

Fourth International Conference on Financing for Development (FFD4)

FFD4 Business Steering Committee Communiqué:

Unlocking Private Finance and Investment for Sustainable Development

30 June 2025 – Sevilla, Spain

We, the members of the FFD4 Business Steering Committee, convened at the International Business Forum during the Fourth International Conference on Financing for Development (FFD4) in Sevilla, to reaffirm our commitment to accelerating the mobilization of private finance for sustainable development in a rapidly evolving global context.

As a coalition of major business organizations and initiatives, we have worked to make the International Business Forum (IBF) a space for dialogue between key public and private actors on actions to scale-up finance and investment in sustainable development.

Our overarching objective is to scale up private investment for sustainable development in developing countries. To achieve this, we have identified five action areas critical to unlocking private capital at scale and channeling it toward SDG-aligned sectors, projects and initiatives where it is needed most.

To be effective, these action areas will need to be complemented by broader efforts to set in place an enabling business environment, including an effective legal and regulatory framework and a favorable macroeconomic and trade setting.

Building on the momentum generated by the FFD4 preparatory process and the Seville Platform for Action, we aim to enhance collaboration with national policymakers, multilateral development banks, development finance institutions, regulators, the wider private sector and other actors across the investment ecosystem to advance these priorities.¹

1. We will work towards increasing private investment in sustainable development, including by supporting efforts for the impactful scaling of blended finance and other innovative investment instruments and platforms.

We believe that blended finance remains one of the most promising tools to crowd in private capital through innovative, fair and balanced risk-sharing between public and private actors. Yet, it continues to be under-utilized and fragmented, as do other risk-sharing tools, such as guarantees. Moreover, new and scaled up investment vehicles and platforms are needed to efficiently aggregate and channel capital to high-impact sectors in developing countries that contribute to sustainable development.

We call for:

¹ Not all FFD4 Business Steering Committee members may be working in all these action areas.

- **Expanding the availability of catalytic capital and risk-sharing instruments from MDBs, DFIs and governments** to scale up private investment in key sustainable development sectors in developing countries, including the targeted use of catalytic equity capital.
- **Enhancing transparency and reporting** on performance, risk-sharing, and development outcomes of blended finance transactions, to support investment decisions and strengthen impact.
- **Greater standardization of blended finance structures and risk-sharing instruments** to reduce the time and costs associated with transactions.
- **Advancing innovative instruments** that will support sustainable development, such as thematic bonds and impact funds, as well as aggregation platforms that pools resources and technical capabilities of multiple investors, as appropriate, while diversifying risks.
- **Scaling currency risk mitigation instruments and platforms** that enhance the viability of long-term investment in high-risk environments.

We aim to:

- **Support the development and scaling of innovative financing instruments and mechanisms** that channel investment to SDG-aligned sectors.
- **Support country- or sector-specific vehicles** that reflect national priorities and local needs.
- **Engage in the early-stage design and financing of blended finance vehicles**, not just later-stage co-investment.

2. We will strive to unlock opportunities for investment in sustainable development in partnership with governments and other development partners, including through country-led platforms.

At the outset, it is imperative for countries and development partners to establish an enabling business environment, including ensuring that public policy supports sustainable development objectives and provides certainty for long-term investment. To ensure there are opportunities for investment, governments, development partners, and the private sector must work together to grow the pipeline of projects in line with sustainable development objectives.

We call for:

- **Efforts to increase the pipeline of bankable projects**, including through technical assistance, to expand opportunities for private sector investment.
- **Support from MDBs and development finance institutions for early-stage project development** in developing countries with a view to crowding in private finance.

- **Engaging the private sector fully in country-led investment platforms**, including as part of efforts to develop investment roadmaps, improve enabling environments, and understand and address investment barriers.

We aim to:

- **Enhance collaboration with governments and MDBs through country-led investment platforms** to support the development of investable project pipelines in line with national development plans.

