General disclaimer:

The comments, edits and text suggestions in this document are without prejudice to positions of EU/EUMS on language, individual parts of the text or the text as a whole.

We maintain a full scrutiny reserve and in particular on certain paragraphs that are still being discussed by the group. The comments and in particular textual suggestions are preliminary and are provided to illustrate feedback during the third PrepCom, inspire drafting by cofacilitators, and help motivate further discussion.

Zero draft:
Outcome document of the Fourth International Conference on Financing for Development

I. A global framework for sustainable financing ~~framework~~

Paragraphs 1-4

EU Comments/rationale:

- *We suggest using the term "framework for sustainable" across the text.*
- *On paragraph 2, we suggest edits to **showcase the ongoing reforms and efforts** carried out within the international financial architecture. While we understand the need to refrain from using agreed language, we also find the language from the Pact for the Future well-balanced and could be used as inspiration.*
- *On paragraph 4, we suggest including language on **environmental degradation, biodiversity loss and conflicts** to broaden the scope of the challenges faced. We also suggest adding references to highlight the vulnerable situation of women as well as indigenous groups and those in vulnerable situations. We also suggest adding a reference to the **international rules-based system**.*
- *We suggest adding a new paragraph (4 bis) that stresses the role of **women and girls.***
- *We suggest adding a new paragraph (4 ter) underlining **the three dimensions** of sustainable development.*
- *We are seeking clarifications on **paragraph 10** regarding the details of the creation of a response plan for Middle-Income Countries.*
- *We are seeking clarifications on **paragraph 11** and what kind of coordination of action is to be proposed.*

1. We, the Heads of State and Government and High Representatives, have gathered in Seville, Spain from 30 June to 3 July 2025 to put in place a renewed global financing framework for sustainable development, building on the outcomes of previous International Conferences on Financing for Development, the 2002 Monterrey Consensus, the 2008 Doha Declaration and the 2015 Addis Ababa Action Agenda.

In paragraph 2, alternative language from the Pact for the Future (Action 47) could also serve as inspiration.

~~1.~~2. We are meeting at a time of profound human suffering and growing systemic, and in many cases existential, risks. Progress in achieving the Sustainable Development Goals (SDGs) is severely off track, with financing as a major challenge~~s at the heart~~ of the sustainable development crisis. The existing international financial architecture, ~~financing policies, and actions have fallen short~~ is evolving to ensure that it is fit for purpose to effectively help address global challenges such as poverty, inequalities, climate change, biodiversity loss, pandemics, fragility and conflict. Yet, the unfulfilled aspirations of people around the world have generated momentum for reform and created the opportunity for the transformative change we undertake to deliver in this agreement. We commit to overcoming obstacles and constraints encountered in the achievement of the goals and objectives agreed in previous International Conferences on Financing for Development, to addressing new and emerging issues, including in the context of the urgent need to accelerate the implementation of the 2030 Agenda for Sustainable Development and the achievement of the SDGs, and to supporting reform of the international financial architecture.

~~2.~~3. We appreciate the progress made in the implementation of the Addis Ababa Action Agenda. Initiatives and efforts to increase domestic resource mobilization, to engage the private sector, and to scale up international development cooperation have helped mobilize additional resources. Digitalization has enhanced innovation, efficiency and inclusion in development financing. We also commend initiatives and efforts to reform the international financial architecture and support the implementation of the Addis Ababa Action Agenda at the United Nations, the international financial institutions, and by groups of and individual Member States and stakeholders.

~~3.~~4. These initiatives and efforts, however, have not been sufficient and have not kept pace with rising needs. Many commitments made have not been fully met, while longstanding challenges combined with new and emerging issues have significantly impacted the financing for development landscape. We are faced with adverse global macroeconomic conditions and weakening growth prospects, persistent and rising inequalities and fragilities, escalating debt burdens and limited fiscal space, increasing environmental degradation, biodiversity loss, climate change, environmental and disaster related risks, rapid technological change, disease outbreaks, pandemics, and rising conflicts and geopolitical challenges. We are deeply concerned by the widening financing divides within and between ~~developed and developing~~ countries, while women, indigenous peoples and the vulnerable, continue to be excluded from participating fully in the economy. We are deeply concerned about ~~and their~~ the impact on the ~~realization of sustainable development, the~~ implementation of the 2030 Agenda for Sustainable Development and the achievement of its 17 SDGs. Overcoming these challenges requires strong political will and urgent action, reinvigorated trust and confidence in the rules based international system based on multilateralism, enhanced international cooperation and a strengthened international financial architecture through this renewed global financing framework.

[ADD] New 4bis. We recognize that the achievement of full human potential and sustainable development is not possible if women and girls are denied full human rights and opportunities. Sustained, inclusive and equitable economic growth and sustainable development can only be realized when all women, adolescent girls and girls have their full human rights respected, protected and fulfilled.

[ADD] New 4ter. We understand that the economic, social and environmental dimensions of sustainable development and all SDGs are universal, indivisible and interlinked and should be treated and financed in a balanced way

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A renewed global framework for sustainable financing ~~framework~~

Paragraphs 5-11

5. We will urgently increase our collective efforts and actions for a large-scale investment push for sustainable development. We will take measures to make sure no country has to choose between fighting poverty and saving the planet, to enhance fiscal space, address urgent debt challenges of many developing countries and ~~lower~~ review the cost of capital to enable investments for sustainable, resilient and inclusive growth while addressing ~~urgent~~ social needs, ~~and~~ protecting our planet by combating climate change and environmental degradation, in line with the goals of the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework, and ensuring that we reach the furthest behind first. To this end, we will mobilize ~~additional and innovative~~ significant and adequate resources and investments financing from all sources, recognizing the different comparative advantages, risks and incentives associated with public and private finance. We will put sustainable development impact at the heart of our efforts and actions to strive to mobilize financing for development, and will align all flows, international and domestic ~~public and private,~~ with the economic, societal and environmental sustainable transformations we ~~seek~~ need.

6. Our efforts and actions at the international level must continue to be underpinned by a commitment to multilateralism and global solidarity based on mutual respect, shared responsibility, and collective action. We commit to reinvigorate the global partnership for sustainable development and scale up international cooperation and support to address persisting inequalities and rising needs in developing countries in order to leave no one behind. We commit to continue to support the reform the international financial architecture to make it fit for purpose and fit for a more crisis-prone world. We commit to continue to make global governance more inclusive and effective, to better reflect today's realities. And we commit to uphold and strengthen rules-based approaches, while respecting each country's policy space to pursue sustainable development while remaining consistent with relevant international rules and commitments.

7. At the national level, country-led financing strategies, plans and frameworks, such as Integrated National Financing Frameworks (INFFs), will be at the heart of our efforts and need further strengthening. We commit to align international support to national strategies and plans and will coordinate our support through inclusive country-led platforms to drive multi-stakeholder collaboration and foster private sector engagement. Country platforms can serve to support better integration of climate and economic plans to finance sources. We reiterate that each country has primary responsibility for its own resilient, inclusive, sustainable economic and social development and that the role of national policies and development strategies cannot be overemphasized. At the same time, national development efforts need to be supported by an enabling international economic environment, including coherent and mutually supporting world trade, monetary and financial systems, and strengthened and enhanced global economic governance.

8. We reaffirm that the effective, efficient and transparent mobilization and use of resources must be enabled by freedom, human rights and national sovereignty. Promoting just, peaceful and inclusive societies, providing equal opportunities for women and men is integral ~~to creating an enabling environment for~~ to sustainable development. Transparency, accountability, rule of law, respect of international law, good governance and sound policies are crucial at all levels, including anticorruption measures and safeguarding financial integrity. We commit to developing effective, accountable, transparent and inclusive democratic institutions at the subnational, national and international levels and ensuring responsive, participatory and representative decision-making at all levels.

9. We recognize the contributions of local authorities and of multi-stakeholder engagement to sustainable development and localization of the SDGs. We will continue to collaborate meaningfully with the private sector, civil society, the scientific community, academia, philanthropy and foundations, parliaments, local authorities, volunteers, the media, and other stakeholders and to encourage multi-stakeholder collaboration, partnerships, alliances and opportunities to support our efforts to achieve these commitments.

We are seeking clarifications on paragraph 10 regarding the details of the creation of a response plan for Middle-Income Countries (in yellow):

10. We recognize the importance of addressing the diverse needs and challenges faced by countries in special situations, in particular African countries, the least developed countries (LDCs), landlocked developing countries (LLDCs) and small island developing States (SIDS), as well as the specific challenges faced by middle-income countries and countries in conflict and post-conflict situations. We reaffirm our commitments and support the full implementation of relevant strategies and programmes of action for countries in special situations, including the Doha Programme of Action (DPoA), the Programme of Action (PoA) for LLDCs, the Antigua and Barbuda Agenda for SIDS (ABAS), and reaffirm our support for the achievement of the African Union Agenda 2063. We welcome the call of the General Assembly for the United Nations development system to advance the elaboration of a specific interagency, comprehensive, system-wide response plan for middle-income countries.

We are seeking clarifications on paragraph 11 and what kind of coordination of action is to be proposed (in yellow):

11. We acknowledge the important role of the United Nations in global economic governance, recognizing that the United Nations and the international financial institutions have complementary mandates that make the coordination of their actions crucial, while fully respecting existing governance mechanisms and mandates independent of the United Nations that preside over specific organizations and rules.

Realizing sustainable development

Paragraphs 12-27

__EU Comments/rationale__:

- *On Paragraph **12**, we would like to add language on **policy coherence and synergies** between SDGs.*
- *On Paragraph **13**, we would like the text to make a reference to the **multidimensional nature of inequality** and "Leaving No One Behind".*
- *On Paragraph **15**, we kindly ask to clarify what "**uninterrupted funding"** means.*
- *We also propose a **new paragraph 15 bis and/or a new 16 bis**, to acknowledge **that peace is a critical enabler** for achieving the Sustainable Development Goals. We are flexible on the language, as well as on the placement, we can provide language options for inspiration.*
- *On Paragraph **16**, we would like to see the text reflecting the need of a **broader range of skills for young people**, including **green skills.***
- *On Paragraph **17**, we think the **current language needs to be complemented and enriched**. we would like to also make reference to the root causes of food insecurity, as well as to the lack of funding, and to the UN Food Systems Summits and to the Global Alliance Against Poverty and Hunger.*

- *On **Paragraph 18**, we would prefer a **stronger reference to education** and would like to add language on **health** as well.*
- ***Paragraph 19** is an **important one** in our view, we would like to provide some suggestions to **strengthen it.***
- *We also propose a **new paragraph 19 bis**, on the **rights of people with disabilities**.*
- *In both **paragraphs 20 and 21** we suggest some **tweaks to the current language**, in order to make reference to the **social and solidarity economy** (20) and to better qualify **sustainable infrastructure** (21).*
- *We propose a **new paragraph 21 bis**, on **sustainable industrialization** and on **sustainable consumption and production**, which are essential for sustainable growth.*
- *We propose some edits to **paragraph 22** which we deem important. **Technology transfer language** must always contain the caveat on "**on Voluntary and Mutually Agreed Terms**" (this applies across the text). More broadly, the **Climate finance language** does not only need to give a signal on the commitment to adapt to the impacts of climate change but **also on the need to act to reduce global emissions**.*
- *We propose to add a **new paragraph (23 bis)** to include language on **pollution**, notably on the need to scale up the provision and mobilization of finance to effectively mitigate and reduce pollution across all ecosystems.*
- *On **paragraph 24**, we are seeking **clarification** on whether the second part implies an increased financial pledge for DRM. If so, the paragraph needs to be rephrased. We propose **some edits** in that regard.*
- *We strongly support **paragraph 25** (corruption) and we propose **some edits to strengthen** the message.*
- *We finally propose some **tweaks** to both **paragraphs 26** and **27**.*

12. The economic, social and environmental dimensions of sustainable development and all SDGs are universal, indivisible and interlinked. Our renewed global partnership for financing for development must address cross-cutting priorities that build on these synergies thus multiplying their impact and accelerating transformative change, including in gender equality and climate action, and promote policy coherence for sustainable development by ensuring that policies across economic, social, and environmental dimensions are mutually supportive and aligned with the overarching goal of sustainable development, while minimizing negative spillover effects on other countries and communities.~~.~~

13. We are deeply concerned by widening of multidimensional inequalities within and between countries , not only for social justice and international solidarity but also considering that rising multidimensional inequalities hamper the achievement of sustainable development ~~and a further erosion of trust in international relations and the multilateral system.~~We will take action to combat multidimensional inequalities within and among countries and pursue policies that stem the tide of rising inequality, leaving no one behind and reaching the most marginalized~~.~~

14. Underinvestment in critical social sectors threatens progress towards meeting the SDGs and exacerbates inequalities, including gender inequality. We commit to eradicate poverty in all its forms, including extreme poverty, reduce inequalities, and close financing gaps in the provision of essential public services, including health, education, energy, safe water and sanitation and hygiene, and building social protection systems.

15. We encourage all countries to provide universal nationally appropriate and fiscally sustainable social protection systems and measures ~~for all~~, including floors, and fully integrate the financing of essential social spending into their medium-term development plans and INFFs. We call upon the international community to support countries in ensuring adequate and uninterrupted funding and necessary technical assistance in implementation of international standards on appropriate terms of social protection ~~and other essential social spending during shocks and crises~~. We welcome ~~and encourage further~~ efforts to strengthen the consideration of social protection and social spending in International Monetary Fund (IMF)-supported macroeconomic adjustment programmes.

[ADD] New Bis15. In line with the 2030 Agenda for Sustainable Development, we acknowledge that peace is a critical enabler for achieving the Sustainable Development Goals (SDGs), particularly SDG 16 on Peace, Justice, and Strong Institutions. It is important to leveraging expertise and resources to support initiatives that address the root causes of fragility, foster resilient as well as peaceful and inclusive societies.

16. We commend the important contributions that young people are already making to the advancement of sustainable development. We reaffirm our commitment to educate young populations, equip them with the skills necessary for addressing all pressing challenges and allowing for the creation of quality jobs for young generations. We will foster innovation and entrepreneurship among young people, including through financial literacy, green skills and digital capacity building to enhance their contributions.

[ADD] New 16 bis We reaffirm that there can be no sustainable development without peace and no peace without sustainable development. In this context we recognize the positive role that sustainable development can play in mitigating drivers of conflicts, disaster risks, humanitarian crises and complex emergencies, and on the other hand that development, disaster risk reduction, humanitarian action and sustaining peace are fundamental to most efficiently and effectively attaining the Sustainable Development Goals.

17. We are deeply concerned by severe setbacks in the fight to end hunger caused primarily by ongoing conflicts, and exacerbated by the negative effects of climate change. ~~Lack of sufficient investment in agri-food systems continues to aggravate food insecurity~~. Insufficient public and private funding to tackle global food and nutrition insecurity risks further deteriorating the dire situation across many hunger hotspots across the globe. We commit to scale up efforts to address food insecurity and malnutrition and invest in agri-food system transformation towards sustainable and resilient food systems using a long-term, strategic approach that ensures better alignment and synergy ~~among the different sources of financing~~, all sources of financing, private and public, national and international particularly in developing countries. We will build on the architecture established under the UN Food Systems Summit and the Global Alliance Against Poverty and Hunger

18. We reiterate the enabling role of education and skills for the achievement of all other SDGs. It is imperative to urgently and systematically address the funding shortfalls in education and health. We ~~commit~~ strive to allocate adequate financing to ensure inclusive, equitable, affordable , resilient and quality education and health ~~care~~ systems facilities and services, including sexual and reproductive health care services and urge the international community to enhance support to achieve this, with a view to supporting each country's path towards achieving universal health coverage for all, in particular women and girls, and to respect, protect and fulfil their human rights, including their right to sexual and reproductive health. We also call for increased investment in culture and creative industries to advance sustainable development.

19. Achieving gender equality and empowering all women and girls and the full realization of their human rights are essential to meeting all SDGs and are an essential prerequisite to sustainable development. Gender equality and the empowerment of all women and girls, and full respect for their human rights and fundamental freedoms, including economic rights, brings proven economic benefits and has the potential to contribute to

financing for development. To this end, we stress that financing for sustainable development should ~~integrate~~ mainstream a gender perspective and acknowledge the importance of an intersectional approach. We commit to gender responsive solutions across the economic, social and environmental dimensions of sustainable development. We will mainstream gender equality considerations in fiscal policies and development financing, including through increasing and prioritizing gender ~~responsive~~ transformative investments and introducing incentives to address gender disparities to ensure women's equal rights, access and opportunities for participation and leadership in the economy and to eliminate gender-based violence and discrimination in all its forms. We will increase investment in the care economy and recognize, reduce and redistribute the disproportionate share of unpaid care and domestic work done by women.

[ADD] New 19 bis. Inclusion is a key prerequisite for fulfilling the principle of leaving no one behind. We stress the need to focus on rights of people with disabilities and strengthen the inclusion and empowerment of people with disabilities. This includes addressing the funding gap for disability inclusion, strengthening the use of innovative financing mechanisms for inclusive development cooperation and mainstreaming inclusion in our cooperation

20. Investing in productive sectors ~~and~~ the creation of decent and productive jobs and equal participation of women and men are vital to ensure that all people benefit from inclusive and sustainable economic growth. We will promote efforts to encourage entrepreneurship, including social entrepreneurship, particularly among women ~~and~~ youth, and marginalized groups, and facilitate the growth of micro, small and medium enterprises (MSMEs) cooperatives and social and solidarity economy, through increased access to affordable finance and skills development. Special attention should be given to support women-owned and women-led businesses.

21. The significant infrastructure gap in critical sectors such as energy, transport, information and communications technologies, education, health, water ~~and~~ sanitation and hygiene severely constrains access to essential services, employment opportunities, economic growth and sustainable development, especially in developing countries. LDCs, LLDCs and SIDS often face higher infrastructure costs and higher transaction costs, also due to the higher risks of investments in these countries, which further exacerbates these challenges, contributing to fiscal pressures and weakening connectivity and integration into regional and global markets. We commit to support developing countries, particularly LDCs, LLDCs and SIDS, to develop quality, reliable, inclusive, resilient, accessible and sustainable infrastructure that can cope with the challenges of decades to come. We will follow an integrated approach across the infrastructure life cycle, from fostering enabling regulatory environments and creating pipelines of sustainable and investable projects, to delivering and maintaining infrastructure, accompanied by institutional strengthening. We will also increase technical support for infrastructure planning, development and maintenance to enable national and subnational entities to implement and manage projects efficiently.

[ADD] 21bis New. Sustainable industrial development for developing countries is a critical source of economic growth, economic diversification and value addition. In this context, we commit to seize the benefits for our countries to transform our economies to promote sustainable consumption and production patterns, including by engaging with partners to integrate or implement concepts such as circular economy and Industry 4.0 for more sustainable industrial activity and manufacturing systems, according to national plans and priorities.

