



**Australia's Input to the Elements Paper for the:
United Nations Fourth International Conference on Financing for Development (FFD4)
Seville, Spain – 30 June to 3 July 2025**

Australia remains firmly committed to implementing in full the 2030 Agenda for Sustainable Development and achieving all of the Sustainable Development Goals (SDGs). The outcome of FFD4 must catalyse urgently needed global cooperation and mobilise greater and more impactful development finance from all sources to accelerate implementation of the 2030 Agenda.

Australia is particularly focused on supporting the smallest and most vulnerable developing countries, many of which are disproportionately affected by the adverse impacts of climate change. More than one third of the top 50 [most vulnerable countries in the world](#) are in the Indo-Pacific and more than one third of Small Island Developing States (SIDS) are our Pacific neighbours.

Australia is dedicated to amplifying the voices of the smallest and most vulnerable countries, including marginalised populations. We hear and understand our partners' urgent call for accelerated progress towards achieving the SDGs and increased development finance. We must go beyond business as usual if we are to succeed.

Australia advocates for transformation of the international financial architecture (IFA) at FFD4 to enhance its resilience and capacity and strengthen trust in the multilateral system. IFA reforms should incentivise countries that wish to act on global public goods, such as gender equality, climate change mitigation and pandemic preparedness.

Although we have made strides since the adoption of the 2015 Addis Ababa Action Agenda (AAAA), challenges persist, and new global economic and financing hurdles have emerged. FFD4 presents an invaluable opportunity to explore innovative new approaches and solutions.

FFD4 needs to leverage the momentum generated by the Pact for the Future to address development and climate financing gaps efficiently and without duplicating international efforts in other multilateral forums.

These efforts must complement a country's own actions to drive sustainable development, consistent with the universal commitment to achieving the SDGs.



I. A global financing framework

Australia supports development for all, by all. To achieve the ambition needed to drive implementation of the 2030 Agenda, FFD4 must focus on how we work together.

The priorities, needs and voices of people in developing countries are at the heart of approaches to achieve development impact, playing a critical role to support an effective global financing framework by:

- bringing their own political leadership, creating reform momentum, and setting ambitious benchmarks for domestic action.
- having greater voice and representation in international finance institutions (IFIs) to enable IFIs to be more effective, credible, and accountable.

Country-led platforms should serve as effective frameworks for aligning national reforms with climate and sustainable development priorities. Established upon request, these platforms enhance coordination, better connect finance providers, leverage private sector capital, and improve transparency and accountability, driving substantial progress towards the SDGs.

For success, developing countries need strong leadership, governance, and accountability to drive domestic action. Platforms should bring together international financial institutions, donors, and private sector actors to provide coordinated support, such as customised financial packages, technical assistance, and policy advice. Countries with weaker institutions may need extra technical support from the international community to manage their platforms effectively.

For development to be sustainable, it must promote inclusive economic growth, social development, and environmental protection. Economic opportunities are undermined by the triple planetary crises of climate change, biodiversity loss and pollution. Global challenges like climate change are interconnected and have a compounding and cascading impact. Addressing these challenges and strengthening national development can reinforce each other.

Urgent action is needed to adapt to and build resilience against climate impacts, as extreme weather threatens food and water security, endangering global stability. Disaster risk financing and anticipatory actions need to be considered to safeguard development gains. Eligibility for international support mechanisms, particularly for SIDS, should not rely solely on income measures, and vulnerability should be an important consideration. These efforts require significant public and private investment, even as countries face higher debt and competing demands.

A sustainable ocean economy is a powerful and growing investment. Ocean industries directly contribute at least \$2.5 trillion to the global economy each year. Ecosystem services,



such as carbon dioxide absorption, nutrient cycling, and coastal protection, are estimated to be worth an addition \$24 trillion globally each year. However, the ocean is under immense pressure. IFIs and bilateral donors can support the foundation of blue economy industries such as energy exploration and production, fisheries, coastal and marine tourism, shipping, and transport.