3. We support balanced and interoperable sustainable finance legislation.

While we recognize the value of sustainability frameworks, we believe that inconsistent standards, taxonomies and legislative approaches across geographies can hinder capital flows and alignment with development priorities.

We call for:

- **Prioritizing interoperability of sustainable finance frameworks** to reduce frictions for investors, in a way that both advance capital flows and align with local sustainable development priorities.
- **Establishing coherent national policy ecosystems** that provide clarity and predictability to investors, including clear national sustainable development targets and sectoral roadmaps, sound fiscal and regulatory tools, and incentives for private investment adjusted to the needs across different sectors.

We aim to:

- **Use and advance globally recognized standards for corporate disclosures, risk and impact management** that reflect both financial and impact materiality.

4. We call for a targeted reassessment of financial regulations to advance sustainable development.

Today's risks, from climate change to geopolitical instability, demand that financial regulations evolve to support stability while enabling innovation and investments that advance sustainable development.

We call on financial regulators to:

- **Revisit capital requirements in prudential regulatory frameworks** that may unintentionally disincentivize long-term sustainable development investments in developing countries, as well as lending for infrastructure and SMEs.
- **Recognize infrastructure as a distinct asset class** to enable more accurate capital treatment, reflecting its lower risk profile from its current project finance category.

- **Recognize guarantees** and other multilateral risk-sharing mechanisms in prudential frameworks to enable greater private sector lending.

We aim to:

- **Engage constructively with regulators at the international and national levels to advance smart and tailored regulation** that will enable greater investment in sustainable development while maintaining financial stability.

5. We will strive to improve access to finance for underserved markets and enterprises.

Financial inclusion is imperative, particularly for SMEs in developing regions, where local currency financing and accessible credit remain limited.

We call for:

- **Tailoring policies and instruments that factor in and address the diverse financing needs of SMEs**, especially “missing middle” enterprises that cannot benefit from microfinance but are too small to obtain bank loans.
- **Improving the availability and quality of credit risk data** to enhance risk assessments, especially of MSMEs.

We aim to:

- **Enhance collaboration with IFIs and governments to expand access to finance** in developing countries, including through identifying and piloting solutions to reduce the costs and risks of lending to small and medium enterprises.

Our action will be guided by impact-driven partnerships, local relevance, and measurable outcomes. We recognize that public finance alone cannot deliver the scale of investment needed to meet sustainable development objectives. We pledge to work in partnership with governments, international institutions, and development banks to advance actionable solutions and mobilize capital for sustainable development.

Our objectives are anchored in three guiding principles:

- **Focus on sustainable development impact**, in addition to the volume of finance mobilized
- **Prioritize national and regional implementation** to ensure local relevance, ownership and alignment with national development objectives
- **Establish sustained, action-oriented follow-up** to track measurable progress beyond Sevilla

We invite key actors from the wider investment ecosystem, including private sector leaders and policy makers, to join this effort – not as a one-time measure, but as an ongoing collaborative effort to accelerate investment toward a more sustainable,

inclusive, and resilient global economy. We will pursue our efforts as part of the FFD4 follow-up and encourage broad participation in the outcomes emanating from Sevilla, including the development of a recommended roadmap to kickstart implementation with clear targets and measurable progress. To meet these goals, it is imperative that we help make the leap from recommendations towards execution and from words towards action.

The FFD4 Business Steering Committee²

Co-chairs: Global Investors for Sustainable Development Alliance (GISD) and International Chamber of Commerce (ICC)

Members: UN Global Compact (UNGC); UN Environment Programme Finance Initiative (UNEP-FI); Principles for Responsible Investment (PRI); The Business 20 (B20); Glasgow Financial Alliance for Net Zero (GFANZ); World Economic Forum (WEF); Sustainable Markets Initiative (SMI); Investor Leadership Network (ILN)

² DESA is the Secretariat of the FFD4 Business Steering Committee. IFC, Sida and UNCTAD have been observers of the Committee.