22. Climate change is one of the greatest challenges of our time, but we are falling short of attaining climate goals set forth in the United Nations Framework Convention on Climate Change and the Paris Agreement. Climate change adversely affects sustainable development globally as it exacerbates disasters and extreme weather events thereby impacting livelihoods, food security and global health, exacerbating inequalities and posing macro-economic risks and generating forced displacement and migration. Yet, net-zero pathways unleash significant sustainable development opportunities and will help to alleviate poverty and boost economies. In order to meet

our climate goals, we recognize the need for deep, rapid and sustained reductions in greenhouse gas emissions in line with 1.5 °C pathways and we will take urgent actions to mitigate and adapt to and build resilience against climate impacts, further mainstream climate action (based on Nationally Determined Contributions, NDCs) into the sustainable development agenda improve access to climate finance, ~~provide new and additional financial resources, and~~ improve national framework conditions to attract large scale climate finance also from private sources, mobilising climate finance at scale ~~facilitate~~ promote the voluntary transfer of technology on mutually agreed terms to address the global climate change challenge and to reach the goals of the Paris Agreement.

23. Biodiversity and ecosystem services, particularly provided by forests are ~~is~~ fundamental to the systems underpinning life and good quality of life and many of these systems are now at risk due to the alarming rate of biodiversity loss. We will implement the Kunming-Montreal Global Biodiversity Framework notably by increasing ~~scale up~~ the provision and mobilization of biodiversity finance from all sources, including via the use of innovative financial mechanisms, for conserving, protecting and restoring biodiversity and nature ~~and ecosystems~~, including ocean preservation.

[**ADD]** **New 23bis. Pollution, in all its forms, poses a significant threat to sustainable development. It undermines the achievement of the Sustainable Development Goals by affecting human health, degrading ecosystems, and impacting economic growth. We will significantly scale up the provision and mobilization of finance to effectively mitigate and reduce pollution across all ecosystems".**

We are seeking clarification on the second part of paragraph 24 (in yellow) as regards the new financial commitment it implies. In the case of a new pledge, we propose to rephrase it as follows.

24. More frequent and intense climate related disasters are taking a heavy toll on people, the planet, and prosperity, eroding collective progress toward the SDGs and the targets of the Sendai Framework, exacerbating social inequalities and compromising debt sustainability. We strive ~~commit~~ to enhance ~~scale up~~ investment in disaster risk reduction to safeguard development gains from disasters and reduce the insurance protection gap against natural hazards.

25. Corruption undermines public trust, exacerbates inequalities, distorts domestic resource allocation and private investments, and hinders economic growth. As a cross-cutting issue, anti-corruption measures must be integrated into all dimensions of financing for development. We commit to foster transparent, accountable, and inclusive governance systems, strengthen anti-corruption institutions, and implement policies that prevent the misuse of resources at all levels. Preventing and combating corruption will build public trust and strengthen the social contract , enhance financial integrity, mobilize additional finance and improve public service delivery, help ensure fair competition and reduce disincentives for private investments and create an enabling environment for sustainable investments. We call on the international community to support anticorruption capacity-building efforts and promote the exchange of best practices.

26. Digital and emerging technologies, including artificial intelligence (AI), have huge potential to act as cross-cutting enablers for sustainable development. We will support and promote a just digital transformation, knowledge sharing and access to technology. We reiterate our commitment to help build skills and capacities, especially in developing countries, to access, develop, use and govern trustworthy AI systems and direct them towards the pursuit of sustainable development.

27. We recognize that data and statistics are foundational for informed financing for development decision-making and resource allocation. High-quality data and statistics enable evidence-based policy decisions and enhance accountability and transparency, fostering public trust and international cooperation. We will support

programmes aimed at strengthening disaggregated data collection and statistics, especially on sustainable development and its progress that complement and go beyond gross domestic product.

II. A. Domestic public resources

EU Comments/rationale:

- In paragraph 28 we have to stress that DRM helps catalyze other funding, helps implement foreign support and attracts private sector and underline that NDBs have local knowledge eg on local currencies, therefore a stronger mandate for them will make a bigger impact
- In paragraph 29 we underline that tax reform has to be targeted at the right things, support a reference to the 15% ratio and emphasize the importance of improving the social contract. We support the opportunities for the billions of people employed in the informal sector to integrate into the formal economy and emphasize the important role of CSOs in this context.
- 29 b: practices in procurement not just systems

Paragraphs 28-29 (a-b)

28. The Addis Ababa Action Agenda emphasized the central role of domestic public resources in financing sustainable development. Effective mobilization of domestic resources and a supportive domestic environment are key enablers for attracting additional private sector investments and making efficient use of foreign aid. Despite notable tax revenue increases in developing countries in the first decade of the century, recent years have seen stagnation and setbacks, amidst weak global economic growth. Mobilizing sufficient public resources and ensuring their effective and efficient use requires decisive action at the national level to strengthen fiscal systems and align them with sustainable development objectives. National Development Banks (NDBs) possess invaluable local knowledge and financial capacities to drive progress toward the SDGs, including expertise in local currency financing and private sector mobilization, which are critical for sustainable development. With strengthened mandates that align with the SDGs, they can play a bigger role in domestic public resources management and impactful use. In a globalized world, the international economic environment also needs to be stable and conducive for realizing the full potential of domestic public policy and resources. Domestic efforts must be complemented by international action, including in the form of enhanced international tax cooperation, capacity support and robust measures to prevent and combat illicit financial flows and corruption. Public development banks (PDBs) have a crucial role in mobilizing investments to drive progress toward the SDGs.

Fiscal systems and alignment with sustainable development

29. Fiscal systems – both tax and expenditure – are critical to financing public goods. Low growth, ~~inadequate tax reform~~, tax reforms insufficiently focused on efficiency and equity, political economy constraints, informality, leakages and capacity constraints have led to stagnation, and in some cases setbacks in raising revenues in recent years. This trend is exemplified by tax-to-GDP ratios which in many countries remain below the critical threshold of 15%. On the expenditure side, public spending is often hampered by opacity, capacity constraints, inefficiency and fiscal constraints and is not sufficiently aligned with sustainable development, and many fiscal systems are yet to take gender equality, environmental and climate considerations into account. Enhancing

fiscal systems through strengthened governance, progressivity in tax policies, transparent budgeting and capacity development will strengthen the social contract by improving trust between governments and the people who benefit from public goods and social services. Mobilizing domestic resources for sustainable development through taxation should be combined with opportunities for the billions of people employed in the informal sector to integrate into the formal economy, including through education, vocational training and infrastructure.

Civil Society Organizations (CSOs) play a vital role in promoting fair and transparent fiscal systems in developing countries. They can bridge the gap between governments and taxpayers by fostering tax dialogue and transparency, raising taxpayer awareness, and linking tax compliance to public service delivery.

Transparency and accountability in fiscal systems

a) We commit to adopt a whole-of-government approach to strengthening tax systems, and to ensure~~ing~~ transparency and accountability in public financial management.
b) We will promote budget transparency, accountability and efficiency. This includes enhancing oversight, implementing transparent procurement practices and systems and strengthened, resourced, independent and professional Supreme Audit Institutions and parliamentary oversight, especially public accounts committees. We also commit to increase transparency and improve oversight and management of tax expenditures through further development of existing global databases for tax expenditure reporting.~~, and to implement minimum standards for tax expenditure reporting.~~

Paragraph 29 (c-m)

EU Comments/rationale:

- 29 c to h: We have **strong reservations** on some of the language in points c)-h). One option discussed among our group would be to delete them entirely. However EUMS are committed to a constructive dialogue o the topic; if other members support these paragraphs, we stress our reserve and can continue engaging. We offer some preliminary edits that would be essential if the paragraphs were to be kept I the text.
- Various edits in 29 are motivated by concerns about prejuding INC negotiations, which would be unacceptable.

Alignment of fiscal systems with sustainable development

c) We will strive ~~commit~~ to align budgets with sustainable development, including through INFFs, with countries choosing choosing their own policy ~~the best policy mix~~ for their economies.
d) We encourage ~~the broadening of the tax base~~ examining the possibility to raise revenues from undertaxed sectors focusing on undeclared income and wealth and continuing efforts to integrate the informal sector into the formal economy in line with country circumstances, including through harnessing emerging technologies, such as digital public infrastructure, reducing the cost of compliance and appropriate incentives developed in a targeted manner to be appropriate for different sub-sectors and

protect the lowest income informal earners with a view to ensuring that countries have a tax-to-GDP ratio of above 15%.

e) Keeping in mind that taxation remains a constitutive right of state sovereignty, ~~W~~we strive ~~commit~~ to ensure fairness ~~progressivity~~ and efficiency across fiscal systems as a means to address inequality and increase revenue, including progressive, effective, equitable and socially just government spending. We encourage to engage cooperatively to considering ways to address the effective taxation of all taxpayers, ~~as well as promoting and strengthening the taxation of high-net-worth individuals~~, guided ~~supported~~ by international cooperation, including by the work of the OECD Inclusive Framework, while respecting national sovereignty.

f) We will promote both gender-responsive budgeting and gender-responsive taxation, in line with countries' national strategies, priorities and circumstances. To achieve this, we will develop and enhance methodologies and tools for designing, monitoring and evaluating tax and budget policies with a gender perspective, alongside capacity development. We encourage strengthening investment in care economies through public care infrastructures and comprehensive, sustainable and universal care systems, and the development of legal frameworks that recognize, value and equitably redistribute unpaid care and domestic work.

g) We strongly encourage to mainstream, as appropriate, the use of environmental and climate considerations in fiscal programming in line with national circumstances. Options include green budgeting, environmental taxes, fiscal rules that incorporate climate goals, carbon pricing, and taxes on pollution and environmental degradation. ~~taxation and fiscal rules, carbon pricing, and taxes on environmental contamination and pollution.~~

EU reserves on 29 h

h) We reaffirm the commitment to ~~rationalize~~ phase out inefficient and harmful subsidies, particularly fossilfuel subsidies that do not address energy poverty or just transition, that encourage unsustainable ~~wasteful~~ consumption and subsidies that intensify the disruption of ecosystems, ~~by removing market distortions,~~ working toward their elimination to align fiscal systems with sustainability objectives, according to the agreements in the framework of the WTO, while taking fully into account the specific needs and conditions of developing countries and minimizing the possible adverse impacts on their development in a manner that that reduces inequalities and poverty and protects those living in poverty and vulnerable situations ~~the poor~~ and the affected communities, especially women and marginalized groups.

Capacity support

i) We will ensure ~~scale up~~ support for demand-based institutional, technological, and human capacity building for fiscal systems and domestic resource mobilization in developing countries, including to broaden their tax bases, integrate the informal sector into the formal economy in a socially equitable way, prepare for the implementation of international taxation agreements and strengthen tax policy and administration and public financial management.

j) We commit to enhance support for country-led efforts to modernize revenue administration, especially digitalization of tax administrations, investment in information technology systems, improvement of data and statistics and the use of AI. Progress on digitalisation should build on strong data governance frameworks and efforts to promote public trust and protect citizens' rights.

k) We will provide targeted support to countries that seek to increase their tax-to-GDP ratios, ~~aiming to reach ratios of at least 15 per cent, which represents~~ taking into account that 15 per cent represents an indicative floor below which it is less likely for countries to meet spending needs while ensuring fiscal stability and supporting sustainable development.

Subnational finance

l) We encourage strengthening sustainable sources of subnational finance by enhancing local authorities' technical, technological and human resource capacities, diversifying income and financing sources, including the development of municipal bond markets where appropriate, including, where appropriate, taxes on property and promoting stable and transparent intergovernmental financial transfer systems and equalization mechanisms.

m) We will support national and local governments to prioritize and strengthen their policies, strategies, and practices to implement effective infrastructure asset management over the lifecycle of assets and mobilize revenues as appropriate.

EU Comments/rationale:

- Paragraph 30 needs a reference to BEPS/OECD and explicitly mention that we should avoid duplication.
- The EUMS reserve their positions on Paragrapf 30a so as not to prejudge on the issue of decision making in the INC and the imperative of complementarity with the work of other organisations
- Prefer to delete paragraph 30b): concern about preempting INC.
- We should refrain from giving the impression that progress in international taxation over the last years has only benefited developed countries, avoid pre-empting the INC and remove some sensitive language.
- Paragraph 30 c must avoid pre-empting and duplication, the process should be truly inclusive and take account of the views of **all** delegations.
- Paragraph 30 d should be simplified to avoid a listing but also to avoid inadvertantly omitting relevant work being carried out.
- Paragraph 30 e is too prescriptive. Prefer to stress the need to support developing countries in implementing standards but cannot agree to any carve outs.
- Paragraph 30 f: **Delete and clarify: this work is already under way within OECD. We would not support double standards on the same issue.**
- Paragraph 31 a**): Discussions** on AML/CFT issues should be conducted at the FATF. A discussion on an independent review of regulatory frameworks and practices must be held in appropriate standard-setting bodies. **Avoid duplication.**
- Paragraph 31 b) needs to give careful consideration to the follow up and proliferation of meetings. What is the added value of a new ECOSOC Meeting on Financial Integrity is not clear as other forums, such as the FATF and its Global Network of FATF-Style Regional Bodies (FSRBs), are already well-established to address financial integrity at a systemic level and exchange best practices including on the use of technologies to combat IFFs effectively. We believe that there is a **risk of duplication and of wasting our collective resources**.
- Please clarify on paragraph 31 d what innovative approaches this refers to.

- In Paragraph 31 e) we should avoid the creation of a new mechanism; we call for **strengthening current mechanisms**. We would need to better understand how this mediation mechanism would work and be set up. Namely, we would like to have more information on how the mechanism would be articulated and interact with UNCAC. Proposing ALT language.
- Para 32: Seek clarification on the issue of regulatory frameworks, see also comment under c) below.
- **Support building on Finance in Common' network.**
- **Paragraph 32 c:** It is important to recognise the scope and mandate of international standard-setters, market authorities and regulatory and prudential regulators, as well as respect the risk-based approach of regulatory requirements to avoid unintended consequences in financial and capital markets.
- **Delete sub-paragraph c)**: no commitment to overhaul the prudential framework of national development banks. Not the role of the UN.
- However, important to mention the need to better coordinate the work of national/regional development banks with the rest of the multi-finance system (e.g. MDBs and funds) – they should work as a system!

International tax cooperation and innovative taxes

Paragraph 30

30. Globalization, the increased prevalence and size of multinational enterprises (MNEs), and changes in business models have enabled base erosion and profit shifting on a significant scale, severely undermining domestic revenue collection, particularly in developing countries. International tax cooperation must support countries exercising their taxing rights, ~~including through fair distribution of taxing rights under double taxation treaties,~~ and fight tax evasion and aggressive tax avoidance. Existing international tax rules ~~often fail to respond to the diverse needs, priorities, and capacities of all countries, especially the LDCs, limiting their ability to safeguard their tax bases. Strengthening tax cooperation and building a fully inclusive and effective international tax architecture are~~ may be complemented to respond more effectively to the diverse needs, priorities, and capacities of all countries, especially the LDCs thus increasing their ability to safeguard their tax bases. Promoting international tax cooperation, and making it eventually fully inclusive and effective, is important ~~essential~~ to support~~ing~~ national efforts to mobilize sufficient revenue for sustainable development. This includes combating tax evasion and avoidance and curbing illicit financial flows, to expand fiscal space, and include a focus on directing resources to eradicate poverty and extreme poverty in all its forms and dimensions.

While significant progress has been accomplished through initiatives such as the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting, the Global Forum on Transparency and Exchange of Information for Tax Purposes or the Forum on Harmful Tax Practices, efforts must be pursued by building on the positive outcomes already achieved in these fora. ~~to~~ To avoid duplicating the work that has already been done in other relevant forums in particular BEPS IF, work should take into account potential synergies and leverage the existing tools, strengths, expertise and complementarities of the multiple institutions and processes involved in tax cooperation at the existing international, regional and local levels.

a) We aim to have ~~commit to ensure that~~ coherent and complementary international tax cooperation frameworks that are beneficial to all parties. *[Reserve on the formulation as stated in the rationale on this section].* We resolve to strengthen the voice and representation of developing countries in the international tax architecture. We also emphasize the importance of careful analysis of the implications of international tax cooperation frameworks and multilateral agreements for all countries, especially developing countries, ensuring equitable benefits for all and addressing each party's ~~their~~ specific challenges.

b) *[Prefer to delete, at minimum:]*
We will ensure that all companies, including MNEs, pay taxes to the countries where economic activity occurs and value is created. The two-pillar solution on the revision of the international corporate tax rules is a major achievement in this regard.

c) We will continue to engage constructively in the negotiations on a United Nations Framework Convention on International Tax Cooperation while ensuring that all parties' interests and key needs as well as minority views are duly considered and debated, and avoiding duplication with the work of other relevant forums, including by the G20-OECD. We will strive for an effective outcome that can be supported by the broadest range of parties possible.

d) We will promote inclusive cooperation and dialogue among national tax authorities on international tax matters.~~, and in this regard we welcome the work of the United Nations Committee of Experts on International Cooperation in Tax Matters, including its subcommittees.~~

EU reserve on 30 e

e) We stress the importance of ~~commit to enhance~~ strengthening tax transparency by assisting developing countries with the implementation of exchange of information standards through capacity development, by giving special consideration to the challenges of countries in special situations ~~while recognizing the challenge that countries in special situations face by giving special considerations, for example through grace periods for full reciprocity under automatic exchange of tax information, or further simplifying certain standards and conditions. Our commitment includes strengthening country-by-country reporting of MNEs and further evaluating the creation of a central public database for country-by-country reports. We will also consider extending reporting obligations to high-net worth individuals.~~

EU reserves on f)

f) We commit to enhance beneficial ownership transparency by strengthening domestic measures on beneficial ownership in a manner that wholly aligns with the ongoing work at the level of the OECD and FATF ~~and working towards establishing a global beneficial ownership registry covering a wide range of assets, legal entities and legal arrangements, such as companies, trusts, and limited liability partnerships.~~ In all of these efforts, we will provide assistance to developing countries in implementing these transparency standards.

g) We will provide developing countries with demand-based technical assistance and capacity building programmes to ensure they benefit from international tax cooperation frameworks such as the Two-Pillar solution.

h) *[Tone down considerably]* We will reflect on possible ~~explore implementing~~ innovative mechanisms ~~taxes~~ including in the form of global solidarity levies to mobilize resources for the eradication of poverty and sustainable development, ~~including in the form of global solidarity levies~~, and invite countries to consider applying ~~apply~~ them on a voluntary basis.

Illicit financial flows

Paragraph 31

***EU Comments/rationale*:**

- IFF section should include specific language on strengthening beneficial ownership transparency and exchange of information provisions. E.g. as two additional bullets under 31.
- On Paragraph 31 b we should consider of follow up and proliferation of meetings, duplication and wasting resources
- Please clarify "innovative approaches" in paragraph 31 d)
- In paragraph 31 e avoid the creation of a new mechanism in this regard; we call for strengthening current mechanisms. We would need to better understand how this mediation mechanism would work and be set up. Namely, we would like to have more information on how the mechanism would be articulated and interact with UNCAC.