Gender inequality exacerbates global development challenges. No country can reach its full potential without ensuring equal opportunities for all its people. Achieving gender equality and empowering women and girls are essential to meeting all SDGs.

Proposals:

- Support IFA reforms that improve governance by enhancing the representation and voice of developing countries in global economic decision-making, increasing transparency, and prioritising diversity and gender balance in executive boards, senior management, and staff roles. Also, incentivise countries to act on global public goods.
- Promote a global financing framework based on country-led platforms that are established upon request, which align national reforms with climate and development goals, while improving access to finance and investment and addressing investment barriers.
- Acknowledge climate change as a force multiplier for development threats, such as pandemics, food and water insecurity, conflict, and fragility. Reflect climate change considerations across all FFD4 action areas as a global public good.
- Ensure gender equality, women's and girls' empowerment, social inclusion (including disability equality) are integrated as cross-cutting priorities in all FFD4 action areas.

II. Action areas

a. Domestic public resources

Developing countries need better access to financing to achieve the SDGs. Domestic resource mobilisation (DRM) remains the largest source of funds for these countries to do this. The [IMF](#) estimates low-income developing countries can raise their tax-to-GDP ratio by nine percentage points through tax and institutional reforms. Strengthening domestic public resource use is critical for sustainable development.

Comprehensive tax reforms, including broadening tax bases, reducing reliance on tax incentives, and combatting inefficient fossil fuel subsidies and illicit financial flows, are essential for expanding domestic financing capacities. Progressive tax systems ensure that economic growth translates into increased public resources.

Consistent with the [World Bank's analysis](#), there is a need to better incentivise commitment to tax reforms to sustain DRM reforms.



Country-led platforms can encourage and sustain ambitious tax reform through meaningful and long-term partnerships with IFIs and donors. These platforms can also integrate capacity development from IFIs and donors, including through the proposed [joint IMF-World Bank domestic resource initiative](#), to address issues like tax capacity, spending efficiency, and public debt management.

Adequate public financing is crucial for achieving gender equality and empowering women and girls. Gender-responsive budgeting can address biases and advance equality efforts, such as equal pay and access to labour markets.

Australia supports transparent, accessible, and responsive governance. Corruption is a barrier to sustainable development, and Australia advocates for approaches that help countries strengthen public institutions, implement reforms, diversify economies, create jobs, and improve business environments.

Australia backs the Addis Tax Initiative, promoting fair and effective DRM through collective action among partner countries, development partners, and supporting organisations.

Proposals

- Support a DRM-centric global financing framework, facilitating ambitious tax reforms and robust public financial management through international support and country-led platforms.
- Support the [joint IMF-World Bank domestic resource initiative](#) aimed at enhancing and integrating tax capacity, spending effectiveness, and public debt markets.
- Renew commitment to the Addis Tax Initiative to support developing countries to strengthen their tax systems, enhance revenue collection, and foster transparent governance.
- Support developing countries to adopt gender-responsive budgeting to advance equality and inclusivity.

b. Domestic and international private business and finance

Scaling-up private business and finance is essential to bridging financing gaps in developing countries. Mobilising private capital for sustainable development is challenging, especially in high-risk regions and where private sector development is low. While direct private finance mobilised by MDBs and sovereign development finance institutions (DFIs) has grown (USD 23 billion in [2022](#)), there is still room to expand innovative and blended financing to meet the SDGs, including via national development agencies and foreign ministries.

The [G20 Independent Experts Group](#) recommends that MDBs prioritise catalysing and mobilising private finance in their strategies. This involves taking a whole-of-bank approach to improving investment climates, building markets, and enhancing transparency to help private investors assess risks more accurately.



To attract more private investment in high-risk regions, MDBs and governments should increase the use of blended finance tools, such as guarantees, first-loss mechanisms, and de-risking instruments. Gender lens investing is also crucial, as there is a significant financing gap for businesses owned or led by women and those advancing gender equality. Australia's experience using these tools to respond to development challenges and strengthen partnerships, demonstrates that the use of these tools is essential for all governments to adopt them as part of their ODA programs.

