping Away: Removing Key Roadblocks to Financing

While many developing country representatives stressed the need for developed countries to meet their ODA commitments, it is clear that, as one delegate put it, "ODA is not enough." During the week, delegates discussed ways to maximize the impact of ODA, including by combining it with domestic resource mobilization, specifically by bolstering tax collection at the national level. A shrinking tax base and illicit financial flows have been concerns of developing countries for years. This has been so pervasive that it has led the General Assembly to begin negotiations on a UN Framework Convention on International Tax Cooperation. Having just finished the first meeting of the Intergovernmental Negotiating Committee (INC) on the tax cooperation convention in the same halls the previous week, many delegates reiterated their positions on tax cooperation and explored how to best connect the two processes.

While many developing countries were eager to spearhead bold initiatives like taxation of high-net-worth individuals through FfD4, several developed countries favored a more cautious approach to referencing the work on tax cooperation in the outcome document, especially since the INC is not set to conclude its deliberations until 2027. At this meeting, developed countries seemed "more interested in strengthening provisions on domestic structures and accountability," and faced pushback from developing countries who cited national sovereignty over domestic resource mobilization methodologies.

Debt sustainability and the call to reform the global debt architecture was another big-ticket issue. The inadequacy of the financial system to provide the means of implementation to enable sustainable development is well known, as illustrated in interventions throughout the week. Established initially to provide economic stability in a post-conflict, post-colonial world, today the debt servicing requirements on developing countries ensure that "net cash flows move from the Global South to Global North," as Brazil pointed out. In a nod to this disgraceful situation, UN Development Programme Administrator Achim Steiner noted that debt servicing requirements have led to developing countries to "raid budgets earmarked for education and health toward interest payments on debt."

The main reason for this is the high cost of debt, and addressing it without coordinated, or an attempt at more systemic, reform of the international financial institutions (IFIs) is difficult. The Global North controls the governance of IFIs, a situation that developing countries are striving to undo, through proposals for voting and governance reform. Many developed countries are, naturally, opposed to any such governance reform, with many cautioning against overstepping the IFIs' respective mandates. On the other hand, several delegations emphasized the UN's central role as a norm-setter in global economic governance.

While the zero draft contains some advancements toward equality, like enhancing African representation in senior management positions at the International Monetary Fund, the power dynamics remain largely unchallenged. "We can't get away from them," lamented one delegate, who pointed to similar governance arrangements under G20 mechanisms like the Financial Stability Board and the North-dominated Basel Committee on Banking Supervision.

Perhaps the most contentious issue related to debt sustainability discussions are credit rating agencies—for-profit institutions that are also primarily based in the Global North, which produce assessments of credit risks that affect developing countries' ability to attract private capital. Many developing countries denounced the lack of transparency and inadequacy of these assessment methodologies, which overestimate risks and do not account for long-term stability or sustainable development, reiterating calls for reform. Developed countries, again, countered by noting this forum's lack of mandate to undertake such reform. As one African delegate commented, to achieve some tangible impacts, the next steps taken must address practical, achievable, and high priority actions, including addressing credit rating methodologies.

On the Road to Seville, the Process is as Important as the Outcome

Getting a robust agreement at FfD4 will require "all the brightest minds we have," shared one civil society participant. While the PrepCom3 Co-Facilitators promised to deliver a revised outcome document in March, the elephant in the room remained: will observer participation be allowed during the intersessional work before the next PrepCom meeting? An earlier circulated roadmap for FfD4 specified that intersessional meetings will be open to Member States only. Many civil society organizations urged following the precedent of previous FfD conferences and ensure they are included until the final stages of negotiations, thus upholding transparency and the principles of full and meaningful participation. In their closing remarks, the Co-Facilitators promised to work out a solution to this with the Bureau. Only time will tell whether the pleas from civil society will be answered.

The common thread across the week, meanwhile, heard from both from civil society and country delegations, is to ensure that the development financing landscape ultimately "contributes to citizens' aspirations for a decent life and planet." Achieving this ambitious task will largely depend on trust, something that the multilateral system is currently lacking. As delegates gather again for the intersessionals, the fourth PrepCom session in April, and then in Seville in July, not only will they have to strike a balance between ambition and pragmatism, but they will also have to find the courage and political will to challenge the status quo of the international financial landscape to ensure they can bridge the growing gap in SDG implementation and ensure sustainable development for all beyond 2030.