31. Countries face substantial and persistent challenges in effectively combatting illicit financial flows (IFFs), including lack of exchange of information and low capacity in using information obtained, inadequate systems for tracking and collecting relevant financial data, ineffective and incomplete implementation of anti-corruption and anti-money laundering measures, and deficiencies in the application of effective ~~the absence of standardized~~ regulations for professionals and institutions vulnerable to money laundering risks ~~that facilitate IFFs~~. More and stronger action should foster greater financial transparency and accountability, with robust enforcement contributing to the prevention and combatting of IFFs, and the location, recovery and return of assets derived from illicit activities. Tackling corruption can restore public trust, strengthen institutional capacity, stimulate private investments, and have positive impact on global challenges of poverty, social and economic inequality.

a) We commit to regulate professional service providers at the national level and enhancing international cooperation to curb IFFs and other illicit financial activities including illicit capital flight.. This includes promoting global discussions on ~~standardizing~~ regulatory regimes of professional service providers involved in enabling illicit financial flows, strengthening accountability mechanisms, integrating them into national legislation~~, and committing to supporting these efforts with an independent review of regulatory frameworks and practices~~.

b) We will establish a United Nations Economic and Social Council (ECOSOC) Special Meeting on Financial Integrity to address financial integrity at a systemic level and exchange best practices including on the use of technologies to combat IFFs effectively and to be held back-to-back with the ECOSOC Special Meeting on International Tax Cooperation.

c) We commit to effective ~~full~~ implementation of the United Nations Convention Against Corruption (UNCAC) including by supporting an effective and efficient Implementation Review Mechanism (IRM) to assist in preventing and combatting corruption. We commit to strengthen transparency and inclusion in the IRM. Furthermore, we commit to maximize ~~scale up~~ technical assistance effectiveness for the implementation of UNCAC in countries, upon their request and based on their identified priorities.

d) We resolve to enhancing sustainable and transparent practices and networks for asset recovery in coordination with FATF activities and return through strengthened international cooperation and capacity-building initiatives and to fostering pilot initiatives for innovative approaches aligned with sustainable development to ~~address barriers and~~ improve cooperation and efficiency in asset recovery processes.

e) We will explore the need for a multilateral mediation mechanism to support resolving challenges related to asset recovery and return.

ALT e): We resolve to strengthen international cooperation in asset recovery including within the existing framework of the FATF and fora such as the joint Stolen Asset Recovery (StAR) Initiative of UNODC and the World Bank.

f) We will identify, assess and act on money laundering and counter-terrorism financing risks, including through effective implementation of the Financial Action Task Force (FATF) standards on anti-money laundering/counter-terrorism financing in a manner that avoids unintended consequences and fosters inclusive participation.

National development banks

Paragraph 32

EU Comments/rationale:

- We suggest new paragraph 32 c bis: **We support well-governed national development banks which can play a critical role in mobilizing private capital for sustainability and climate action.**

32. National public development banks can play a crucial role in mobilizing resources to support sustainable development. They fulfil a countercyclical role by lending and investing in local currency, notably during economic downturns, and address financially underserved sustainable development priorities. However they often~~, but~~ face challenges that limit their efficiency and effectiveness~~, including governance issues~~. Many national regulatory frameworks applied to development banks were developed for commercial banks with different liability structures. Building on Finance in Common' network, s~~S~~trengthening national development banks can help financing sustainable development particularly in credit market segments in which commercial banks are not always fully engaged, including sustainable infrastructure, the energy transition, agriculture, industrialization, science, technology and innovation, as well as financial inclusion and financing of women and MSMEs.

a) We encourage countries with development banks to reinforce their capacities to effectively contribute to sustainable development, including by leveraging resources from multilateral development banks (MDBs), and to review and update their mandates when needed to align with sustainable development and climate action, and call on countries without development banks to establish such institutions to address local and national development challenges.
b) We commit to provide technical support to national development banks to enhance their ability to provide long-term low-cost financing to invest in sustainable development.
c) We commit ~~to define regulatory requirements that reflect national development banks' development-focused mandates and distinctive business models and risk profiles~~, ensuring that development banks are empowered to pursue innovative and risk-informed approaches to financing sustainable development.

[ADD] new c bis: We support well-governed national development banks which can play a critical role in mobilizing private capital for sustainability and climate action.

II. B. Domestic and international private business and finance

Paragraphs 33-34

EU Comments/Rationale:

Regarding paras 33 and 34, we would like to highlight the following main points. Illustrations, examples and a few further proposals can be found in track changes in the respective paragraphs.

- We strongly support the reference to the need to mobilise additional private capital, as the public sector alone will not be able to match the huge financing needs to address global challenges. In particular, we appreciate the focus on addressing investment barriers, to establish a conducive environment for attracting private investors and promoting the development of innovative financial solutions and risk sharing instruments.
- Regarding para 33, we would, amongst others, propose to be more affirmative about the role of de-risking through innovative instruments.
- Regarding para 34, we would, amongst others, like to add that the business environment and investment climate play crucial roles in the development of a country's domestic financial sector and that regulatory reforms, development of capital markets and measures that improve market liquidity are important parts of the business enabling environment.
- In para 34 a, we would suggest to add a more complete listing of actors.
- In para 34 b, we would, in particular, propose to focus more on common principles rather than on a one size fits all solution.
- In para 34 c, we would, amongst others, like to add a reference to innovation in the interest of systemic change, so that public funds can make the best of their potential.
- Furthermore, we would like to propose a new 34e bis, on the use of guarantees,

- as well as a new 34 e ter on the lowering of transaction costs for remittances.
- Regarding para 34 f, it is important to recognise the scope and mandate of international standard-setters, market authorities and regulatory and prudential regulators, to avoid unintended consequences in financial and capital markets. International discussions on prudential frameworks and regulation need to be held in the appropriate standard-setting bodies.
- In 34 g, we would propose to add a reference to people with disabilities.
- Regarding 34 i, we would rather stress interoperability than try to harmonise regulatory frameworks. We would further propose to invite the World Bank to suggest concrete actions on how to lower remittance costs and present their suggestions to the ECOSOC.
- Regarding 34 j, we would like to enquire whether the Co-Facilitators could elaborate on what this para would mean in practice and which global efforts this para is referring to?
- Finally, we would propose a new 34 j bis on harnessing the potential of all types of social and solidarity economy entities.

33. Private ~~business activity,~~ financing and investment, private sector actors and innovation are major drivers of sustainable development, fair, equitable and sustainable economic growth, green transition and job creation. Evidence shows that increasing all women's full equal and meaningful ~~active~~ participation in the workforce and in leadership positions can drive significant fair, equitable, inclusive and sustainable economic growth and foster sustainable development. To realize its potential, private activity needs to be dynamic, inclusive, risk-informed and sustainable. However, private investment in sustainable development has not met expectations, which has contributed to a widening SDG investment gap. While there is growing interest by the private sector and private sector actors in sustainable development, investment opportunities continue to be ~~remains~~ hampered by risk related high financing costs in developing countries, and by misalignment between returns on investment and development needs. Capital markets ~~often remain short-term oriented and volatile, with short-term financial returns not aligned~~ should align with long-term public benefit. Public financiers should play a key role in de-risking through innovative financial instruments to align risk-return profiles for institutional and private investors, thus truly catalyzing global financial flows. This underlines the need for systemic change at both national and global levels.

Domestic financial sector development, enabling environments and access to financing

34. There is a significant and urgent need to further leverage the contribution of the private sector to achieve sustainable development. There has been progress in developing transparent, stable, and predictable investment climates at the national level, but more needs to be done. This includes enhancing enabling environments for business, ~~and~~ investment and public-private partnerships that take a 'do no harm' approach and ~~to~~ promote alignment with sustainable development. The business environment and investment climate play crucial roles in the development of a country's domestic financial sector. Regulatory reforms, development of capital markets and measures that improve market liquidity are important parts of the business enabling environment.

Domestic financial sector development and enabling environments

a) We will promote a comprehensive ~~sequential~~ approach to developing and deepening domestic financial sectors, including building a domestic savings base, developing ~~starting with~~ the domestic banking sector, savings banks and/or cooperative banks, ethical banks, non-banks, digital financial services, credit unions, rural savings and credit organisations, and monetary financial institutions, ~~followed by~~ expanding long-term bond and insurance markets as well as equity markets and institutional investment, as appropriate, including building secondary markets.

b) We will promote policy and regulatory frameworks that create enabling environments for investment in sustainable development and climate action adapted to local circumstances. We encourage further efforts to improve the business enabling environment, for instance through existing peer-initiatives such as the G20 Compact with Africa, and particularly for women-owned and women-led business and women's business cooperatives, including through enhanced transparency, good governance, anti-corruption measures, the rule of law, investor and consumer protection, fair competition, and aligning these with sustainable development. We encourage the development of common principles for the building blocks of an effective enabling environment, that include commitment to promote legislative and administrative reforms towards gender equality in access to ownership and control over land the means of production, inputs, equipment, technology and technical training.~~a model framework towards this end~~.

c) We will promote the creation of innovative structures, such as public-private investment vehicles/funds, aiming at crowding in private and institutional investment, ~~new domestic investment vehicles, such as~~ development-oriented venture capital funds, and innovative financial instruments, including thematic bonds (e.g. use-ofproceeds bonds like green, social, sustainability, gender-focused and SDG bonds,~~ as well as sustainability-linked bonds~~), with sound regulatory frameworks and adequate risk management, including reducing greenwashing risks. We will focus on financial innovation that strives for systemic change to ensure that public funds will be used effectively and efficiently.

d) We call upon relevant actors to develop comprehensive risk management and insurance markets, and in particular to develop solutions for MSMEs across sectors, smallholder and women farmers, cooperatives and other stakeholders to protect against production risks, price volatility, and climate change impacts.

e) We will support demand-driven technical assistance and capacity development programmes for domestic financial sector development aligned with this approach, particularly for countries in special situations. We call on MDBs and other relevant actors to continue to assist developing countries in fostering business-friendly environments for sustainable development that enable enterprises to thrive, expand across borders, and attract private capital.

[ADD] New e bis) We commit to increase utilization of and deployment of guarantees in blended finance deals, where appropriate, for investing in sustainable development.

[ADD] New e ter) We agree to work towards lower transaction costs in remittances, acknowledging the importance of remittances in the overall financing for development landscape

Access to financing, remittances, and correspondent banking relationships

Reserve on f)

f) We will promote MSMEs' access to affordable credit through strengthening the MSME ecosystem, including the local banking sector, and other financial services, and risk sharing-mechanisms to align risk-return profiles for private investors, as well as capacity building, and enhance local currency financing for MSMEs. We also call for a review of the possible unintended consequences of regulatory and prudential frameworks on MSME lending in developing countries and explore the use of MSME carve-outs.

g) We resolve to expand access to financial services, particularly for all women, people with disabilities and marginalized groups, while recognizing that financial access is just one aspect of financial health and complementary efforts are needed, including strengthening consumer protection, and financial literacy, ~~and regulation~~.

h) We will also leverage emerging digital technologies, including digital public infrastructure, to deepen financial inclusion, and support investments in development and digitalization of financial system infrastructure in developing countries, particularly in countries in special situations.

i) We resolve to redouble our efforts to reduce remittance costs to less than 3 per cent of amounts transferred by 2030, including by scaling up ~~promoting~~ digital remittance solutions, and promoting competition among money transfer operators, transparency requirements for fees and commissions charged, accelerating access to transaction accounts for migrants, and by working with relevant actors and international standard setters to foster interoperability of~~to harmonize~~ regulatory frameworks ~~and ensure a proportionate application of regulations on private money flows~~. We will also strengthen remittance data collection and dissemination. We invite the World Bank to suggest concrete actions on how to lower remittance costs and present their suggestions to the ECOSOC.

j) We call upon relevant institutions to support correspondent banking relationships through technical assistance programs to countries in need, including the sharing of historical investment data, and building on existing global efforts.

New j bis) Encourage Member States and international bodies to ensure a conducive environment to harness the potential of all types of social and solidarity economy entities, through coherent measures and frameworks that facilitate tailored financial and non-financial support to social and solidarity economy entities, notably through leveraging instruments and mechanisms adapted to all stages of development from multilateral, international and regional financial institutions, to local entities and development banks

Foreign direct investment and private capital mobilization for sustainable development

Paragraph 35

EU Comments/Rationale:

Regarding para 35, we would like to highlight the following main points. Illustrations, examples and a few further proposals can be found in track changes in the respective paragraphs.

- In para 35, we would like to recognize that public finance alone is insufficient to close financing gaps and that it should play a two-fold role: mobilizing funds from private sources for sustainable development as well as helping address systemic barriers to national and international private investment for the SDGs in a structural manner. Furthermore, beyond direct investment de-risking, there is a need to incentivizing catalytic and systemic action through support for the design and implementation of conducive financial and sectoral policies, regulations, and enabling systems. Finally, with a view to boosting the engagement of private capital and ensuring efficiencies in construction and service delivery, we would propose to call on the implementation of well-designed public-private partnerships with shared ownership, and including mechanisms that share both risks and rewards such as equity stakes, royalties, or profit-sharing agreements, ensuring public resources benefit proportionally from successful projects.
- Regarding para 35 a, we would appreciate it if more details on the proposed facilities could be provided.
- In para 35 b, we would suggest adding a reference to technical assistance.

- Regarding para 35 c, we would kindly as the Co-Facilitators to further elaborate on what this para would concretely entail.
- Regarding para 35 d, we would, amongst others, ask to acknowledge the additionality and financial additionality regarding the mobilization of private capital at speed and scale. Furthermore, we believe that significant volumes should be allocated to social infrastructure and local socio-economic productive sectors, with particular attention to LDCs and fragile contexts.
- We strongly support para 35 f, as this para is also in line with preferences from investors and it addresses issues that would make it easier for donors to manage guarantees.
- We would suggest to delete para 35 g, as we wouldn't want to single out the IFC and the para does not make sense in relation to just IDA.
- In para 35 h, we would propose to invite the MDBs to continue to explore the use of innovative financial instruments, incl. portfolio guarantee platforms. Furthermore, we believe that a reference to the recommendations in the G20 Roadmap for better, bigger and more effective MDBs should be added.
- Regarding para 35 I, the need for MDBs to provide coordinated technical assistance for project preparation is reflected in the G20 Roadmap for Better, Bigger and More Effective MDBs. Further clarification is needed on the Pooled Technical Assistance Platform, as the G20 Roadmap doesn't make any specific reference to it, and the proposal needs to be in full alignment with MDBs coordinated work as a system, rather than a Platform owned by the UN. It is fundamental to rely on existing structures and country-led platforms, rather than creating new ones, such as the Project Preparation Facilities in line with the G20 Principles for Infrastructure Preparation Phase of 2018 and building upon the G20 Principles for Quality Infrastructure Investment of 2019.
- In para 35 j, we would propose to add MDBs and private sector players.
- In para 35 k, we reserve on this paragraph and we don't agree with the language and have concerns on the re-evaluation of credit rating methodologies and capital requirements for guarantees and blended finance mechanisms. We need to respect the independence of CRAs. Also, concerning capital requirements, there is a need to 1) identify whether, and where, the alleged problem may be and if, and only if, the problem is substantiated 2) discuss the alleged problem in appropriate standard-setting bodies. Furthermore, creditworthiness itself needs to be improved by addressing the countries' macroeconomic fundamentals and related risks, including political risks and availability of data.
- Regarding para 35 I, the lack of bankable projects is a major challenge to increase private investments, that should be addressed in this chapter.
- We would propose a new 35 l bis, in particular on an ambitious reform process of the Development Finance Institutions (DFIs),
- as well as a new ter on the sharing and publishing of financial performance data.

35. Foreign direct investment growth has slowed since the adoption of the Addis Ababa Action Agenda in 2015. Many developing countries, particularly countries in special situations, continue to face obstacles to ~~mobilizing~~ attracting private investment. At the same time, investors face challenges when investing in developing countries, including those linked to information availability and regulatory frameworks. Official sector efforts to mobilize

private finance have not succeeded in catalyzing private capital at scale nor have they sufficiently focused on sustainable development impact. We recognize that public finance alone is insufficient to close financing gaps and that it should play a two-fold role: mobilizing funds from private sources for sustainable development as well as helping address systemic barriers to national and international private investment for the SDGs in a structural manner. Beyond direct investment de-risking, there is a need to incentivizing catalytic and systemic action through support for the design and implementation of conducive financial and sectoral policies, regulations, and enabling systems. Robust action is needed to strengthen the global enabling environment for long-term private investment in sustainable development. With a view to boosting the engagement of private capital and ensuring efficiencies in construction and service delivery; we call on the implementation of well-designed public-private partnerships with shared ownership, and including mechanisms that share both risks and rewards such as equity stakes, royalties, or profit-sharing agreements, ensuring that public resources benefit proportionally from successful projects.

Foreign direct investment

a) We reiterate the importance of scaling up foreign direct investment in developing countries, also taking into account the role of investment facilities which are under consideration, such as ~~. We call for the timely establishment of:~~ the International Investment Support Centre for the Least Developed Countries to harness technical assistance and investment-related support for LDCs; the Infrastructure Investment Financing Facility for Landlocked Developing Countries; and the Small Island Developing States Centre of Excellence~~, which will include, inter-alia, a biennial Island Investment Forum~~.
b) We will continue to strengthen existing spaces for developing countries to discuss national sustainable development plans with private investors, promote concrete investment opportunities, connect with public and private investors, and match supply and demand for technical assistance at the global level, including through technical assistance efforts, and events such as the SDG Investment Fair.
c) We will strengthen efforts to facilitate diaspora investment through innovative instruments and call on relevant investment agencies to support such efforts.

Private capital mobilization for sustainable development impact

d) We call for more blended finance initiatives and to focus on sustainable development impact, ~~rather than on quantity or degree of leverage alone~~. To this end, , we acknowledge the additionality and financial additionality in mobilizing private capital at speed and scale and we call for all blended finance transactions to be aligned with national sustainable development priorities and sustainable and inclusive and decarbonized ~~and~~ industrialization and climate strategies, and promote country ownership; the 2030 Agenda and the Paris Agreement;~~ensure financial and developmental additionality~~; share risk and rewards fairly and in a manner which facilitates private investment flows; be transparent and have clear accountability mechanisms; include participation of local communities in decisions affecting their communities; uphold robust social, environmental, and human rights standard; and take into account debt sustainability. Significant volumes should be allocated to social infrastructure and local socio-economic productive sectors, with particular attention to LDCs and fragile contexts.

~~d)~~e) We invite ~~public development banks~~ development finance institutions to harmonize and strengthen impact metrics as a basis for mobilization targets, building on on-going work, and to align incentives with maximizing sustainable development impact.