In practice, MDBs and governments need to take on more risk by entering deals earlier and acting as anchor investors. This ensures that their financing complements private investment, rather than crowding it out.

Scaling private finance requires standardised and proven blended finance models that can be applied across developing countries with varying levels of private sector development. Greater transparency in blended finance transactions is needed to show their impact and value for money.

Ensuring adequate and affordable financial services for remittances remains an unfulfilled commitment of the AAAA. Despite lower transaction costs, they are still more than double the SDG target of three percent.

Access to banking services is crucial for the Pacific, but correspondent banking relationships (CBRs) have declined due to low profitability, reputational risks, regulatory costs, and uneven effectiveness of AML/CFT frameworks. This decline negatively affects economic resilience, growth, financial inclusion, and stability in the region.

In July 2024, Australia co-hosted the Pacific Banking Forum with the US, focusing on sustainable banking services, improving remittance pathways, reducing banking costs, and enhancing AML/CFT regulatory capacity. Building on the Forum's outcomes at FFD4 would promote lasting access to cross-border payments and global capital.

The World Bank has pledged to support strengthening CBRs in the Pacific through emergency banking channels, regulatory harmonisation, technical assistance, and a feasibility study on aggregating payment flows for financial sustainability. Additional international support is needed to address the challenges caused by declining CBRs.

Inclusive, secure digital identity systems will improve access to financial services, while also offering benefits in healthcare, social protection, and digital government efficiency.

Proposals:

- Incentivise the private sector through actions that build partnerships, transparency, knowledge sharing, and trust.
- Promote significantly increased use of innovative finance mechanisms and provision of concessional funds by government and MDBs to support deployment of catalytic capital



to unlock private investment to support achievement of the SDGs (this includes gender lens investing).

- Support efforts to identify and promote standardised blended finance products that are proven to be effective, are replicable across developing countries, and will help to mobilise blended capital at scale, and bring together MDBs and DFIs to deepen partnerships.
- Call for transparent impact reporting standards across blended finance transactions.
- Build on global efforts at the G20, World Bank, and regional development banks to support correspondent banking relationships through technical assistance programs by addressing the main challenges identified in cross-border payments – high costs, low speed, limited access, and insufficient transparency – and the frictions that contribute to those challenges.
- Support investments to build financial system enabling infrastructure in small island states, including digital identification, payments infrastructure and digital solutions, to enhance broader financial system resilience.
- Strengthen the IFA to monitor, evaluate and learn from experience in mobilising private investment to support effective and impactful development, gender equality and climate action, including through the OECD DAC.

c. International development cooperation

Like AAAA, FFD4 must continue to prioritise enhanced policy coherence across all three dimensions of sustainable development – social, economic, and environmental. Strengthening the effectiveness of development cooperation must be part of global efforts; what we get from each dollar of spend is just as important as the amount of development finance itself.

Australia is committed to delivering a high quality, effective and transparent development program that responds to partner needs, achieves results, and is informed by robust monitoring, evaluation, and learning. We support our partners to build effective, accountable states that drive their own development through country-led models.

The effectiveness of our collective investments must be prioritised because implementation is crucial to delivering on ambitions. Development investments need to deliver results for their communities. Development cooperation must align with national priorities, be delivered through genuine partnerships, and complement and supplement domestic efforts to achieve the SDGs.

High-quality governance, accountability and transparency mechanisms are critical for driving real improvement in the quality of development cooperation. Robust monitoring, evaluation and learning systems are essential to inform investment designs and support program delivery to ensure recipients are receiving the support intended. Transparency is important



to effectively monitor and report on projects to build understanding and confidence – which helps then incentivise the private sector to invest.