Upcoming Meetings

Fifth Finance in Common Summit (FiCS): Co-hosted by the Development Bank of Southern Africa (DBSA) and the Asian Infrastructure Investment Bank (AIIB), with the support of Agence Française de Développement (AFD), the 2025 summit will bring together global leaders, public development banks, the private sector, and philanthropies to reimagine and reshape sustainable finance. **dates:** 26-28 February 2025 **location:** Cape Town, South Africa **www:** aiib.org/en/news-events/events/2025/Finance-in-Common-Summit-FiCS-2025.html

Thirtieth Session of the Committee of Experts on International Tax Cooperation: The Committee of tax experts is focused on creating practical guidance on strengthening tax policy and developing tools to address taxation challenges. **dates:** 24-27 March 2025 **location:** UN Headquarters, New York **www:** financing.desa.un.org/events/30th-session-committee-experts-international-cooperation-tax-matters

2025 Spring Meetings of the International Monetary Fund and the World Bank: The Spring Meetings are composed of the joint World Bank-IMF Development Committee and the IMF's

International Monetary and Financial Committee events. Ancillary meetings will be scheduled throughout the week. **dates:** 21-26 April 2025 **location:** Washington D.C., US **www:** worldbank.org/en/meetings/splash/spring

First Intersessional Meeting for FfD4: Delegates are set to meet to carry out a line-by-line negotiation on the revised draft text of the FfD4 outcome document at the end of March 2025. **dates:** 25-28 March and 1-4 April 2025 **location:** UN Headquarters, New York **www:** ecosoc.un.org/en/events/2025/ecosoc-forum-financing-development-follow

FfD Forum: The Financing for Development Forum is an intergovernmental process with universal participation mandated to review the AAAA, other financing for development outcomes, and the means of implementation of the SDGs. **dates:** 28-29 April 2025 **location:** UN Headquarters, New York **www:** ecosoc.un.org/en/events/2025/ecosoc-forum-financing-development-follow

PrepCom4 for FfD4 (Part 1): The fourth session of the Preparatory Committee for FfD4 will continue to make substantive preparations for the Conference, with delegates scheduled to consider the text of the draft outcome document of the conference. **dates:** 30 April - 1 May 2025 **location:** UN Headquarters, New York **www:** financing.desa.un.org/preparatory-process-ffd4

Second Intersessional Meeting for FfD4: Delegates are set to meet to carry out a line-by-line negotiation on the revised draft text of the FfD4 outcome document. **dates:** 5-9 May 2025 **location:** UN Headquarters, New York **www:** ecosoc.un.org/en/events/2025/ecosoc-forum-financing-development-follow

STI Forum: The tenth annual UN Multi-stakeholder Forum on Science, Technology, and Innovation for the Sustainable Development Goals (STI Forum) is expected to discuss science, technology, and innovation cooperation around thematic areas for SDG implementation. **dates:** 7-8 May 2025 **location:** UN Headquarters, New York **www:** sdg.iisd.org/events/un-multi-stakeholder-forum-on-science-technology-and-innovation-for-the-sdgs-2025/

Third Intersessional Meeting for FfD4: Delegates are set to meet to continue a line-by-line negotiation on the revised draft text of the FfD4 outcome document. **dates:** 27-30 May 2025 **location:** UN Headquarters, New York **www:** ecosoc.un.org/en/events/2025/ecosoc-forum-financing-development-follow

PrepCom4 for FfD4 (Part 2): The fourth session of the Preparatory Committee for FfD4 is tentatively scheduled to meet to finalize negotiations on the draft outcome document of the Conference. **dates:** mid-June 2025 **location:** TBC **www:** financing.desa.un.org/preparatory-process-ffd4

Fourth International Conference on Financing for Development (FfD4): The conference will result in an intergovernmentally negotiated and agreed outcome and summaries of the plenary meetings and other deliberations of the Conference. **dates:** 30 June - 3 July 2025 **location:** Seville, Spain **www:** financing.desa.un.org/preparatory-process-ffd4

For additional upcoming events, see sdg.iisd.org.

Glossary

AAAA	Addis Ababa Action Agenda
ABAS	Antigua and Barbuda Agenda for SIDS
AI	Artificial intelligence
AOSIS	Alliance of Small Island States
CBDR	Common but differentiated responsibilities
DEI	Diversity, equity and inclusion
DSSS	Debt Sustainability Support Service
ECOSOC	UN Economic and Social Council
FAO	Food and Agriculture Organization of the UN
FDI	Foreign direct investment
FfD	Financing for development
GDP	Gross domestic product
GNI	Gross national income
ICC	International Chamber of Commerce
IFA	International financial architecture
IFAD	International Fund for Agricultural Development
IFFs	Illicit financial flows
IFIs	International Financial Institutions
IMF	International Monetary Fund
INFFs	Integrated National Financing Frameworks
ITU	International Telecommunication Union
LDCs	Least developed countries
LLDCs	Land-locked developing countries
LMGMICs	Like-Minded Group of Middle-Income Countries
MDB	Multilateral development bank
MICs	Middle income countries
MSMEs	Micro-, small-, and medium-sized enterprises
MVI	Multidimensional Vulnerability Index
NCQG	New Collective Quantified Goal on Climate Finance
NDBs	National development banks
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
PDBs	Public development banks
PrepCom	Preparatory Committee
SDGs	Sustainable Development Goals
SDRs	Special drawing rights
SIDS	Small island developing states
SMEs	Small and medium enterprises
STI	Science, technology and innovation
UCMs	Unilateral coercive measures
UNCAC	UN Convention Against Corruption
UNCTAD	UN Trade and Development
UNDP	UN Development Programme
UNGA	UN General Assembly
WTO	World Trade Organization