**Inputs of the Islamic Republic of Iran**

**On Elements Paper: Financing for Development**

**I. A global financing framework (including cross-cutting issues)**

* Reaffirming the importance of the right to development and bearing in mind General Assembly resolution 41/128 on the Declaration on the Right to Development;
* Eradicating poverty in all its forms and dimensions as the greatest global challenge and an indispensable requirement for sustainable development;
* Expressing concern on the growing SDG financing gap that has risen to 4 trillion USD annually and calling on the international community to take the appropriate actions to implement the SDG Stimulus in a timely manner which is the upmost importance for developing countries and the implementation of the SDGs;
* Recognizing that achieving the Sustainable Development Goals is intrinsically linked to the successful implementation of the Addis Ababa Action Agenda on Financing for Development;
* Referencing the application of the principles of special and differential treatment and common but differentiated responsibilities, as they are key to assisting developing countries to transition towards diversified and higher value-added activities in a world facing widening inequality and increasing natural disasters and environmental impacts;
* Scaling up the provision of climate finance by developed countries for developing countries which is different from Official Development Assistance (ODA);
* Scaling up the provision, and mobilization of new, additional, predictable, and easily accessible biodiversity finance by developed countries to developing countries, including for the full implementation of the Convention on Biological Diversity and its Kunming-Montreal Global Biodiversity Framework;
* Referencing the negative impacts of Unilateral Coercive Measures and political bullying of some countries on all dimensions of sustainable development in some developing countries and scaling up all efforts to end UCMs against some developing countries for fostering sustainable development;
* Enhancing the participation of developing countries in world trade and planning for the appropriate distribution of opportunities to play their role;

**II. Action areas**

**a. Domestic public resources**

* Aviad any references to Financial Action Task Force standards, as it is a non-UN mechanism and not all member states of the United Nations are members of it, and it categorizes countries in a discriminatory manner.
* Avoid referencing the work of non-international organizations and its adoptions such as OECD.
* Insisting on the non-interference of political issues on the issue of financing for development;
* Accelerating international tax cooperation within the framework of the United Nations as the “United Nations Framework Convention on International Tax Cooperation”;

**b. Domestic and international private business and finance**

* Ensuring the balance between international commitments to improve access of developing countries to private finance and Foreign Direct Investment flows with the national imperative to ensure a dynamic domestic business environment;
* Reiterating the need for strengthened international cooperation to explore the full range of policy tools to overcome impediments to private investment for sustainable development, as the commitment to take steps to ensure and improve access Micro, Small, and Medium Enterprise (MSME) to finance;

**c. International development cooperation**

* Reaffirming the importance of the Official Development Assistance as the main channel for international cooperation. In this regard, ODA remains essential as a catalyst for financing sustainable development and advancing the achievement of the SDGs in developing countries in line with national plans and priorities. Commitment by developed countries toward ODA is over five decades old and has never been achieved. Therefore, developed countries should be urged to fulfill their unmet ODA commitments to developing countries. Unfulfilled ODA commitments continue to exacerbate the development challenges faced by developing countries, including poverty, hunger, health, education, and the environment;
* Reaffirming the importance of North-South cooperation and Triangular Cooperation as it remains a fundamental catalyst to sustainable development. As North-South cooperation is the main channel of development financing, the international community must uphold the principle of "common but differentiated responsibilities" (CBDR) and advance the key role of North-South cooperation in financing sustainable development, strengthening capacity building and facilitating technology transfer;
* Scaling up concessional financing resources to support sustainable development in developing countries through various areas, including the fulfillment of ODA commitments by developed countries, strengthening the role of MDBs, and enhancing climate finance;
* Welcoming the operationalization of the Loss and Damage Fund, which will provide financial assistance to climate-vulnerable countries;
* Welcoming the operationalization of the [Global Biodiversity Framework Fund](https://www.cbd.int/financial/gbff.shtml) (GBFF) , the newly established fund will facilitate financing for developing countries — which are often the most biodiverse — to enhance their ability to protect, restore and ensure the sustainable use of natural resources;
* Removing any restriction to access environmental financial facilities from major international institutions such as the Global Environment Facility (GEF), which in practice should help developing countries to address the most important environmental challenges like biodiversity loss, wetland degradation, sand and dust storms, and climate change;
* Removing unjustified and unlawful Unilateral Coercive Measures as one of the main obstacles that many developing countries face in international cooperation and that undermines the activities of the UN system by weakening multilateralism. Unilateral Coercive Measures continued to impede the enjoyment of human rights by individuals and States, and were used as tools for political, economic and financial constraints, violating the United Nations Charter, international humanitarian law, and the rules and principles of international law. Unilateral coercive measures, secondary sanctions and over-compliance have impacted humanitarian assistance and the delivery of medical aid, whilst being used as a tool of political pressure by States.
* Eliminating the constraints on technology transfer and capacity building to developing countries as the core priorities for them in reaching sustainable development;