~~e)~~f) We support efforts towards the standardization of blended finance instruments, building on existing efforts such as the Hamburg Sustainability Platform, to create effective and replicable and scalable structures that can be applied in ~~for~~ different country contexts , while allowing for additional flexibility to mobilize and accommodate the participation of a wide range of actors and investors, keeping sufficient space for innovation and taking into account specificity of different contexts. We further support ~~utilizing~~ exploring innovative structures in blended finance to address different kinds of financing needs and market failures, including equity instruments and guarantees, and including mechanisms, to ensure that both risk and rewards are shared fairly between the public and private sector.

~~f)~~g) ~~We call on the International Finance Corporation to scale up the use of the International Development Association Private Sector Window, including through increased local currency lending, and enhance private equity, venture capital, and microfinance ecosystems to support MSME growth, economic diversification, and the creation of quality jobs for inclusive and resilient growth.~~ Delete

~~g)~~h) We ~~call on MDBs to~~support establishing pools of catalytic capital seeded by development banks, development finance institutions, donor countries, foundations and philanthropies, with standardized, simplified and transparent access requirements and with a gender perspective. We support the development of repositories of guarantee instruments, building on the World Bank Guarantee Platform~~.~~ and invite the MDBs to continue to explore the use of innovative financial instruments incl. portfolio guarantee platforms.

~~h)~~i) We call on MDBs to provide enhanced technical assistance in a coordinated manner, including through enhancing existing technical assistance facilities and platforms, such as the Project Preparation Facilities in line with the G20 Principles for Infrastructure Preparation Phase of 2018 and building upon the G20 Principles for Quality Infrastructure Investment of 2019,~~the establishment of a Pooled Technical Assistance Platform~~, to help developing countries, particularly countries in special situations, originate, prepare and support high-impact infrastructure projects.

~~i)~~j) We will work with development finance institutions (DFIs), Multilateral Development Banks (MDBs) and private sector players ~~)~~ to support the development of costeffective, long-term foreign exchange risk mitigation and hedging solutions for investments in sustainable development.

~~j)~~k) We will work with stakeholders to promote transparency of credit ratings and their ~~re-evaluate credit rating~~ methodologies and where relevant, existing financial regulation, to ensure that credit ratings are independently determined to reflect the underlying credit risks, ~~including capital requirements for guarantees and blended finance mechanisms~~, to analyse whether ~~ensure that~~ guarantees are fairly valued and should deficiencies be found, communicate the findings to appropriate standard-setting bodies~~in analysis and address possible unintended consequences for sustainable development investing~~ We will support continuous dialogue between MDBs, private investors, governments and credit rating agencies to further increase transparency of risk assessments in low- and middle- income countries (LMICs). Further, we will support LMICs to enhance their own capacities for their dialogue with credit rating agencies, e.g. with technical assistance.

l) We commit to further improve the availability, quality and accessibility of risk and impact data to support additional investments in developing countries, including by working with institutional investors~~.~~ as well as local governments. We encourage the further release of quality disaggregated data, including from the Global Emerging Market Risk Database and building on the recommendations of initiatives such as the Hamburg Data Alliance.

[ADD] New l bis We commit to ambitious reforms of Development Finance Institutions (DFIs) to deliver bigger and better private capital mobilization towards development impact. Reforming the DFI's could include a shift in DFI's view of blended finance from de-risking DFI's own capital to de-risking private capital thereby increasing quality and quantity of private capital mobilization. This shift would be in line with the OECD DAC guidelines on blended finance. Reforming the DFI's could also include reforming the DFI instruments and risk tolerance.

35 l) We commit to ~~an ambitious reform process of the~~ **ambitious reforms of** Development Finance Institutions (DFIs) to deliver bigger and better private capital mobilization towards development impact. Reforming the DFI's ~~should~~ **could** include a shift in DFI's view of blended finance from de-risking DFI's own capital to de-risking private capital thereby increasing quality and quantity of private capital mobilization. This shift would be in line with the OECD DAC guidelines on blended finance. Reforming the DFI's ~~should~~ **could** also include reforming the DFI instruments and risk tolerance.

[ADD] New l ter We commit to require the sharing and publishing of financial performance data of blended finance transactions in an aggregated and anonymized way and the private sector mobilization rates to help build the market.

Alignment of private business and finance with sustainable development

Paragraph 36

EU Comments/Rationale:

Regarding para 36, we would like to highlight the following main points. Illustrations, examples and a few further proposals can be found in track changes in the respective paragraphs.

- We would ask for the inclusion of gender related aspects, in particular in 36 a, in the form of gender bonds, in 36 b, in the form of gender impact assessments, in 36 d, in the form of a reference to the Women's Empowerment Principles, and in 36 e, in the form of taking into account gender equality.
- In particular in paras 36 b and d, we would rather call for enhancing interoperability, rather than for a harmonization or alignment.
- In para 36 e, we would like to delete the reference to the transposal at national level of the standards of the ISSB and of the Global Reporting Initiative in parallel.
- In 36 f, we would ask to delete the reference to the adoption of standards for commercial and financial products.

Finally, in 36 g, we would ask to delete the reference to a global interoperability governance framework and propose to add references to the IPSF and the EU Sustainable Finance Advisory Hub.

36. Since the Addis Ababa Action Agenda, the private sector has integrated environmental, social, and governance factors into risk management, yet aligning business models and investment strategies with sustainable development impact remains challenging~~.~~, particularly for developing countries. Achieving this will require a systemic shift to better align incentives along the investment chain. The recent surge in sustainable business and finance legislation builds on voluntary frameworks to advance alignment and enhance market clarity. It is essential to ensure interoperability and unlock the potential of ~~such~~ legislation on sustainable and responsible business conduct,, while minimizing compliance burdens, particularly for developing countries and international entities including private companies.

Incentives along the investment chain

a) We will accelerate and mainstream the take-up of impact investing strategies and innovative financing instruments such as impact fund vehicles, thematic bonds , such as gender bonds,and innovative investment lenses. We welcome efforts in some jurisdictions to require financial advisors to ask savers' sustainability preferences, and call on institutional investors and financial institutions to accelerate adoption. We also commit to advance the development of responsible and inclusive consumer products while eliminating discriminative business practices, such as gender-based price differentiation.

b) We call on private entities to mainstream impact into their management practices and governance, and to actively measure it. To enhance clarity, we call on standard-setters and multilateral agencies to enhance interoperability of ~~harmonize voluntary~~ impact standards and terminology. We also welcome the continued development, scaling, and adoption of sustainability rating and impact valuation methodologies, as well ~~such~~ as gender impact assessments, ~~as their integration of the latter into financial models~~ to make impact measurable, actionable, and to internalize externalities.

c) We will provide guidance for private entities on their roles and responsibilities in supporting the national implementation of relevant United Nations frameworks, noting existing efforts that have clarified and established business norms, such as ~~the Global Compact and~~ the United Nations Guiding Principles on Business and Human Rights implementing the United Nations "Protect, Respect and Remedy" Framework the Global Compact, and the Women's Empowerment Principles established by UN-Women.

Sustainable business and finance legislation

d) We will promote interoperable ~~align~~ regulatory frameworks to accelerate and mainstream sustainable business behavior and adopt sustainable business and finance legislation that is country-led and context-specific, supported by capacity building for developing countries. We call for the adoption of national sustainable finance mobilization strategies, where appropriate integrated or in~~I~~ coherence with ~~into~~ national financing frameworks. We urge regulators to promote transition planning for financial institutions, aligned with national pathways and global targets.

e) We encourage adoption of sustainability disclosure and reporting standards legislation based on double materiality, addressing both sustainability risks and business impacts on society~~.~~ , nature and gender equality. While we recognize the International Sustainability Standards Board's (ISSB) progress in harmonizing sustainability disclosures, we note that its standards are not designed to cover the private sector's impact on sustainability~~. To this end, we will transpose at national level the standards of the ISSB and of the Global Reporting Initiative in parallel.~~ We will include external audit provisions to enhance trust in reported data and provide capacity-building to support developing countries.

f) We will adopt measures to advance impact management and stewardship, beyond transparency and data disclosure requirements to embed sustainability into business models, governance, operations, ~~and~~ stewardship practices and ~~. T~~to prevent greenwashing and impact-washing~~, we will adopt appropriate standards for commercial and financial products~~.

g) We will promote the interoperability of sustainable finance legislation. We will establish international dialogue first taking stock of ~~through a global interoperability governance framework~~. ~~We will also leverage~~ existing efforts such as the International Platform on Sustainable Finance (IPSF) and the EU Sustainable Finance Advisory Hub, and work on promoting interoperable environmental ~~to develop a roadmap for the interoperability of~~ taxonomies, including the UNFCCC COP29 Presidency's efforts, and we will explore to expand these efforts to also support the interoperability of social taxonomies.

II. C. International development cooperation

EU Comments/Rationale:

- *We would like to underscore the catalytic role ODA plays in creating an enabling environment and mobilizing additional resources, including trade, domestic resources, and private sector investment.*
- *We would like to reformulate the language on scaling-up ODA to underline respective commitments, and encouragement to increase ODA volume, instead of setting binding timeframes in this regard. The EU's contribution to ODA is embedded in its legislation for development coordination until 2027, but there is no ODA target at country and regional level. For these reasons, the EU will not be in a position to accept any additional commitments regarding ODA levels or allocation and we cannot pre-empt what future instrument(s) will be designed for the period beyond 2027 to finance EU ODA.*
- *Similarly, we would recommend that ODA is also utilized to foster gender equality and that gender equality is mainstreamed in international development cooperation.*
- *On MDBs: while supportive of measures that will advance better, bigger and more effective MDBs, we suggest to find formulations that encourage them to undertake certain efforts, in order to respect their separate governing structures and mandates.*
- *On SDRs: we would like to see the language that reflects their reserve asset character as well as respects relevant legal frameworks in this area.*
- *In paragraph 39, on financing for climate, biodiversity and ecosystems, our suggestions aim at aligning the language of this document with the one existing in agreements and documents dedicated to climate and environment. We would also like to add references to financing disaster risk reduction as well as circular economy.*
- *We propose a new section on financing for prevention, peacebuilding and sustaining peace. It is important for the EU to ensure that the Humanitarian-Development-Peace nexus remains adequately funded.*
- *Finally, we see the value in affirming the potential which cooperation with regional and local actors has in ensuring that development financing effectively reaches all territories.*

Paragraphs 37-38 (a-f)

37. International development cooperation plays an ~~fundamental~~ important role in achieving the 2030 Agenda, complementing the efforts of countries to mobilise resources domestically, especially in the poorest and most vulnerable countries. Persistent poverty and ~~inequality~~ inequalities, adverse effects of climate change, including climate-induced disasters, loss of biodiversity, environmental degradation and crises are all increasing demands on international development cooperation. This has been partly accompanied by a shift in allocation of development cooperation away from long-term investments in sustainable development and poverty eradication in developing countries. Rising fragmentation, insufficient country ownership, strategic planning and policy steer and lack of alignment with country priorities, as well as lack of absorption and delivery capacities have undermined the effectiveness of support. This also requires new approaches of international development cooperation and calls for enhancement of the international development cooperation architecture – globally and in countries – as a basis for effective ~~a re-evaluation of the practice and purpose of international development cooperation, and~~

~~reforms to the development cooperation architecture – globally and in countries – as a basis for a revitalized~~ and more coherent cooperation that honors existing commitments, meets emerging needs, and focuses on sustainable development impact. Scarce concessional resources in development cooperation can and must serve as a catalytic force to create an enabling environment that mobilizes additional resources, including trade, DRM, and private sector investment.

[ADD] New 37bis. The reform of the Multilateral Development Banks is an important step and shows that a reform of the practice and purpose of the world's largest development financiers is possible - towards increased financing for the protection of global public goods, in fighting poverty, boosting shared prosperity and preserving the planet. This momentum should be utilised and further developed.

Volumes and allocation

38. Development cooperation, including both concessional and non-concessional financing, has grown since 2015 but not kept pace with rising needs. Official development assistance (ODA) from member countries of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD DAC) reached $223.3 billion in 2023, but at 0.37 per cent of donor-country gross national income (GNI), it remains well below the long-standing target of 0.7 per cent. The decline in the share of ODA that reaches developing countries is of particular concern. There is a need to step up efforts to meet existing commitments, including to help ease financing stress and address critical socio-economic priorities in developing countries, such as poverty eradication, health, education, gender equality and social protection. Measures are needed to ensure the additionality to crowd in private investment and explicitly avoid crowding out. South-South cooperation, a complement to, not substitute for, North-South cooperation, is expanding in scope, volume, and reach. ~~While MDBs have significantly scaled up lending capacity, financing volumes have shrunk as a share of global investment, largely due to capital constraints.~~

Official development assistance

a) We agree to scale up our efforts to ~~and~~ achieve our respective commitments to reach existing targets of 0.7 per cent of ODA/GNI to developing countries, and at least 0.2 per cent of ODA/GNI to LDCs.

38a) ALT. We encourage development partners to scale up and fulfil their respective official development assistance commitments, including the commitment by many developed countries to achieve the target of 0.7 per cent of gross national income for official development assistance (ODA/GNI) to developing countries.

In paragraph 38a), alternative language from the Pact for the Future (Action 4, paragraph 23c) could also serve as inspiration.

b) We appreciate that some countries ~~that have set concrete and binding timeframes for~~ achieve existing ODA targets and that others take additional action towards achieving existing ODA targets and encourage others to do the same.

The EU has already translated its commitments towards ODA in its international cooperation into law and it would be difficult to predict what future instruments will be. We would also like to seek *clarification as to the purpose of a new indicator developed by OECD DAC (in the meanwhile reserving on it) . Alternatively, we can propose the following language for inspiration for paragraph 38c):*

c) ~~We commit to increase the share of ODA programmed at the country level and focused on longterm sustainable development that responds to the needs and priorities of recipient countries, including by increasing the share of budget support in ODA. We invite the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD DAC) to develop an indicator to measure this commitment and to set targets for its fulfilment.~~ **ALT: We will seek opportunities to increase the share of ODA programmed at the country level and recommend increasing the amount of private finance mobilized through ODA funded activities ~~We commit to increase the share of ODA programmed at the country level~~ and focused on long-term sustainable development that responds to the needs and priorities of recipient countries~~, including by increasing the share of budget support in ODA~~. We invite the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD DAC) to develop an indicator to measure this commitment and to set targets for its fulfilment.**

d) We commit to work with developed countries to ~~scale up~~ ensure adequate assistance for humanitarian emergencies and needs~~,~~: in a principled, needs-based and human-centered approach, be it in on-set emergencies or protracted crises. ~~without impacting commitments to development assistance for long-term sustainable development.~~ We encourage the work across the Humanitarian-Development-Peace Nexus in order to address vulnerability and build resilience of the communities and civil society in humanitarian and fragile contexts, while strengthening the provision of quality financing and aid effectiveness.

Alternatively, we can propose the following language for inspiration for paragraph 38d):

[ALT d)] It is important to ensure that the Humanitarian-Development-Peace nexus remains adequately funded and coordinated. We call for a commitment to ensure predictable, flexible and multi-year financing through a collective and integrated approach in fragile and conflict-affected contexts.

We would also like to propose merging paragraphs 38d) and 38j) so that the use of complementary measures that go beyond GDP does not only apply to MDBs but to all ODA flows in general.

[ADD] New 38 d) bis. We recommend countries to use Official Development Assistance to foster gender equality and to enhance tracking and reporting of all development resource allocations for gender equality and the empowerment of all women and girls.

South-south and triangular cooperation

e) We commit to enhance the impact and quality of south-south and triangular cooperation, underline the importance of ensuring transparency and alignment with 2030 Agenda, and encourage multi-actor multi-level partnerships for funding.

f) We encourage broader reporting by South-South providers to facilitate a better understanding of the impact of south-south cooperation on sustainable development, ~~building on the existing United Nations Conceptual Framework to Measure South-South Cooperation, and the results of the pilot project; and encourage better monitoring and reporting of triangular cooperation~~ and better monitoring and reporting of triangular cooperation. These efforts should build on the existing United Nations Conceptual Framework to Measure South-South Cooperation, and the results of its pilot project, and on the TOSSD framework..

Paragraph 38 (g-l)

Multilateral development banks and the system of public development banks

g) We will work through MDB Executive Boards to further implementation of the G20 Capital Adequacy Framework Review Recommendations and the G20 Roadmap for Better, Bigger and More Effective MDBs, while ensuring that this does not ~~harden lending terms~~ exacerbate debt sustainability challenges, and whilst safeguarding MDBs long-term financial sustainability, robust triple A credit rating, and preferred creditor status. We will ~~work~~ consider working through MDB Boards of Governors to support further capital increases in MDBs if and where ~~needed~~ appropriate, once all capital adequacy measures have been considered, recognizing recent capital contributions, and while also focusing on improving the quality of projects and increasing the operational effectiveness and efficiency. We will support regular MDB-led reviews of the MDB strategies and the alignment between resources and strategies to lay a solid basis for MDB's Boards consideration on whether and when additional capital may be needed or not. We appreciate recent replenishments and commit to establish sustainable pathways to ~~further replenish concessional windows~~ reach robust and impactful future replenishments, including through an expansion of donor country bases. We also commit to ~~study~~ find ways to expand the use of different instruments such as originate-to-distribute models, which would ~~free up capital for additional lending~~ crowd in private sector capital into emerging markets assets.

[ADD] New 38 g) bis. We recognize that fostering synergies and cooperation between MDBs, regional development banks and NDBs, collaborating as a fully integrated system, is of utmost importance.

h) We ~~support timely~~ are open to voluntary rechanneling of special drawing rights (SDRs) via MDBs by countries in a position to do so, while respecting relevant legal frameworks and preserving the reserve asset character of special drawing rights, and encourage at least five such countries to contribute to the SDR-based hybridcapital channeling solutions by the African Development Bank and the Inter-American Development Bank by the end of 2025.

i) ~~We will work through MDB Executive Boards to improve lending terms, including longer loan tenors.~~ We encourage MDB Executive Boards to consider greater flexibility and differentiation in lending terms where appropriate and in a targeted way, including longer loan tenors, grace periods and availability periods, while ensuring the financing sustainability of MDBs and mitigating the impact of such changes to the financial capacity and sustainability of MDBs and their concessional windows. We will ~~also~~ work through MDB Executive Boards to scale up products in local currency to better meet local development needs, by strengthening MDBs' capacity to issue local currency bonds, which can also help develop the local markets, and creating an MDB liquidity pool to better manage local currency risk and costs across the MDBs through diversification, building on ongoing work.