Australia supports improving development effectiveness in alignment with complementary processes, including in the G20, MDBs and OECD DAC. We support OECD DAC's leadership in developing norms and standards that promote and facilitate a cooperative and complementary approach, including among emerging development partners to maximise impact. More effective partner coordination will drive more effective development cooperation.

Following agreement of the [2023 Lusaka Agenda](#), Australia supports continued efforts to shape evolution of Global Health Initiatives (GHI) and the broader global health financing ecosystem. This includes by making strong contributions to primary health care by effectively strengthening systems for health, playing a catalytic role towards sustainable, domestically financed health services and public health functions, and coordinating approaches to products, research and development, and regional manufacturing to address market and global policy failures in global health.

Proposals

- Enhance governance, accountability, and transparency within development cooperation to ensure it is effective and aligned with the SDGs.
- Effective development cooperation principles – country ownership, focus on results, inclusive development partnerships, and transparency and accountability – should inform how we deliver different types of finance and partnerships.
- Support specific, time bound and achievable commitments to improve donor coordination, reduce fragmentation and increase use of country systems, including for budget support and a strong locally led development approach.
- Ensure inclusion of the cross-cutting issues of climate, gender equality and disability equity and rights.
- Reiterate commitment to agreed development cooperation effectiveness principles.
- Support international health initiatives and the broader health financing ecosystem as outlined in the Lusaka Agenda.
- Encourage sustainable, predictable, and transparent financing for pandemic prevention, preparedness and response and public health emergencies, in line with obligations in the newly amended International Health Regulations (2005) and the draft pandemic agreement text being negotiated under the auspices of the WHO.
- Harmonise ODA and climate finance reporting standards to promote greater consistency and transparency.



d. International trade as an engine for development

Australia strongly supports the multilateral trading system, which promotes inclusive growth, poverty reduction, and environmental sustainability. It is essential for national, regional, and global economic security and resilience. Trade also enhances women's wages and economic equality.

WTO reform is key to keeping the multilateral trading system relevant. Australia backs a rules-based, fair, open, and transparent system, with the WTO at its core. A fully functional WTO dispute settlement system is vital for holding governments accountable and ensuring compliance with trade rules.

Australia supports enhancing market access and integration by reducing technical barriers to trade and facilitating reduced costs to support development. Enhancing South-South cooperation, with support from developed countries, will further economic integration. Special attention is needed to integrate developing countries, including Least Developed Countries, SIDS, and landlocked or conflict-affected states, with targeted aid for trade and preferential market access.

Trade plays a critical role in improving food security by lowering prices, enhancing access, and building resilience to supply shocks. Australia supports reforming agricultural trade rules to ensure fair markets and a level playing field for farmers, which will attract sustainable investment in food systems and strengthen global food security.

There is an urgent need to address agricultural subsidies that distort trade, harm the environment, and disproportionately impact developing countries. Australia aims to make progress on these issues at the next WTO Ministerial Conference in Cameroon.

The WTO Agreement on Fisheries Subsidies, adopted at the 12th Ministerial Conference in 2022, is a step toward achieving SDG14 on sustainable use of oceans and marine resources. Australia urges WTO members that have not done so to accept this agreement and advance further provisions to tackle overfishing. The WTO Fisheries Funding Mechanism will provide essential technical assistance to developing members for implementation of the agreement.

Proposals

- Acknowledge the critical role that trade plays in sustainable development, including through boosting inclusive economic growth, and the link to ongoing WTO reform efforts that will help drive global trade integration.
- Support international financial institutions, including the multilateral development banks, to offer finance instruments and mechanisms that reduce risk and facilitate developing countries' trade priorities.
- Support international financial institutions to prioritise trade facilitation assistance to vulnerable countries.



e. Debt and debt sustainability

Australia acknowledges the critical role of debt in supporting sustainable development but is concerned about rising debt service costs and increased vulnerability to natural hazards. Effective debt management is essential to enable developing countries to access debt markets, invest in climate-resilient infrastructure, and achieve the SDGs. Strengthening the IFA to ensure debt sustainability and resolve unsustainable debt is a priority.

