

**Third Session of Preparatory Committee for the Fourth International
Conference on Financing for Development (FfD4)**

MINISTERIAL SCENE-SETTER

**“Bringing political momentum to the negotiations of the FfD4 outcome
document”**

Monday, 10th February 2025

10:40am – 1:00pm

India Statement

Thank you, Chair.

India commends the co-facilitators for their efforts in preparing the zero draft of the Outcome Document of the Fourth International Conference on Financing for Development. We appreciate the expanded focus in the Outcome Document on Middle-Income Countries (MICs), Small Island Developing States (SIDS), and conflict-affected nations, with proposed mechanisms for tailored financial support.

We align with the G77 and call for a balanced, inclusive, transparent and action-oriented Outcome Document with clear timelines and implementation plans. India is committed to engaging constructively in this process.

Emerging Concerns and Priorities

While previous FfD conferences established key financing principles, a significant gap remains between commitments and actual aid to the Global South. Urgent action is needed to bridge this divide. Meanwhile, ongoing conflicts have derailed SDG progress in developing countries. In the current geopolitical climate, **rebuilding trust and solidarity** is crucial.

We welcome efforts to establish a **robust global financing framework** that prioritizes the needs of developing countries while **fostering innovation and cooperation**. **Reforming the International Financial Architecture** and ensuring adequate representation of developing nations in international institutions are critical to equitable resource allocation.

While domestic resource mobilization is essential, developing countries' capacity to access financial resources and to design and implement public financing policy will depend on the capitalisation, coverage, coherence, and consistency of **international financing mechanisms**. Greater alignment is needed between national priorities and global financing policies.

Financing for development requires rethinking how international partners can best support national ownership, capacity-building, coordination, and accountability. Policy coherence at all levels must ensure that development cooperation strengthens national policies. At the same time, developing countries must have the policy space to determine their own development pathways, as imposed standards may not align with their unique challenges.

Breakthroughs for Political Momentum

The Outcome Document rightly emphasises the need for concessional finance and grants for developing countries to achieve the SDGs. Additionally, engagement with credit rating agencies is crucial to addressing rating rigidity for improving private capital flows to developing countries. Prioritizing actionable financial mechanisms—such as blended finance, de-risking instruments, and green bonds—can also be instrumental in driving tangible progress.

Unilateral trade measures, often presented in the guise of environmental protection, impose undue burden on developing countries. While the draft acknowledges these concerns, it does not sufficiently address them to ensure **a fair and equitable multilateral trading system**.

Further, maintaining **a clear distinction between climate finance and development finance** is essential to prevent the dilution of resources dedicated to sustainable development. The recent decision on New Collective Quantified Goal (NCQG), risks shifting responsibilities onto developing nations, undermining global climate commitments and exacerbating the significant development challenges they already face. India underscores that climate financing must adhere to equity and **the principle of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC)**.

We urge **better coordination and strengthening of existing mechanisms** rather than creating duplicative structures. **New efforts must build on and complement ongoing initiatives to maximize impact and efficiency.**

Enhancing Political Engagement

To craft a technically sound, ambitious, and politically feasible outcome, **deeper political engagement** is essential. We propose **enhanced outreach, in-depth discussions**, and strengthened dialogue between negotiating blocs, to foster mutual understanding and consensus. This will ensure a more inclusive and widely accepted outcome.

Finally, placing sustainable development at the core, collective action is essential to bridging the financing gap and upholding our shared commitment to deliver a financing framework that works for all, leaving no one behind.

Thank you.