Alternatively, we can propose the following language from the Pact for the Future (Action 49, paragraph 77g) for inspiration for paragraph 38i):

[ALT] We call on multilateral development banks to provide timely support to developing countries by increasing and optimizing long-term concessional finance, including lending in local currencies, as well as the design, financing and scaling up of country-owned and -driven innovative mechanisms.

j) We decide to consider using complementary measures of progress that go beyond gross domestic product (GDP), including the multidimensional vulnerability index~~, as a complement to existing policies and practices, to inform development cooperation policies, including access to concessional financing~~. In this context, we reiterate the call made in the Pact for the Future for MDBs, in partnership with the United Nations Secretary-General, to present options and recommendations on new approaches to improve access to concessional finance for developing countries, including projects with positive externalities in middle-income countries, to the extent this is necessary to achieve viability, enhancing alignment and synergies for shared goals and coherently agreed policies.~~ We encourage MDBs to implement recommendations ahead of the next replenishment cycles.~~

k) We will work through the MDB Executive Boards to strengthen and align impact measurement frameworks with the SDGs and work towards standardized approaches, measuring both positive and negative impacts, and ensuring adherence to social and environmental safeguards in all operations.

l) As shareholders of the MDBs and other PDBs, we will enhance their ability to work better as a system, by fostering synergies based on their comparative advantages, including through mutual reliance initiatives ~~in service of country-led development strategies~~. In a collaborative system, MDBs could seek to work more systematically with and support Regional and NDBs, fully integrating the benefits of their local positioning, capacities, knowledge and expertise and their alignment with country-led development priorities and strategies.

[ADD] New 38 l) bis. We welcome the Viewpoint Note on MDBs Working as a System for Impact and Scale and will work through the MDB Boards to ensure timely delivery and impact, including at country level.

Financing for climate, biodiversity and ecosystems

Paragraph 39

39. The increasing frequency, intensity and scale of the adverse impacts of climate change pose an urgent, and for many an existential, challenge. The unprecedented decline in biodiversity and environmental degradation, frequent droughts and desertification also pose systemic risks to a large number of social and economic goals. In pursuit of the objectives of the United Nations Framework Convention on Climate Change (UNFCCC) and the objectives of the Paris Agreement, we reaffirm the importance of accelerating action in this critical decade on the basis of the best available science, ~~reflecting equity and the principle of common but differentiated responsibilities and respective capabilities~~, in the light of different national circumstances and in the context of sustainable development and efforts to eradicate poverty. In the same vein, we reaffirm our commitments on biodiversity finance from all sources in the Kunming-Montreal Global Biodiversity Framework, in view of closing the biodiversity financing gap.~~, recognizing that the Convention on Biological Diversity is the primary international, intergovernmental forum for negotiating the global response to biodiversity loss. Notwithstanding efforts, climate finance and finance for biodiversity and ecosystems, including ocean preservation and restoration, are not keeping pace with rising needs.~~ Adaptation financing needs are particularly urgent in developing countries, especially LDCs and SIDS, which remain disproportionately affected by the impacts of climate change. ~~Measures are needed to ensure the additionality of climate finance and to safeguard resources to address the persistent socio-economic~~

~~challenges in developing countries.~~ We ~~reaffirm our commitments on climate finance and urge developed countries to continue to take the lead in mobilizing climate finance~~ recall the CMA11 a Decision on the New collective Quantified Goal on climate finance.

a) ~~In accordance with the decision at the 29th Conference of Parties (COP) of the UNFCCC, we recognize the call on all actors to work together to enable the scaling up of financing to developing countries for climate action from all public and private sources to at least $1.3 trillion per year by 2035.~~ In accordance with the decision on the New Collective Quantified Goal adopted at the sixth Conference of the Parties to the Paris Agreement we call all actors to work together to enable the scaling up of financing to developing country Parties for climate action from all public and private sources to at least USD 1.3 trillion per year by 2035. We also recognize the goal of at least $300 billion per year by 2035 for developing country Parties for climate action, with developed country Parties taking the lead, from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources and in the context of meaningful and ambitious mitigation and adaptation action, and transparency in implementation.We encourage developing country Parties to make contributions, including through south-south cooperation, on a voluntary basis.

b) ~~We will enhance effective mobilization of new and additional grant-based or highly concessional finance and non-debt creating instruments~~ All actors need to work together to scale up finance from public and private sources for just and equitable transitions, biodiversity conservation, and restoration, supported by a strengthened international financial architecture to meet agreed targets.

[ADD] New 39 b) bis. In accordance with target 19 of the Kunming-Montreal Global Biodiversity Framework of the CBD, we recognize the need to work towards closing the biodiversity finance gap by mobilizing at least $200 billion per year by 2030 from all sources.

[ADD] New 39 b) ter. We will enhance efforts to scale up financing for disaster risk reduction including through incorporating disaster risk reduction measures, as appropriate, into multilateral and bilateral development assistance programmes and infrastructure financing, scaling up effective and meaningful global and regional partnerships and further strengthening international cooperation, including the fulfilment of respective commitments of official development assistance by developed countries, in order to ensure effective disaster risk management.

c) ~~We decide to urgently scale up contributions to the Loss and Damage Fund to respond to the increased scale and frequency of loss and damage, and ensure inclusive design and equitable allocation of funding both at national and sub-national levels in developing countries that are particularly vulnerable to the adverse effects of climate change in responding to loss and damage.~~ We recognize the need for urgent and enhanced action and support for averting, minimizing and addressing loss and damage associated with climate change impacts, including through the funding arrangements and the Fund for responding to Loss and Damage

d) We ~~commit to ensure~~ will seek to promote that developing countries that are particularly vulnerable to the adverse impacts of climate change receive ~~sufficient~~ climate finance to support green skills, mitigation, and adaptation, ~~and resilience-building,~~ including via financing instruments (e.g. carbon pricing policies and carbon finance, to raise finance, risk insurance and guarantees, catastrophe bonds, climate resilience funds, and ~~debt swaps~~ climate resilient debt clauses) that can adequately respond to their needs and priorities, including ocean and mountain economies, and commit to increase capacity building at the country level to access climate finance.

e) We encourage multilateral and vertical climate and environmental funds to continue efforts to enhance alignment with national needs and priorities; harmonize and simplify application and execution requirements, eligibility criteria and administrative procedures; ~~remove access barriers~~ improve access for developing countries; enhance cooperation with MDBs and national development institutions to crowd in more private capital in climate projects; ~~and~~ encourage use of domestic implementation agencies and improve effectiveness of climate funds in reaching vulnerable and affected populations, e.g. via social protection. To reduce fragmentation, duplication of efforts and inconsistencies, we agree to incorporate new climate and environment finance initiatives within well-functioning existing structures and organisations rather than creating additional entities and to consider consolidating existing climate and environment finance initiatives, and we ~~urge donor countries~~ invite contributors to concentrate their contributions in ~~climate funds under the UNFCCC~~ existing multilateral structures.

[ADD] New 39 e) bis. We encourage funds to align financial flows with international commitments, Nationally Determined Contributions (NDCs), National Biodiversity Strageis and Action Plans (NBSAPs) and national systems that put people at the centre: In order for the international climate finance structure to be fit to deliver on the New Collective Quantified Goal on Climate Finance and effectively reach people in line with commitments, including NDCs, financial flows need to be better aligned with such commitments and leverage national systems, such as financial and social protection systems as well as supply chains, for a strengthened social contract.

[ADD] New 39 e) ter. We call on multilateral development banks and other development finance institutions to increase the availability, accessibility and impact of climate and biodiversity finance to developing countries, while safeguarding the complementarity of climate finance, to support developing countries to implement their national plans and strategies to address climate change and biodiversity loss.

[ADD] New 39 f). In this context, we call to unlock the potential of the circular economy and sustainable and inclusive bioeconomy to accelerate the implementation of the 2030 Agenda for Sustainable Development.

After paragraphs 39 a-f we would like to add the following section:

Financing for prevention, peacebuilding and sustaining peace

[ADD] New 39 bis. We will enhance efforts to explore and pilot innovative and flexible mechanisms to mobilize financing for prevention, peacebuilding and sustaining peace that can be further contextualized, implemented and scaled up in conflict-affected countries and regions, building on existing best practices and shared priority-setting towards collective outcomes, complementarity and coordination in implementation, in line with national priorities and with assistance from the United Nations and international financial institutions at headquarters and field levels. (*Based on resolution 76/305 on Financing for peacebuilding*)

Development effectiveness

Paragraph 40

40. Growing fragmentation, due to a rapid proliferation of donor agencies and channels, coupled with smaller transactions, earmarking, and circumvention of government budgets, increases transaction and compliance costs and runs counter to long-standing effectiveness principles. There is broad consensus that the development effectiveness agenda needs to be revitalized and reinforce the Global Partnership for Effective Development Cooperation and its implementation better monitored.

a) We ~~decide to~~ will further elevate country ~~leadership~~ ownership by developing countries~~,~~ (involving regional and local governments and other local actors such as local civil society), policy and system coherence by development partners, and mutual accountability as core tenets of effective development cooperation.

We would like to seek clarification whether there is any difference intended by using the term "country leadership" instead of "country ownership". If there is no difference, we would prefer "country ownership", which is a development effectiveness principle.

b) We invite development partners to: i) respond to country plans and strategies, and commit to multiyear cooperation agreements that provide stable and predictable funding; ii) strengthen existing national systems rather than establishing parallel systems; iii) reduce fragmentation, including by prioritizing core contributions to multilateral institutions and multi-donor and inter-agency pooled funds, and by leveraging the strengths of both horizontal aid providers (i.e., MDBs) and vertical platforms; iv) streamline and harmonize procedural and policy requirements; and v) ensure all interventions incorporate effective knowledge transfers, capacity building and resilience building to foster self-reliance.

c) We commit to support policy coherence at all levels to ensure development partners' policies strengthen rather than weaken development cooperation, including by: i) striving for adopting a whole-of-government approach in delivering development cooperation, in line with principles of Policy Coherence for Sustainable Development; and ii) ~~reconfirming commitments to~~ highlighting the importance of untying official development aid and reducing the number of exemptions, and promoting local procurement, local audit, and ~~the involvement of local actors~~ by placing greater emphasis on locally led cooperation by empowering local actors in decision-making, prioritizing local capacity building, and ensuring that local voices shape development strategies.

[ADD] New 40 c) bis. We call on beneficiary countries to ensure transparency, accountability and good governance, to further the potential for development partners to use country-level systems.

Development cooperation architecture

Paragraph 41

41. Rising demands, a proliferation of actors and platforms, as well as changes in allocation and modalities of development cooperation call for strengthening development cooperation architectures at both national and global levels.

a) We will strengthen country-led plans and strategies, such as INFFs, as a basis for engaging with all development partners, and will explore ways to put in place inclusive country-led national platforms for improved coordination with development partners to support national plans and strategies. These platforms should include all relevant actors – MDBs, other PDBs, the United Nations system, bilateral partners, including regional and local governments and other local actors, private sector actors when appropriate, and other partners; take into account Nationally Determined Contributions; and will aim to ensure an efficient and effective division of labour, according to each partner's comparative advantage and knowledge of the local context.

b) We ~~commit to~~ aim to fully ~~leverage~~ utilize the convening role of the United Nations to ~~strengthen~~ enhance and foster dialogue, and enhance coherence ~~and norm-setting~~ in international development cooperation.~~,~~ ~~making the most of~~ We wil build on existing platforms ~~at~~ within the United Nations, ~~including~~ such as ~~the Development Cooperation Forum (DCF) and~~ the Financing for Development (FFD) process, and the Resident Coordinator system at the country level, ~~in collaboration~~ while working collaboratively with all relevant stakeholders, and we commit to recognizing the role of key development cooperation bodies alongside the United Nations and emphasize the importance of fostering cooperation and synergies between them and the United Nations.

c) We resolve to strengthen accountability and follow up as part of the FFD process, including through ~~a strengthened DCF~~ development effectiveness platforms, to:

i. Deepen exchange among providers, including members of the OECD DAC, non-traditional donors, MDBs, and others, as well as between providers and recipients, and to promote policy coherence in development cooperation. We invite the Secretary-General to convene expert technical discussions focused on issues such as coherent financing of development, climate, gender equality and humanitarian needs and appropriate use of delivery modalities in different circumstances, to support this exchange, involving relevant stakeholders.

ii. Monitor the delivery, effectiveness and impact of development cooperation in all its forms, drawing on country-owned reporting of data to SDG 17.3.1 as agreed by the United Nations Statistical Commission, on Total Official Support for Sustainable Development (TOSSD), on ODA, on transparency by International Aid Transparency Initiative (IATI), on monitoring by the Global Partnership for Effective Development Cooperation, and on better evidence of development impact. To this end, we will work towards suitable measures of development impact of all types and modalities of development cooperation, building on ongoing efforts, including by MDBs. The TOSSD measure – by reflecting the financing for development architecture as conceived in the AAAA – could help monitor the Sevilla agreements. TOSSD provides a holistic, inclusive, and transparent measure of the resources available for sustainable development and can inform the design and implementation of the needed reforms to the international FfD architecture. We call on all development finance providers to report transparently on their contributions, including ODA and TOSSD, to enhance accountability and provide a comprehensive understanding of development finance flows.

iii. Promote learning and sharing of experiences on emerging effectiveness challenges, drawing on the efforts by the Global Partnership for Effective Development Cooperation and other relevant stakeholders.

iv. Enhance accountability of all relevant actors to their commitments - building on all available evidence, and work towards more streamlined methods of reporting based on SDG targets.

II. D. International trade as an engine for development

Paragraphs 42-43 (a-e)

EU Comments/Rationale:

- *Not sure how digitalization is putting export based development model in jeopardy.*

- *The current situation with heavily State-sponsored firms generating overcapacities and dominating markets makes it quite hard for new producers to integrate into value chains so it would be good to include a reference to competition distortions.*

42. Open, fair and predictable multilateral trade is increasingly under threat as tariffs and trade restrictions are on the rise globally. Digital technology provides challenges and opportunities for ~~is creating new trading opportunities but is also putting traditional~~ export-based development models ~~in jeopardy~~. Developing countries with limited productive capacities and trade infrastructure have challenges integrating into value chains especially when competition distortions in global markets hamper the emergence of new producers. This calls for concrete measures to improve developing countries' capacities to trade and generate value-added with a focus on the furthest behind, including from trade in commodities and critical minerals. It also emphasises the need to reaffirm that multilateral trade should continue to ~~calls for a recommitment to multilateral trade that~~ uphold~~s~~ policy space for sustainable development within a rules-based, non-discriminatory, transparent, open and fair system. Against the backdrop of climate and biodiversity crises, efforts are needed to align trade policies on environmental and climate related objectives. At the same time, structural barriers hindering women to fully participate in local, national and international trade continue to exist, excluding them from reaping the full benefits of sustainable economic growth.

Multilateral trading system

EU Comments/Rationale:

- *Bilateral and regional agreements have also opened opportunities. RTAs can be fully compatible with the MTS. We do not agree with such a negative framing. See examples in the 2024 World trade report, eg pp. 36 and 73 on US-Vietnam FTA, or p. 43 on African countries.*
- *Multilateral trade upholds policy space for sustainable development*
- *Suggest a separate para on investment agreements that are not multilateral but bilateral arrangements.*

43. A universal, rules-based, non-discriminatory, transparent, open, predictable and fair multilateral trading system is a key driver of economic growth and sustainable development. Recent economic shifts, rising trade tensions and restrictions, and divergent interests among members have stalled multilateral negotiations at the World Trade Organization (WTO). Bilateral and regional trade agreements (RTAs) provide important complements to the multilateral system and have contributed positively to development by fostering economic cooperation and integration, lifting countries and millions of people out of poverty. ~~have added complexity and incoherence to the system, while obsolete investment agreements continue to restrict countries' sustainable development policy space.~~ To uphold the multilateral trading system, countries should refrain from protectionist policies ~~To promote such a multilateral trading system, countries should refrain from imposing unilateral economic, financial or trade measures not in accordance with international law and the Charter of the United Nations~~. At the same time, we recognise that countries' relations in the field of trade and economic endeavour should allow for the optimal use of the world's resources in accordance with the objective of sustainable development, seeking both to protect and preserve the environment and to enhance the means for doing so in a manner consistent with their respective needs and concerns at different levels of economic development. [**source:** Marrakesh Agreement establishing WTO Preambula 1] –There are also concerns about the implications of autonomous ~~unilateral~~ trade-related environmental measures on sustainable development as well as concerns over the failure of trade measures to address the climate, biodiversity and pollution crisis.

[ADD] New 43 bis: While bilateral investment agreements have served to enhance legal certainty, out of date and old investment agreements should be modernized to continue to support countries in attracting foreign investment without unduly impinging on their sustainable development policy space.

Multilateral trading system through the WTO

a) We recommit to a universal, rules-based, non-discriminatory, transparent, open, fair, predictable, multilateral trading system with the WTO at its core. We urge WTO members to accelerate the accession of developing countries in the process of, or consider, acceding the WTO and to provide technical assistance to support their accession.

Rationale: *These agreements are not all at the same stage – this should be taken into account in the wording.*

~~a)~~b) We call on WTO members to fully implement the WTO agreements~~-~~ on Trade Facilitation, including through capacity building to developing countries, and to swiftly proceed with the legal integration of the Investment Facilitation for Development Agreement into the WTO framework in order to unlock the institutional dimension of technical assistance and capacity building support for developing and least developed countries; we also call on WTO members who have not yet done so accept the Agreement on Fisheries Subsidies. ~~WTO agreements on Trade Facilitation, Fisheries Subsidies and Investment Facilitation for Development, including through capacity building to developing countries.~~

~~b)~~c) We note with concern that the commitments made at the 13th WTO Ministerial Conference to have a fully and well-functioning dispute settlement system has not been fulfilled by December 2024, and call on WTO members to deliver on this commitment as soon as possible~~accelerate discussions~~, building on progress already made ~~to deliver on this commitment by 14th WTO Ministerial Conference in 2026~~.

d) Provision of special and differential treatment for developing countries, in particular LDCs, should be ~~We encourage WTO members to strengthen special and differential treatment in a~~ precise, effective and operational. We encourage WTO members ~~way for developing countries, in particular LDCs, LLDCs and SIDS and~~ to take steps to provide such treatment for developing countries that are net importers of food products. We commit to analysing the application of ~~a review of the~~ rules of origin with a view to further enabling LDCs ~~streamline and simplify them, to enable developing countries~~ to take full advantage of preferential trade.

Rationale: *not all members are states*

~~c)~~e) We invite the WTO Director-General in collaboration with the United Nations Secretary-General to work with relevant actors to review the role of trade as an engine for sustainable development and the SDGs, taking into account the ongoing reforms at the WTO, building on inputs from members ~~states~~ and make recommendations, including on enhancing the development dimensions of a universal, rules-based, non-discriminatory, transparent, open, fair, predictable, multilateral trading system.

Paragraph 43 (f-l)

Regional trade integration

f) We encourage the consolidation of regional trade agreements, including most recently the expansion and deepening of the African Continental Free Trade Area, and support the negotiations and implementation of ongoing interregional trade agreements to fully integrate these countries into global and sustainable value chains and to promote inclusive growth and sustainable development, and support adopting and implementing sustainable investment facilitation frameworks to promote inter-regional investments for sustainable development.