Sovereign loans must be high-quality, transparent, and aligned with borrowing countries' needs. Creditors have a responsibility to ensure that funded projects are economically viable and generate revenue for loan repayments. Private bondholders need to facilitate collective action in debt treatment by including collective action clauses in sovereign bonds. Borrowing countries should enhance creditworthiness and debt transparency to allow for effective risk assessment and timely intervention in cases of debt distress.

Country-led platforms, supported by the IMF and MDBs, can play a critical role in maintaining sustainable public debt levels and addressing liquidity and repayment risks. These platforms also help strengthen political leadership and implement reforms needed to manage debt effectively.

Australia advocates for an IFA that supports debt sustainability and maintains a robust global financial safety net. Strengthening the G20 Common Framework for debt treatment beyond the Debt Service Suspension Initiative is vital to resolving unsustainable debt. This framework should be more predictable, timely, orderly, and coordinated, and underpinned by the principle of comparability of treatment. Australia also supports greater engagement with the Global Sovereign Debt Roundtable to address emerging debt vulnerabilities and liquidity challenges in developing countries.

Australia opposes the inclusion of MDBs and the IMF as creditors in debt treatment under the Common Framework. This could undermine their preferred creditor status and reduce their capacity to lend to developing countries, weakening their balance sheets and limiting their ability to support sustainable development and a well-functioning global financial safety net.

Transparency is key to responsible debt management. Australia supports enhanced public debt disclosure, which can improve debt reporting, risk pricing, and accountability for both creditors and borrowers. Australia advocates for greater debt transparency through initiatives like the World Bank's Sustainable Development Finance Policy.

Australia also promotes strengthening public debt resilience to external shocks, such as natural hazards, and supports creating financial space for recovery efforts after disasters. Australia is backing its support for IFA reform by committing to offer Climate Resilient Debt Clauses in all sovereign lending by the end of 2025.



Proposals

- Support development of improved guidance to strengthen the effectiveness and timeliness of the Common Framework, including through meaningful and coordinated participation of official bilateral and private creditors in debt treatment negotiations.
- Support establishing country-led platforms of support to enable countries with sustainable debt to implement reforms to generate domestic public resources and effectively manage liquidity and debt repayment risks.
- Support global efforts to strengthen debt transparency, including exploration of approaches to incentivise and strengthen public debt disclosure requirements.
- Encourage all creditors to offer Climate Resilient Debt Clauses in sovereign loans to developing countries, particularly the smallest and most vulnerable.

f. Addressing systemic issues

Transnational crime threatens global security and prosperity. Strong partnerships are vital in responding to transnational organised crime. Australia is committed to supporting the effective implementation of the UN Convention against Transnational Organised Crime (UNTOC), supporting the UNODC in strengthening UNTOC implementation in the Pacific to assist our regional partners in their efforts to combat transnational crime. We will continue to advocate for the engagement of civil society, academia and the private sector and the mainstreaming of gender and human rights in our collective implementation of UNTOC.

III. Data, monitoring and follow-up

The outcome document of FFD4 will benefit from development of a robust monitoring framework. Australia supports efforts to ensure there will be follow-up on FFD4 implementation, with UN leadership supported by relevant organisations, including OECD.

There must be sustained efforts to address the challenges of data access and availability, including in the Pacific, as this is a limiting factor in optimising support and implementation with developing country partners.

Australia welcomes efforts to develop measures of progress on sustainable development that go beyond per capita income, including the Multidimensional Vulnerability Index. We encourage further efforts to recognise people and groups in vulnerable situations (including marginalised populations and groups) in resource allocation frameworks used by IFIs.

Proposals

- Establish mechanisms to monitor progress and report on FFD4 implementation.
- Support developing countries efforts to strengthen data access and availability.
- Support IFIs to consider adopting new or enhancing existing measures of vulnerability to inform their resource allocations.