**d. International trade as an engine for development**

* Recognizingthe right of every sovereign state to be part of a universal, rules-based, open, transparent, predictable, inclusive, and non-discriminatory multilateral trading systems;
* Avoiding any harsh unilateral behavior that puts the whole international trading system at risk by some organizations;
* Emphasizing the necessity of facilitating the accession of developing countries to the World Trade Organization (WTO). Such inclusion recognizes the substantial benefits that their accession would bring to their swift and comprehensive integration into the multilateral trading system;
* Accelerating the accession of all developing countries engaged in negotiations for WTO membership regardless of political considerations;
* Reforming international economic and financial architecture with the full and effective participation of developing countries in the decision-making and norm-setting of relevant International Financial Institutions, especially IMF and World Bank.
* Lifting artificial trade bans and removing restricted export measures on high-tech goods to developing countries. Technical, technological, and financing support for bridging the existing gaps, including the infrastructure gap, are pivotal for countries in stepping up their efforts vis-à-vis development challenges;
* Opposing the imposition of extraterritorial application of Unilateral Coercive Measures and extraterritorial trade sanctions in a number of affected UN member States which undermines the multilateral effort to resolve trade conflicts in a rules-based system;

**e. Debt and debt sustainability**

* Reiterating the need for a multilateral debt mechanism to fully address sovereign external debt and provide an effective, efficient, equitable and predictable mechanism for managing debt crises in view of the development needs of developing countries;
* Stressing the importance of enhancing the capacity building of developing countries for different debt swaps which made them able to benefit from their use, as well as reaffirming the urgent need to take multilateral measures to standardize the use of these mechanisms;

**f. Addressing systemic issues**

* Continuing to strengthen the United Nations leadership role in promoting development;
* Reforming the international financial architecture, as well as the international financial institutions and multilateral development banks. The international financial architecture, including its business models and financing capacities, must be made more fit for purpose, equitable and responsive to the financing needs of developing countries, to broaden and strengthen the voice and participation of developing countries in international economic decision-making, norm-setting, and global economic governance;
* Considering the national circumstances and legislations in order to fulfill the international obligations of the countries in the framework of the United Nations documents;
* Fulfilling existing commitments of developed countries including ODA and Climate Finance and proclaiming further commitments;

**g. Science, technology, innovation and capacity building**

* Avoiding the extension of unilateral coercive measures to the science, technology, innovation, capacity building and technology transfer area, including restriction access to essential research materials and equipment, isolation of researchers from the international scientific community, and determent of foreign investment in research and development;

**III. Emerging issues**

* Developing countries under sanctions face unique and significant challenges in financing for development such as restricted access to international markets, limited access to finance for development, increased debt burden, economic isolation, impact on human development, and challenges in achieving Sustainable Development Goals (SDGs).
* Artificial Intelligence (AI) can play a transformative role in financing for development for developing countries by addressing several key areas such as enhancing financial inclusion, improving risk assessment, optimizing resource allocation, and facilitating trade and investment.
* Pandemics can have severe negative impacts on financing for development, affecting both the supply and demand sides of development finance. Here are some key areas where pandemics can cause disruptions: economic recession, increased debt burden, reduced foreign aid and investment, disruption of trade, social inequality, healthcare costs, human capital loss, and policy uncertainty. These impacts highlight the need for coordinated global efforts to support developing countries during and after pandemics, ensuring that sustainable development is not derailed.

**IV. Data, monitoring and follow-up**

**V. Overarching reflections**

* Developing countries often reflect on several overarching themes when it comes to financing for development: the need for increased and predictable funding, debt sustainability and management, equitable access to finance, capacity building, climate finance, global cooperation and inclusive growth.