Policy space in trade agreements

Rationale: *Having sufficient policy space within defined restriction should not be the objective. The focus should be on being able to use the policy space available within the relevant international rules and commitments. Please reformulate g as to how the trading system can contribute to reducing food insecurity.*

g) Ask to reformulate: the trading system can enhance/support food security (no suggested edits) ~~We will work to ensure that all countries, and in particular developing countries have sufficient policy space, including to tackle food insecurity, while remaining consistent with relevant international rules and commitments~~.

h) We resolve to undertake reform to the mechanisms for investor-state dispute settlements in trade and investment agreements through a multilateral approach~~–~~ towards the establishment of a Multilateral Investment Court as well as an Advisory Centre on International Investment Law to support developing and least-developed countries navigate the system~~and establish an advisory support service for developing countries for international investment dispute settlements~~.

Rationale: *It is for the parties to an agreement to decide whether their agreement is obsolete and the opportunity to terminate them*

~~h)~~i) ~~We resolve to accelerate the replacement and termination of obsolete investment agreements, building on existing efforts by all stakeholders, including by United Nations Conference on Trade and Development (UNCTAD)~~.

Trade measures which restrict or distort trade

Rationale: *The negotiation on a permanent solution to the issue of public stockholding are currently blocked. Therefore, language indicating that members are called to conclude negotiations does not reflect the reality of those negotiations. Rewording suggested. The WTO Nairobi Ministerial Decision (2015) committed all WTO Members to eliminate all forms of export subsidies. So there is no need to call again for the elimination of export subsidies.*

j) ~~We call on members of the WTO to conclude negotiations on a permanent solution to the issue of public stockholding to address food insecurity and call for the elimination of all forms of distortionary agricultural export subsidies.~~ We call on members of the WTO to actively engage in the ongoing WTO reform process on agriculture, not only with a view to reduce trade distorting domestic support, but also finding a permanent solution for public stockholding for food security purposes.

k) We call for discussion in the relevant ~~multilateral~~ fora ~~and agencies~~ on trade-related environmental measures including to enhance the transparency and understanding of trade-related environmental measures, taken to deliver on our shared commitment to address the triple planetary crises, and how aid for trade could support environmental transitions in developing countries and their enhanced participation in international trade as well as on the opportunities to achieve sustainability goals ~~and their impact on the~~

~~trade and development prospects of developing countries, and for measures to be taken to mitigate any negative impact, including through scaling up aid for trade~~.

The ECOSOC FFD Forum has no such authority delete l)

~~k)~~l) DELETE: ~~We invite the ECOSOC FFD Forum to consider the impact on sustainable development of unilateral economic, financial or trade measures that are inconsistent with the principles of international law and the Charter of the United Nations, building on the work of the United Nations System.~~

Trade capacities

Paragraph 44

44. In a context of slower growth in global trade, increasing geo-economic tensions and automation, development models reliant on the export of low-cost manufactured goods are at risk. At the same time, many developing countries, in particular LDCs, LLDCs and SIDS, remain at the margins of global trade, with many reliant on raw commodity exports. Weak productive capacities a weak domestic enabling environment and lack of trade infrastructure undermine further integration into regional and global value chains. Nevertheless, energy, digital and demographic transitions offer opportunities to boost trade based on inclusive and sustainable industrialization, digital skills, agricultural production and transformation of natural resources.

a) We commit to develop trade-related physical and digital infrastructure, with attention to transport corridor development, in particular for easing trade bottlenecks for the LLDCs, and to support trade facilitation~~, including trade facilitation agreements~~. We therefore urge all MDBs and other PDBs to increase investment in trade-related infrastructure in developing countries, including core digital infrastructure, roads, railways, and ports, as well as power grids.
b) We welcome the agreement between 82 members of the WTO on e- commerce, featuring the first ever global rules on electronic commerce and call on other member states to join the agreement. We ~~We~~ will continue to support digital and sustainable trade by strengthening multilateral and regional collaboration on digital trade regulations, cross-border e-commerce rules, and interoperable systems. We will provide financial and technical assistance to producers in developing countries on compliance with mandatory and voluntary international standards, including sustainability standards, and facilitate their market access.
c) We recognise ~~will strengthen~~ the ~~important~~ role of UNCTAD for the integrated treatment of trade and development and interrelated issues in the area of finance, technology, investment and sustainable development.
d) We encourage public development banks to expand trade finance facilities, including for MSMEs, women and youth-owned businesses, to better integrate them in regional and global value chains, recognizing that women play a critical role as producers and traders and that face specific challenges to equal and active participation in domestic, regional and international trade. ~~*and invite the Financial Stability Board (FSB) to re-evaluate risk ratings for trade finance in regulatory systems, such as Basel III.*~~

Request for clarification: What is the reason for highlighting only these two aspects of data disaggregation in e?

~~d)~~e) We will strengthen the collection and dissemination of disaggregated data, including on gender or race, to guide the formulation and implementation of effective trade policies.

Boosting trade in LDCs

Paragraph 45

45. Despite commitments to double their share of exports in global trade, LDCs remain marginalized. Many LDCs are heavily dependent on natural resources and primary commodity exports, which are subject to price volatility causing revenue instability, to technical barriers to trade, and to ~~cumbersome~~ sanitary and phytosanitary measures. LDCs also face tariff escalation in many markets, where raw materials are taxed at lower rates than processed goods, discouraging value addition. Furthermore, LDCs lack the industrial capacity to process raw materials into finished products, as well as the know-how, technical capacity, and resources to meet quality, safety, and environmental standards.

Rationale: The LDCs proposal on extending special and differential treatment to graduated LDCs is under negotiation at the WTO – FFD 4 is not the place to address this issue on an active WTO negotiation.

a) We call on WTO members, including developing country WTO members declaring themselves in a position to do so, to strengthen preferential market access for LDCs by ensuring the full implementation of duty-free, quota-free market access for all products originating from all LDCs by ensuring the full implementation of duty-free, quota-free market access for all products originating from all LDCs and by applying simple rules of origin.~~by simplifying rules of origin. We also call on extending special and differential treatment measures and exemptions available to LDCs to graduated countries for a period appropriate to their development situation.~~

b) We commit to increasing support to LDCs to industrialize, diversify their exports, and develop their service sectors, and to integrate them in regional and global value chains. We will promote tailored technical and finance assistance to LDCs in the processing of commodity and agricultural products to add value locally. We will support LDCs' ability to comply with international quality and sustainability standards. We will support liberalisation and economic diversification ~~phase out trade restrictions,~~ including for ~~escalating tariffs, that prevent LDCs from locally~~ processing natural resources locally. We will enhance support for LDCs in developing service sectors and exports, including through strengthened implementation of the LDC services waiver.

~~c)~~ We will also enhance capacity building for LDC governments in international trade negotiations.

Rationale: We don't agree with new quantitative targets and suggest to focus more on the impacts. It also seems unrealistic and lacks credibility to aim for a doubling, looking at previous years' global performance. [1] *Furthermore, the emphasis on trade-related infrastructure makes little sense*

[1] https://sdgpulse.unctad.org/development-financing/#:~:text=In%202022%2C%20Aid%20for%20Trade,in%202022%20compared%20to%202021.

considering that this category is already the most prominent Aid for Trade category with over 50 percent in recent years.[2]

~~d)~~c) ~~We commit to scale up aid for trade infrastructure and facilitation with the objective of doubling Aid for Trade to LDCs by 2031 with at least 50 per cent dedicated to building trade-related infrastructure~~We commit to enhancing the efficiency and effectiveness of the aid for trade provided, with a particular focus on addressing the interests of the Least Developed Countries (LDCs).

Trade in critical minerals and commodities

EU Comments/Rationale: Very supportive of including this section

Paragraph 46

46. Resource-endowed economies have a unique opportunity to leverage their resource wealth, yet a pathway to a more resilient and diversified economy requires deliberate policy efforts for countries to avoid being trapped in low-value added resource extraction. The demand for certain commodities, such as critical minerals which are largely located in developing countries, is on the rise. These reserves have huge potential for sustainable development. However, developing countries often lack the financial resources and enabling environment, including adequate regulatory frameworks, to invest in sustainable extraction, processing and value-addition activities.

a) We encourage development partners and international financial institutions to engage in global commodity partnerships to strengthen developing countries' role in global value chains, especially in mid- and downstream stages to support production, refining, ~~and~~ processing and recycling of critical minerals ~~in developing countries~~, and ~~support~~ value-added activities such as job creation, R&D activities, and infrastructure development, by providing risk-sharing financing such as guarantees and syndicated finances, as well as through technical assistance, capacity building and market linkages. We will promote local, national and regional arrangements to create an enabling investment environment ~~towards this end,~~ including and where applicable with neighboring countries.
b) We will strive to develop a global traceability, transparency ESG (Environmental, Social, and Governance) and accountability framework along the entire mineral value chain and full life cycle — from mining to recycling – to strengthen due diligence, sustainability, facilitate corporate accountability and contribute to ~~build~~ a more sustainable global market for critical minerals.
c) We encourage the Common Fund for Commodities to provide grants, concessional loans and equity investments to developing countries, especially LDCs, for projects that promote value addition, particularly in agriculture and to expand into processing and manufacturing and invite countries to increase voluntary contributions to the Common Fund for Commodities.
d) We stress the importance of providing support to developing countries to negotiate commodity contracts with terms that provide predictability and stability for investment, while also providing flexibility to respond to changes in economic and market conditions. At the same time, we encourage developing countries to

[2] Aid for Trade at a Glance 2024 | OECD

implement necessary regulatory reforms and create a business environment that attracts sustainable investments.

e) We encourage collaborative efforts involving governments, regulators, industry stakeholders, and civil society to foster fair, transparent, sustainable ~~and~~ resilient and circular commodity markets that benefit all participants in a fair way and contribute positively to global economic stability and sustainability.

II. E. Debt and debt sustainability

EU Comments/Rationale::

- *This is a critical chapter, the EU is supportive of ambitious, realistic actions that add value and build on what is already there and is being done, making use of the different roles, mandates and achievements of different players such as G20, Paris Club, WB, IMF and others.*
- *The UN has convening power like no other, so we should not lose this opportunity to create synergies and fill gaps to address this existential issue that many developing countries grapple with.*

Paragraphs 47-48

EU Comments/Rationale:

- *In paragraph 47 we should aim for consistent terminology. The paragraph contains "debt workouts", "debt restructuring" and "debt relief", without full clarity of what is meant by them.*
- *We suggest to add specific factual reference to the challenges faced by SIDS and LDCs, in terms of being among the countries most vulnerable to / actively experiencing debt crises.*
- *We feel some phrasing is inappropriate: 'too little too late' is not acceptable. Some recent restructurings under the Common Framework took too long. However, this is an entirely new process, and it took time to build trust between the Paris Club creditors and the emerging creditors from the G20 countries that are not part of the Paris Club. Everything possible is being done to improve this process, which exists, has yielded results, and is continuously improving. 'Too late' often also stems from the debtor country, as it is frequently the debtor that seeks to delay the restructuring for political reasons or to avoid market signals*
- *Debt relief initiatives should incorporate mechanisms that prioritize investments in the SDGs, particularly in green and inclusive growth sectors.*
- *We reserve on para 48 a) and a few related to it to discuss it further – we have a positive initial consideration for supporting broad inclusivity for this kind of dialogue (e.g. with G20, Paris Club and other relevant stakeholders) but for the time being would ask to have a discussion first on what this working group or dialogue or other format would do, what part it would play in the debt language package of the outcome document, which should address debt prevention, sustainability and resolution. So we would like to further discuss this idea in the broader sense, including the added value of establishing a working group vs a dialogue, who would be part of it, and what its exact role/mandate/output could be.*

- *In para 48 b) we agree with the idea of commitment to increase transparency and accountability for debt issuance as well as its use, especially through parliamentary oversight and strengthened public investment management systems: we encourage strengthening debt management and its link to public financial management to ensure alignment between borrowing and fiscal policy strategies, adding two new paras.*
- *In para 48 c) we are not convinced of the added value of creating a new global central debt data registry. The priority should rather be to improve existing data registries, and increase the completeness and accuracy of debt data and increase global debt transparency by all types of both creditors and borrowing countries*
- *Para 48 e) needs to be more measured, as borrowing in domestic currency also carries risks. Plus it is not necessarily possible for public creditors to lend in local currency.*
- *We certainly support action against corrupt lending in 48f but such measures as UNCAC protocols should be discussed in UNCAC first, before committing to their adoption in this process, which has not been done, so that part needs to be deleted. We would rather more generally call for enhance legal frameworks governing sovereign debt, including clarifications regarding the authority to borrow.*
- *In para 48 f bis we are considering proposing new language on avoiding vulture funds exploiting distressed sovereign debt for excessive profit*
- *In para 48 g we see the merit of the proposal of borrower countries engagement, but reserve as with 48 a), to discuss as part of a balanced package.*

47. Borrowing, when prudently managed, is an important tool for financing sustainable development investments. Maintaining sustainable debt levels is the responsibility of the borrowing countries. We also acknowledge that lenders have a responsibility to lend in a way that does not undermine a country's debt sustainability. Amid successive crises, shocks and record global debt levels, many developing countries face high borrowing costs ~~and significant debt challenges~~remain vulnerable to debt crises and some are in the midst of crises, including a number of least developed countries and small island developing states. High debt service burdens can severely constrain fiscal space for investment in sustainable development, including gender equality, biodiversity and climate action when DRM levels are too low. Countries in need of debt workouts have faced~~ "too little, too late"~~, for various reasons delays in restructurings, with adverse growth and development impacts. There is a need for~~ a development-oriented debt architecture to allow~~ countries to sustainably borrow and invest in sustainable development, and for support to heavily indebted developing countries in need of immediate debt relief to return to a path of debt sustainability.

Sustainable and responsible borrowing and lending, and debt crisis prevention

48. Public debt accumulation and rising debt vulnerabilities over the past decade necessitate international and national efforts to strengthen debt management and debt transparency and responsible borrowing and lending.

EU reserves on para a)

a) We request the United Nations Secretary-General to create a working group to develop a set of principles on responsible sovereign lending and borrowing, building on the existing principles and guidelines, and design tools for continuous monitoring and assessment of their implementation across different stages of the sovereign debt cycle, including issuance, management, sustainability, repayment and restructuring.

b) We commit to enhanced parliamentary oversight and strengthened public investment management systems, with the aim to increase transparency and accountability over domestic and external debt issuance and use. We will scale up capacity building to support, upon request, developing countries better manage their public debt, including domestic debt, and effectively invest borrowed resources.

ADD new b bis : We encourage strengthening debt management and its link to public financial management to ensure alignment between borrowing and fiscal policy strategies. We commit to enhanced transparency on debt and the associated investments, direct or indirect, through transparency on budget allocations, public procurement, public debt data and public expenditures, including extrabudgetary funds and investments.

ADD new b ter: We commit to explore opportunities for enforcing debt transparency in both creditor and debtor countries.

c) Debt transparency is a precondition for debt management and debt restructuring. We urge ~~the creation of a single global central debt data registry, housed in a relevant international institution~~, to increase the completeness and accuracy of debt data and increase global debt transparency by all types of creditors and borrowing countries, including by providing all relevant information to the World Bank Reporting System. We will strengthen debt data transparency by supporting the harmonisation of standards of ~~to harmonize~~ debt data reporting, and the streamlining of existing debt databases of international financial institutions and organizations. This will contribute to enhanced debt transparency by both borrowing countries and creditors by improving disclosure, reporting and data reconciliation.

d) We call on ~~all~~ creditors to provide the option of including~~include~~ standardized ~~state-contingent~~debt pause clauses and other solutions in loan and debt contracts when appropriate, to ensure debt service suspension~~standstills~~ during times of crises that are not covered by standard force majeure clauses. We commit to include such clauses in official lending as feasible. We invite the IMF in collaboration with other relevant international financial institutions to carry out analysis of obstacles and solutions to helpmainstream state-contingent clauses into commercial debt contracts.

e) We encourage official lenders to explore options for increased lending in local currencies in developing countries to address currency risks, as well as solutions to reduce the costs and other challenges associated with such lending, We invite ~~and call for~~ technical assistance to countries in special situations for issuing local currency debt in domestic markets and global financial markets.

~~e)~~

f) We will strengthen measures to enhance legal frameworks governing sovereign debt, including clarifications regarding the authority to borrow~~curb corrupt lending and borrowing, including through fully utilizing UNCAC and exploring a UNCAC protocol that makes such contracts unenforceable~~.

EU reserves on para g)

g) We encourage the creation of, and support existing, platforms for borrower countries to discuss technical issues, coordinate approaches, and share information and experiences in addressing debt challenges.

Fiscal space for investment in countries facing debt challenges

Paragraph 49

EU Comments/Rationale:

- *In para 49 a) we support mention of the DSSS but reserve on this part of the para – not asking for deletion but cannot agree as not discussed yet : We call for the operationalization of DSSS and the expansion of its eligibility to cover other developing countries, especially LDCs.~~,~~*

49. Rising debt service burdens and high costs of capital, exacerbated by recurrent external shocks, call for efforts to significantly lower the cost of borrowing, including more comprehensive and systematic support for countries that, while solvent, are burdened with high debt servicing costs. High sovereign borrowing costs also drive up the cost of capital for private investments, making sustainable development investments that would be financially viable in developed countries unattractive in these contexts.

a) We appreciate ongoing efforts in this area, including the three-pillar approach proposed by the IMF and World Bank to help address liquidity challenges of those countries whose debt is sustainable, as well as the proposed SIDS Debt Sustainability Support Service (DSSS). We call for the operationalization of DSSS and the expansion of its eligibility to cover other developing countries, especially LDCs, and encourage official creditors to provide coordinated and enhanced liquidity and liability management support to developing countries committed to their ambitious development objectives through the use of financing tools such as guarantees, credit enhancements, debt swaps and buybacks in appropriate situations, and legal instruments such as seniority clauses during buybacks to incentivize private creditor participation.

EU will propose some edits to 49 b)

b) We call for an institutional home within an existing facility of an international financial institution to provide such support in a systematic manner. This strengthened facility would: coordinate liquidity support from multilateral and bilateral creditors; coordinate development of term sheets for net present value-neutral rescheduling; offer a range of financial and legal tools to facilitate or incentivize liability management and reduce the cost of capital; support scaling up debt swaps, when appropriate, and maximizing their impact, including by simplifying their design, reducing transaction costs and increasing efficiency; provide countries with technical assistance, capacity support and legal advice, including cost-benefit analysis and the effective use of financial instruments such as debt swaps and dealing with sophisticated creditors; and engage with credit rating agencies to address concerns over adverse rating impacts of official debt programs.

Debt architecture for debt crisis resolution

Paragraph 50

EU Comments/Rationale:

- *In para 50 b) we ask for clarification of terminology: would that be a model law for limiting holdout behavior or a more comprehensive law on sovereign debt restructuring? Suggest deleting the first part as a model law is not a silver bullet not sure a working group is the way forward, but ok on the We encourage major financial jurisdictions to pass domestic legislations to limit holdout creditors and facilitate effective debt restructuring*
- *We are not convinced by the value-added of the proposal in para 50 c). Assessment needs to be done by an expert group, such as GSDR/G20 or a financial institution, to seek expertise.*
- *In para 50 e) we need clarity on the intergovernmental process at the UN, this seems to be a duplication of ongoing work. For the time being we ask for Delete the paragraph*

50. Heavily indebted countries require debt relief to restore them to a path of debt sustainability. But sovereign debt restructurings by public and private creditors ~~are often initiated too late and remain too slow and shallow,~~sometimes reflect theing challenges with coordinating a diverse and changing set of creditors. The ad-hoc nature of debt resolution processes add uncertainty to the timeline and outcomes. ~~Restructurings often do not provide sufficient fiscal space for necessary SDG investment, and result in profound economic and social costs. Restructurings should also account for the development needs of the indebted countries during the restructuring process.~~ A ~~more~~ development-oriented international debt architecture ~~in which all creditors effectively participate could ensure~~should prioritise efficient, fair, predictable, coordinated, timely and orderly restructurings, building on the call made in the Addis Ababa Action Agenda.

a) Building on the ongoing efforts, we encourage the G20 and the Paris Club to further strengthen the Common Framework by: building on lessons learnt from individual country cases, expanding coordinated debt treatments to ~~highly indebted~~vulnerable middle-income countries ~~which are currently ineligible~~; standardizing debt service suspension during negotiations when requested; developing a user manual for debtors with clear timelines; and developing an accessible guideline for assessing comparability of treatment (CoT) and refining tools for enforcing CoT. We encourage debtor countries that need debt relief to actively seek debt treatments and pre-emptive debt restructuring.

EU reserves on b)

b) ~~We support the setting up of a working group to develop a model law on debt restructuring for Member States to consider adopting as part of their domestic legislation.~~ We encourage major financial jurisdictions to pass domestic legislations to limit holdout creditors and facilitate effective debt restructuring.

EU reserves on c) and e

c) We encourage the continued adoption of collective action clauses in bonds and majority voting provisions in loan agreements. We call for assessing and refining contractual tools and instruments used in debt restructuring to facilitate participation of creditors, including most favoured creditor clauses, claw back clauses, loss reinstatement features, and value recovery instruments.

d) We support entities such as the African Legal Support Facility, which provide legal and financial advice to developing countries during negotiations and structuring of complex debt transactions and workouts with creditors; and/or will utilize the above facility for this purpose.

e) Building on existing work, the review of the sovereign debt architecture envisioned in the Pact for the Future and the United Nations Secretary-General's update on progress and proposals, we will initiate an intergovernmental process at the United Nations, with a view to closing gaps in the debt architecture and exploring options to address debt sustainability, including but not limited to a multilateral sovereign debt mechanism.

Debt sustainability assessments and credit ratings

Paragraph 51

EU *Comments/Rationale:*

- *Para 51 needs to respect the integrity independence of CRAs. Need to avoid shooting the messenger. Criticism of "procyclicality" of credit ratings fails to recognize their role, which is to provide a sound assessment of probabilities of default. Imposing regulation that undermines CRA's objectiveness cuts investors off critical information and undermines private capital mobilization altogether. Evidence on the impact and bias or lack thereof is mixed and there is not ultimate assessment.*
- *Ultimately quality/accuracy of credit ratings crucially depends on the provision of comprehensive and granular data.*
- *There needs to be a space for substantial discussions on the impact of credit ratings on debt sustainability and sustainable development.*
- *We would also need analysis whether CRA valuations aren't sufficiently transparent.*
- *In para 51 b) we again would like to stress the importance of all debtors to provide transparent and accurate data to promote transparent, accurate, objective and long-term model-based credit assessments*
- *We also question whether this proposal is pragmatic - DSAs provided by IFIs serve a different role than credit ratings, and granular, relatively short-term (and high frequency) assessments comparable to CRAs by IFIs would stretch their capacity and invariably expose them to criticisms by rated sovereigns and/or market participants.*

51. Sound and transparent analysis on sovereign debt sustainability is important for the smooth functioning and fair pricing of debt markets as well as the overall risk perception by private investors. At the same time, quality/accuracy of credit ratings crucially depends on the provision of comprehensive and granular data. Both

public sector-led debt sustainability assessments and private sector credit ratings have evolved to address some of their weaknesses, but challenges remain, including in accurately assessing the risks and benefits of public policies affecting long-term debt sustainability. ~~Private sector credit ratings of sovereigns are insufficiently transparent and may reinforce short-term, procyclical market reactions, undermining the ability of developing countries to borrow and invest in sustainable development. Stronger public action and regulatory efforts can ensure that credit assessments are more accurate, objective and long-term oriented.~~

a) Building on the ongoing LIC-DSF review, we ~~urge~~ invite the IMF and World Bank to continue to refine debt sustainability assessments ~~to better account for SDG spending needs, better capture climate and nature risks, account for investments (e.g. in resilience, nature protection, and productive capacity) and their impact on long-term growth and sustainable development, which requires a longer-term perspective, and to more accurately distinguish between solvency and liquidity~~. We ~~recommend that~~invite the IMF and the World Bank ~~implement~~ to reflect on revisions in an open and consultative manner. ~~We will strengthen countries' capacities to carry out their own debt sustainability assessments.~~
b) We commit to promote transparent, accurate, objective and long-term model-based credit assessments. We call on public entities conducting economic surveillance to publish such assessments in ways that can be compared to private credit ratings. We call on all debtors to provide transparent and accurate data to promote transparent, accurate, objective and long-term model-based credit assessments. ~~We also call on all ratings to positively reflect the long-term debt sustainability benefits of voluntary debt restructurings, rather than penalizing countries that engage in such transactions and official sector debt programs. We also agree to reduce mechanistic reliance on ratings and implement consistent regulatory regimes for rating agencies (as laid out under Systemic Issues).~~

II. F. Addressing systemic issues

Paragraphs 52-53

EU Comments/Rationale:

- *We disagree with the negative tone in para 52 of the assessment on the International financial architecture and propose alt language*
- *On para 53: We agree that the system must work effectively for all countries, especially those that need the most support. We will propose more positive wording*
- *On para 53 a) we reserve and propose some redrafting. We stress that negotiations and decision-making on IMF governance need to be fully anchored in the relevant IMF bodies. Ensuring fair burden sharing among all major advanced economies will be needed*
- *On para 53 b) Discussions on World Bank shareholding review needs to be fully anchored at the relevant level in the World Bank where the views of all World Bank membership is taken into account. Generally speaking Important to not pre-empt the ongoing discussions in the IMF/WBG. These discussions take place in bodies in which every member state is represented. Furthermore, what country groups are we talking about and what is feasible/desirable? Could recall the Lima principles*

- *On para 53 c): Reserve on the terminology here and else in a general way - as to how we invite/ask/command/work through the Executive Boards. We need to be respectful, encourage cooperation and coordination in a system where all have separate mandates and roles. This para covers technical aspects of the governance of the IMF and institutions, that should notably be discussed in the context of the relevant Boards.*

52. The international financial architecture – the existing set of international financial frameworks, rules, institutions and markets that safeguard the stability and function of the global monetary and financial systems – plays a pivotal role in shaping sustainable development outcomes. ~~Notwithstanding recent efforts to reform the architecture, increasing inequalities, extreme poverty, risks of spillover effects of macroeconomic policies and financial crises to developing countries, and a widening financing divide persist. Addressing these systemic challenges is an urgent priority. With full respect for independent mandates and governance bodies, the international community must work together to ensure that the international financial architecture becomes more efficient, equitable, fit for the world of today and remain dynamic and responsive to challenges facing developing countries. It is of utmost importance to deliver more effective, credible, accountable, and legitimate institutions. Solutions are urgently needed, including those related to global governance, the global financial safety net, international aspects of financial regulation, the international monetary system and global macroeconomic coordination and coherence. Our successful implementation of these actions reflects our commitment to rebuild trust in multilateralism.~~ While recognizing recent efforts and progress to respond to recent multiple crises and appreciating the ambition to reform the architecture, we note that increasing inequalities and extreme poverty persist. We therefore commit to continue exploring solutions to address these challenges.

Global economic governance

EU reserves on 53

53. International economic and financial institutions have made significant efforts at governance reform. Recent efforts to realign IMF quotas and World Bank shareholding are welcome. However, the current architecture does not accurately reflect the diversity and complexity of the world. ~~Insufficient representation and voice of developing countries in international institutions has resulted in insufficient recognition of developing country needs and a suboptimal allocation of resources. The representation and voice of developing countries in norm-setting, global economic governance, and decision-making in international economic and financial institutions must be enhanced to deliver more effective, credible, accountable, and legitimate institutions.~~ The international system must work effectively for all countries, especially those that need the most support.

EU reserves on 53 a)

a) We recommit to further IMF quota realignment to enhance developing country voice and better reflect members' relative positions in the world economy, while protecting the shares of the poorest members. We will work through the Governors of the IMF to consider restoring basic votes back to 1/9 the total voting rights in the IMF, among other measures.

b) We will work through the World Bank Board of Governors to conduct a comprehensive and successful World Bank shareholding review in 2025, protecting the poorest countries~~that delivers a more equitable balance of voting power at the institution, to speedily implement the review outcomes, and to ensure future reviews achieve a balance of voting power between country groups~~.

EU reserves on 53 c)

c) We ~~will work through~~ask the Executive Boards of the international financial institutions to consider increasing the sizes of the boards of directors to create balanced geographic representation of the members. We ~~will work through~~ask the IMF Executive Board to consider to enhance geographical representation and gender balance in IMF senior management positions, particularly for Africa, including the creation of an additional IMF Deputy Managing Director. We also commit to achieve gender balance in the executive boards of all international organizations through more balanced nominations to the boards. We will work through all international organization boards to conduct regular reviews on diversity in the board and the executive and senior leadership to address geographic underrepresentation and gender imbalance, and to publish regular public reports on diversity and our reviews.

d) We commit to enhance the transparency and accountability of decision making at international organizations.

Global financial safety net

Paragraph 54

EU Comments/Rationale:

- *As a general remark, in the outcome document, there are a lot of suggestions to 'work through the IMF Executive Board or Board of Governors to consider to review the SDR allocation playbook/restore basic votes to 1/9 of total votes/arrange surcharges relief in case of emergency/create a multilateral swap line/larger pools of resources etc. etc. Though we agree the IMF bodies should be mentioned as they are the ones to decide, the current wording pre-empts the outcome of these discussion with all the above-mentioned matters.*
- *Para 54: should be deleted or reformulated in less negative terms, we do not share this assessment.*
- *With increasing systemic risks and growing frequency and intensity of global crises, including those related to climate change, many countries will need external support to manage volatility and shocks. The global financial safety net must continue to be able to provide financial support to countries facing economic and financial crises and thus maintain global financial stability. We recognize the important role of IFIs in strengthening the global financial safety net further and appreciate ongoing efforts in this area within the respective IFI's purposes/Articles of Agreement.*
- *On para 54 a) We do not see the need to call for much larger pools of resources accessible to all countries for fast disbursement in response to shocks and emergencies as well as emergency and stand-by IMF resources: The IMF membership recognised that the size of the Fund proved to be*

adequate during previous consecutive shocks and there are mechanisms in place to rapidly increase the firepower of the Fund through temporary resources in case of need as has been proven during past emergencies. So instead we could ask the Executive Board to continue to regularly review the IMF's lending toolkit to ensure it continues to meet the needs by members.

- *On para 54 b) we ask to delete the latter part about suspending surcharges and may introduce alt language possibly from OP29 79/179*
- *On para 54 c) and 54 d) and para 54 e) still discussing these and issue a general reserve – these points were debated in the Pact negotiations*
- *On para 54 f) Seek clarification on this para, what does it mean?*

~~54. The global financial safety net, a multilayered arrangement for responding to crises with the IMF at its centre, has both gaps in its architecture and uneven coverage. During crises, resources available through multilateral and regional arrangements have not matched needs, as demonstrated during the pandemic. This has prompted some developing countries to accumulate excess international reserves in order to cushion volatility, which contributes to resource transfers to developed countries and reduces investment capacity in those developing countries. With increasing systemic risks and growing frequency and intensity of crises, including those related to climate change, many countries will need external support to manage volatility and shocks. The global financial safety net must be expanded, have better coverage, and be more reliable to allow countries to expand their investment in their sustainable development and take on leverage without fear of incurring liquidity and financial crises.~~

54. ALT: With increasing systemic risks and growing frequency and intensity of global crises, including those related to climate change, many countries will need external support to manage volatility and shocks. The global financial safety net must continue to be able to provide financial support to countries facing economic and financial crises and thus maintain global financial stability. We recognize the important role of IFIs in strengthening the global financial safety net further and appreciate ongoing efforts in this area within the respective IFI's purposes/Articles of Agreement.

a) We welcome the conclusion of the IMF facilities review in 2023 and 2024 and ask the Executive Board to continue to regularly review the IMF's lending toolkit to ensure it continues to meet the needs by members. ~~We will work through the IMF Executive Board to create a much larger pool of resources, accessible to all countries, for fast disbursement in response to shocks and crises, for example through an IMF multilateral swap line, and we will consider adjusting borrowing limits in all layers of the safety net to ensure that emergency and stand-by resources can meet needs.~~

EU reserves on 54 b) and ask for deletion of second part

b) We welcome recent action on IMF ~~and will work through the IMF Executive Board to consider suspending surcharges during disasters and exogenous shocks.~~

EU reserves on 54 c- f

c) We will work through the IMF board to consider ways to ease access to the Resilience and Sustainability Trust, including by removing the requirement of an upper credit tranche programme. We welcome the recent PRGT review and will work through the IMF Executive Board to further increase the IMF's self-sustaining capacity to lend concessional resources without worsening borrowers' terms of financing.

d) We welcome the IMF's issuance of SDRs in 2021 and the rechannelling for countries in need by both developed and developing countries in a position to do so. We encourage countries in a position to do so to expeditiously rechannel 50 per cent of current unused SDRs, including through MDBs, while retaining SDR's liquidity and reserve asset character. We will work through the IMF Executive Board to consider the issuance of new SDRs to help address the developing country liquidity and debt crises.

e) We will work through the IMF Board of Governors to review SDRs to create a new playbook that strengthens their role, including: a rules-based approach to recommendations for SDR issuance to speed up approval by the IMF Executive Board of new issuances; international commitments based on voluntary ex ante agreements to facilitate expeditious rechannelling of unused SDRs to countries in need; and considering approaches that allow SDR allocations that respond specifically to the needs of countries during future crises and shocks.

f) We commit to strengthen existing regional arrangements and closing gaps in coverage by supporting the creation of robust new regional arrangements, especially in Africa, to enhance the complementarity of the layers of the global financial safety net.

Regulation for a sustainable financial system

Paragraphs 55-56

EU Comments/Rationale:

- *On para 55 we seek clarification on various claims in this paragraph:*
- *"The sovereign ceiling on corporate ratings has unwarranted negative impacts on capital markets access for entities in developing countries". – what is the evidence for this, where does it come from ? economic, financial, and institutional conditions in the country, therefore difficult to assess if/that a country ceiling has an 'unjustified' effect.*
- *We also note that CRAs are fully regulated and there are clear transparency requirements.*
- *More broadly, we need to respect the integrity independence of CRAs and avoid shooting the messenger. Criticism of "procyclicality" of credit ratings fails to recognize their role, which is to provide a sound assessment of probabilities of default. Imposing regulation that undermines CRA's objectiveness cuts investors off critical information and - most importantly - undermines private capital mobilization altogether. Evidence on the impact and bias or lack thereof needs to be presented and assessed .*
- *On para 55 a) While positive regarding the initiative to have dialogue in general we reserve on the language which may require some tweaking*
- *On para 55 b) Seek clarifications to this para, 1 - what is the basis for the claim that that regulatory frameworks mechanistically rely on credit-ratings and 2 - what is the exact nature of that problem with credit-rating agency assessments - not identified in the text and 3- third, what would be the possible appropriate standard-setting bodies that exist.*
- *Suggest new 55 c Ensure that more and better information is available to CRAs, including through targeted capacity building efforts and institutional support In any case we suggest to Ensure that*

more and better data and information is available to CRAs, including through targeted capacity building efforts and institutional support

55. ~~Credit ratings, which affect the cost of borrowing, are much less regulated than other aspects of the financial system. Credit assessments are pro-cyclical and excessively focused on short-term factors, which can disincentivize credit based on long-term growth and sustainability prospects. The sovereign ceiling on corporate ratings has unwarranted negative impacts on capital markets access for entities in developing countries.~~ Regulatory regimes should encourage credit ratings to be more transparent, accurate, objective, and long-term oriented. We will support continuous dialogue between MDBs, private investors, governments and credit rating agencies to further increase transparency of risk assessments in low- and middle- income countries. We will also support countries e.g. with technical assistance, to enhance their own capacities for their dialogue with credit rating agencies.

EU reserves on this language in 55 a)

a) To help enhance the transparency and accuracy of ratings and ensure regulation of this sector is appropriate, we decide to establish an annual special high-level meeting under the auspices of ECOSOC for dialogue among Member States, credit rating agencies, regulators, standard setters, and long-term investors, along with public institutions that publish independent debt sustainability analysis. We request ECOSOC to determine the modalities to ensure that it builds on existing processes.

EU reserves on b), please clarify the basis for this claim of mechanistic reliance

b) We recommit to reduce the mechanistic reliance on credit-rating agency assessments in regulatory frameworks.

56. **DELETE – EU +EUMS can propose ALT language to the cofacs – to be discussed** :~~Adequate financial regulation is essential to the stability and sustainability of the financial system. While banking regulation has been strengthened since the 2009 financial crisis, financial regulatory frameworks can misprice risks, especially related to new challenges and instruments (such as lending with guarantees), which can raise the cost of borrowing for sustainable development investments, especially in LDCs. Incorporation of environmental sustainability into financial regulation is in its infancy. Climate risk disclosure, which is most advanced, is not sufficient. Creating an effective financial regulatory framework that addresses social and environmental impact, coupled with effective climate policies, can generate both stability and sustainability.~~

a) DELETE: ~~We invite the FSB to launch a review of the potential mispricing of risk in international riskweighting frameworks used in regulation, such as Basel III, to ensure that weightings correctly reflect risks in different country contexts, including for guarantees and blended finance, SMEs, infrastructure, and trade finance, and to review risks posed by the asset management industry. We invite the FSB to present their findings at the ECOSOC FFD Forum.~~

b) With a ~~out diluting our~~ focus on financial stability, we commit to further enhance the role of climate-related risks in ~~expand our financial regulations to incorporate climate~~ transition plans, ~~and~~ climate stress testing and other forward-looking methods to better assess and address climate and environmental related risks~~and invite the FSB to consider including sustainability factors in risk weightings~~.

c) DELETE:~~We invite the Bank for International Settlements (BIS) and the IMF to work together with developing countries to develop a prudential banking regulation framework to address difference in risk profiles, especially in the LDCs~~.

Public payment systems

Paragraph 57

57. International payments, often intermediated by correspondent banks, have significant frictions and high and variable costs. As central banks explore digital currencies and inter-operable settlement systems, policy makers need to consider new macroeconomic risks.

a) We invite the BIS to include more developing countries in discussions on how to create central bank digital currencies that harness the benefits of digital technologies, increase efficiency of cross-border payments, and address potential macroeconomic risks.
b) We encourage the BIS, IMF, and other relevant institutions to provide capacity building to support developing countries to make robust design and implementation decisions about central bank digital currencies.

II. G. Science, technology, innovation and capacity building

Paragraphs 58-59

EU Comments/Rationale:

- *We stress importance of science-policy panels and propose language in 58 and a corresponding section below.*
- *We stress in the importance of human capital, training and skills.*
- *Suggest to replace in 58, 60 61 fintech with digital financial services which is broader.*
- *Suggest to carefully stick to the agreed language from the GDC, especially on sensitive issues such as IP and tech transfer.*
- *In several places suggest a placeholder, to await outcome of the AI global dialogue, to check how those negotiations unfold, which should finish before the outcome*
- *We do not support covering fintech in the AI Dialogue.*

58. Science, technology and innovation (STI) have advanced at an unprecedented scale and pace, amplifying its contribution in sustainable development. However, its full potential is constrained by persistent inequality in innovation and technology access, along with inadequate digital infrastructure and digital public goods in many

developing countries. Limited national capacity and insufficient international support further hinder the development and use of technologies, including ~~fintech~~digital financial services , for sustainable development. Unregulated technological advances can also have unintended consequences for economic and social outcomes, cause environmental degradation, and worsen gender inequality. Coordinated national and international efforts are needed to close digital divides, leverage technological advances for sustainable development, and realize the full potential of digital technology in achieving financial inclusion and financial health.

[ADD] New 58 bis Science-policy panels are a vital tool for combatting global challenges. We are committed to support assessing the latest science to deliver authoritative results on science and evidence to help policy-makers address those challenges. We reaffirm our support to the work of IPCC, IPBES and commit to support progress to establish the Science-Policy Panel on Chemicals, Waste and to Combat Pollution.

[ADD] New 58 ter Strengthening research capacities in developing countries in all academic disciplines is important for addressing local challenges, supporting higher education, and promoting public debate and democracy. It also serves to promote international scientific cooperation. Science also represents an important sphere for the empowerment of women.

Technological advances for sustainable development

59. STI plays a critical role in pursuing sustainable development. However, developing countries, in particular, face challenges in leveraging the potential of STI, further impeding their sustainable development. To realize the full potential of STI, countries need skilled populations, strengthened technical capacity and resources for designing and implementing effective, mission-oriented, multistakeholder STI policy and enhancing national innovation systems. Policy frameworks and regulation should also be strengthened to to ensure they align with sectorial policies, respond to local needs and provide adequate oversight of technology, ensuring it supports sustainable development and the full enjoyment of human rights. STI are aimed at mobilising and leveraging not only the technological potential of countries, but also indigenous knowledges and other non-technological innovative solutions that are available in the countries.

National innovation systems, including STI4SDG roadmaps

a) We will support countries to develop and implement mission-oriented place-based national STI4SDG roadmaps aligned to integrated national financing frameworks that are tailored to address the specific sustainability challenges of each country, starting from a thorough analysis of the context and policy frameworks, and that foster an enabling environment to incentivize innovations aligned with sustainable development and gender equality. We will provide support and training on strategic STI governance, regulation, and institutions for STI policy in developing countries, especially countries in special situations.

b) We call for development and strengthening of ~~ed competition~~ laws that enhance compeition in and contestability of ~~that are adapted to~~ the digital markets~~economy~~, to foster an open, non-discriminatory, fair and inclusive environment for innovation and technological development, and deepened international cooperation between national competent ~~competition~~ authorities, given the global reach of major technology firms and the impact of regulatory spillover.

Technology transfer, knowledge sharing, capacity building, and financing for STI

EU reserve on c) , stick to language agreed in the GDC, and general comment that technology transfers that are encouraged should be voluntary and on mutually agreed terms

c) We acknowledge the role of intellectual property regimes and the application of TRIPS flexibilities in contributing to innovation and sustainable development. We commit to promote and encourage further agreements on technology transfer.

EU reserve on d)- ask for further clarification before calling for operationalising

d) We urge operationalizing the Online University for LDCs to promote science, technology, engineering, and mathematics (STEM) education.

e) We will facilitate access to STI funds, through capacity building peer learning and knowledge sharing, including ensuring that resources are directed to countries and regions with high needs and impacts. We call for the IFIs, international organizations, and development partners to enhance financing and capacity support to STI projects in developing countries, and invite public development banks, in particular, to scale up support for investment in mission-oriented innovation in alignment with national development plans and national STI policies and roadmaps through risk-sharing instruments, public venture capital funds or similar instruments.

f) We will promote ~~equitable access to~~ human-centric, safe and trustworthy AI and ensure adequate financing for capacity building for AI adoption, for development of a regulatory ecosystem that promotes safe, secure, inclusive and trustworthy AI systems while respecting intellectual property rights, and for facilitating developing countries' participation in the global AI dialogue, while taking into consideration the previous internationally agreed outcomes.

Request clarification: why no reference to Digital Compact?

[ADD] New para (placement flexible): **We will promote the further development of and investment in effective, national and regional multi-hazard early warning mechanisms, where relevant, and facilitate the sharing and exchange of information across all countries**

International cooperation on STI

g) We resolve to enhance national and international cooperation between actors in the STI ecosystems, including MDBs and DFIs, on open science, open data, digital public goods, affordable and open-source technology, education, and collaborative international research and development that ensures access to countries in need. **We support science-policy panels (such as the IPCC, the IPBES, the IRP and the SPP-CWP) as important tools to provide the latest science and evidence to help policymakers address global crises, including climate change, biodiversity loss and pollution.**

h) We commit to strengthen the capacity of the UN Technology Facilitation Mechanism and the UN Technology Bank for LDCs with adequate voluntary resources so they can effectively fulfill their mandates.

i) We support enhanced collaboration among the STI Forum, the Commission on Science and Technology for Development, and other international platforms. This includes promoting digital infrastructure-related knowledge sharing, particularly in identifying investment risks and opportunities, among DFIs and other partners.

j) We request the Interagency Task Team on STI for the SDGs to undertake an assessment of the major obstacles that hamper international diffusion of technologies for the SDGs, especially green technologies.

Digital divides Paragraph 60

60. The lack of essential digital infrastructure and skills poses a significant barrier for many developing countries, especially countries in special situations, exacerbating the digital divides, including the gender digital divide. Increasing investment in resilient digital public infrastructure and digital public goods is extremely important while supporting open source and digital commons. Achieving universal secure meaningful and affordable connectivity and relevant capabilities will require mapping out gaps and measures to scale~~ing~~ up investment at the national level with the support of the international community.

a) We commit to develop financing plans and coordinate investment in digital public infrastructures and digital public goods as part of national financing frameworks as appropriate, and technical support from partners through country-led platforms. We will support countries in their design of digital infrastructure financing models and impact measurement to close the connectivity gap and improve the security, quality and affordability of connectivity as called for in the Global Digital Compact. We should encourage open source and digital commons to improve access to digital technologies and economies of scale.
b) We will promote access to relevant training and skills, as well as science and technology and innovation for women, youth, and children.
c) We invite countries to bring projects on digital public infrastructures and digital public goods to the SDG Investment Fair.

[ADD] New bis (placement flexible) We enhance international collaboration between national governments, DFIs, and private actors to design digital infrastructure financing models and impact measurement in support of the Global Digital Compact's commitment to develop innovative and blended financing mechanisms that can close the connectivity gap and improve the quality and affordability of connectivity.

Digital technology for financial inclusion and financial health

Paragraph 61

61. The rapid growth of digital technology has improved financial inclusion for individuals and MSMEs. Despite progress, there are still significant gaps in access and use, and new risks, as some ~~fintech~~digital financial services companies are not subject to the same regulations as other financial institutions. To fully realize the potential of ~~fintech~~ digital financial services, complementary investments in technology access, financial and digital literacy skills, consumer protection, infrastructure and regulatory frameworks are needed. Coordinated national policy actions and strengthened international cooperation, especially on emerging issues, are essential to safeguard consumer protection, foster fair competition, ensure financial stability, and uphold financial integrity.

a) We will support countries in creating enabling domestic environments for development of gender responsive digital financial services, underpinned by partnerships between local banks and ~~fintech~~digital financial services firms to expand financial inclusion services' reach, especially in rural areas, and adaptive regulatory frameworks that effectively manage the opportunities and risks of new technologies.

b) We commit to implement comprehensive and ethical financial and digital literacy programmes with gender perspective that target all segments of society, including all women, youth, people with disabilities and marginalised communities, including by mainstreaming these into educational curricula at all levels.
c) We invite relevant stakeholders such as the G20 Global Partnership for Financial Inclusion (GPFI) to the respective sessions of the ECOSOC FFD Forum to exchange knowledge and share experiences and expertise on policy and regulatory frameworks to respond to the development of digital financial services, avoiding silo-style regulation.
d) DELETE ~~We will consider utilizing the Global Dialogue on AI Governance, convened in accordance with the Global Digital Compact, as a platform to discuss governance of fintech, including exploring the development of a set of principles for safe, equitable, and inclusive development and use of AI in fintech~~.

III. Data, monitoring and follow up

Paragraphs 62-63

EU Comments/Rationale:

- *In 62 suggest a target: Increase data availability for monitoring the SDGs by 50% by 2030. This target is from the GDC.*
- *UN agreed language should be maintained on the subject of data disaggregation.*
- *Firm support for the use of metrics beyond GDP (here and elsewhere), so the revision of the System of National Accounts (SNA) considers these concerns while at the same time introducing new measures for the digital economy.*
- *To avoid duplicating workstreams it is also crucial to build on existing tools such as the TOSSD framework that provides comprehensive, inclusive, and robust data for indicator 17.3.1.*
- *Refer to Member States of the BWI instead of Executive directors as not all MS have ED*
- *More clarification is needed on 'the special high-level meeting with the Bretton Woods institutions, WTO and UNCTAD.*
- *Further clarification is needed on the role of the DCF, in line with comments in paragraph 41.*
- *In 65 b v: World Bank and other relevant actors This dialogue should be proposed in the context of the IMF Global Sovereign Debt Roundtable, which was created for this purpose.*
- *What about the Biennial Summit? Where does it fit in the picture?*
- *65 d) merits more discussion:*
- *65 e Needs clarifying and further consideration*
- *65 f) What about local follow-up? HLPF also has VLRs. (local level)*
- *65 g) : Is the assumption to revise whichever framework is established before the end of the 2030 Agenda and adjust/establish a new one in line with whichever post-2030 Agenda framework is created?*

62. Timely, reliable, high-quality, and disaggregated data and statistics are essential for advancing the financing for development agenda. They support informed decision-making across all action areas while enabling effective monitoring and follow-up. Strengthened mechanisms for monitoring and follow-up are equally vital to ensuring sustained progress on financing for development.- Increase data availability for monitoring the SDGs by 50% by 2030.

Investment in data and statistical systems

63. Many Member States, in particular developing countries, have not been able to fully capitalize on the power of data. Data and statistics are central drivers of informed financing for development and strengthening national data and statistical systems and their governance is a critical means of implementation for SDGs. Investment in data remains insufficient, resulting in gaps in the availability of high quality and disaggregated data and statistics (e.g., on gender and sex) needed to inform evidence-based decision making, especially for developing countries. This was particularly apparent during the COVID19 crisis.

a) We commit to accelerate progress on the Cape Town Global Action Plan for Sustainable Development Data, and invest in national and subnational data and statistical systems, to support this accleration process, including digital infrastructure. We further commit to the Medellin Framework [to be adopted by the United Nations Statistical Commission in March 2025].
b) We commit to increase financing ~~al support~~ for data and statistics from all sources and enhance efforts to build ~~al~~ capacity ~~building~~ in developing countries, ~~especially countries in special situations and those facing specific challenges, and~~ We will scale up predictable financing for sustainable development data. ~~This includes support for the SIDS Data Hub as called for in the Antigua and Barbuda Agenda for SIDS~~.

Data frameworks for sustainable development, accessibility and innovation Paragraph 64

64. The SDG indicator 17.3.1 on financing data was developed in 2022 to track resources mobilized for developing countries from multiple sources, alongside a breakthrough UN conceptual framework to measure South-South cooperation and using the comprehensive TOSSD dataset. Stronger efforts are needed to enhance disaggregated data, accessibility and innovative data sources. Political momentum is also growing for measuring and monitoring progress in sustainable development using metrics that go beyond GDP. The FfD4 agenda should strongly support Member States in implementing the 2025 System of National Accounts and strengthening the corresponding capacity. To avoid duplicating workstreams it is also crucial to build on existing tools such as the TOSSD framework that provides comprehensive, inclusive, and robust data for indicator 17.3.1.

a) We support the continued strengthening of the SDG indicator framework, including support for enhancing the consistent reporting on and use of SDG indicator 17.3.1 and prioritization of highquality, disaggregated data collection, including on gender equality and vulnerable groups.
b) We encourage the promotion of open, interoperable data platforms and standards to improve data sharing and accessibility, addressing challenges for developing countries.
c) We encourage the enhanced coordination on data among international financial institutions, the United Nations, Member States, and development agencies.
d) We encourage leveraging innovation in non-traditional data sources like citizen-generated data and remote sensing, supported by public-private partnerships and specific, measurable, achievable, relevant and time-bound or SMART indicators.

e) We commit to advance the process on measures of progress on sustainable development that complement or go beyond GDP, as agreed in the Pact for the Future.

Monitoring and follow-up

Paragraphs 65-66

We strongly should avoid significant new burdens on reporting, data generation and duplication of existing structures. Therefore, we should keep this "concise set of financing indicators" lean and simple.

65. The Addis Ababa Action Agenda strengthened the financing for development follow-up process. However, challenges remain with participation of Member States, engagement of all relevant stakeholders, tight negotiation timelines, and insufficient space for sustained engagement between ECOSOC and the ~~Executive Directors~~Member States of the Bretton Woods institutions. There is also room to improve the incorporation of national and regional perspectives into the global dialogue. The strengthened follow-up process after the Fourth International Conference on Financing for Development will enhance monitoring, global policy coherence, and links to regional and national-level action, without significant new burdens or data demands.

a) We request the Inter-Agency Task Force on Financing for Development to propose a concise set of financing indicators to measure the progress and implementation of the Addis Ababa Action Agenda and [Seville outcome], with gender perspective, working with existing resources and using existing data frameworks and standards where possible, with intergovernmental negotiation and agreement on the framework at the General Assembly in the second half of its 80th session; emphasizing the importance of disaggregation of data (particularly gender equality) where possible. Financing indicators should be relevant, methodologically sound, measurable, easy to communicate and access, and limited in number. We also invite the United Nations Statistical Commission to followup on gaps in coverage and capacity building needs on the financing indicators.

Reserve on b). More clarification is needed on 'the special high-level meeting with the Bretton Woods institutions, WTO and UNCTAD.

b) We commit to deepen substantive discussions at the ECOSOC FFD Forum through an in-depth review of the action areas of the financing for development outcomes in a biennial cycle. This will allow for deeper reporting by the Inter-agency Task Force on Financing for Development, more focus in ECOSOC FFD Forum outcome document negotiations, and more in-depth and meaningful discussion at the ECOSOC FFD Forum by Member States and relevant stakeholders on emerging issues and specific challenges, including in the special high-level meeting with the Bretton Woods institutions, WTO and UNCTAD. To strengthen follow-up on action areas in the years that they are discussed in-depth, we will:

i. on domestic public resources, use the ECOSOC Special Meetings on Financial Integrity and on Tax, which involve all relevant stakeholders, to discuss options for commitments and actions to be agreed in the ECOSOC FFD Forum outcome;

ii. on private business and finance, commit to enhanced engagement of the private sector, including building on existing mechanisms such as the Fourth International Conference on Financing for Development Business Steering Committee and the Global Investors for Sustainable Development Alliance;

Further clarification is needed on iii on the role of the DCF, also comment on paragraph 41.

iii. on international development cooperation, align the ECOSOC FFD Forum and the DCF cycles, with the DCF held prior to and reporting to the ECOSOC FFD Forum;

iv. on international trade, hold the special high-level meeting that engages with WTO and UNCTAD in a separate session in the ECOSOC FFD Forum;

This dialogue in v should be proposed in the context of the IMF Global Sovereign Debt Roundtable, which was created for this purpose.

v. on debt, hold a dialogue between the Paris Club, other official creditors and debtors and the United Nations, along with the IMF and World Bank and other relevant actors;

vi. on systemic issues, ~~discuss the outcomes of the ECOSOC High-level Special Meetings on Credit Ratings, and~~ invite regulatory standard setters ~~such as the Financial Stability Board~~ to participate in the ECOSOC FFD Forum;

vii. on science, technology and innovation, invite authorities of different jurisdictions to share experience and expertise on policy and regulatory frameworks to respond to the effects of digital technologies on financing for development.

Request for clarification: where does the Biennial Summit fit in?

c) We will continue to hold the High-level Dialogue on Financing for Development of the General Assembly every four years, back-to-back with the High-Level Political Forum under the auspices of the General Assembly when the high-level political forum is convened.

d) To strengthen national follow-up, we invite Member States to ~~will~~ appoint focal points for financing for development in their ~~our~~ finance and other relevant ministries and establish or use existing cross-departmental platforms for financing for development policy coordination and preparing national presentations, building on INFF experiences, where appropriate.

Request for clarification: E requires further discussion and consideration

e) To strengthen peer review and further enhance participation from capitals, we will invite countries to present Financing Action Reviews on progress and challenges in implementing the Financing for Development outcomes at the ECOSOC FFD Forum, building on INFFs where appropriate, in a similar format to voluntary national reviews on SDG implementation, in a ministerial segment of the ECOSOC FFD Forum to incentivize reporting by Member States, and to catalyze investment through the SDG Investment Fair.

f) We commit to strengthen regional follow-up processes, led by regional economic commissions, with regular regional reporting on progress, regional committees, within existing resources and consultations on progress and priorities.

Request for clarification: Is the assumption to revise whichever framework is established before the end of the 2030 Agenda and adjust/establish a new one in line with whichever post-2030 Agenda framework is created?

g) We will consider the need to hold a follow-up conference by 2029.

66. We commit to undertake collective efforts to enact concrete policies and actions within this renewed global financing framework, with the aim of achieving sustainable and inclusive development and reaffirming ~~rebuilding~~ trust in multilateralism.