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FfD4 as a Turning Point: Overcoming Challenges to Strengthen Sustainable Development Finance

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KEY MESSAGES

1. Despite record levels of ODA, international financial flows remain misaligned with SDG outcomes. The focus must shift from mobilising funds to ensuring strategic and impactful spending. Clear definitions, transparency and monitoring mechanisms are essential to prevent SDG-washing. National ownership through country-led frameworks can improve alignment and efficiency, ensuring that resources support sustainable development.

2. Improving debt sustainability remains a critical issue, and faces governance challenges and fragmented solutions. FfD4 should enhance coordination between international institutions, promote innovative debt instruments like Climate Resilient Debt Clauses, and improve transparency. Strengthening the G20 Common Framework and ensuring private sector participation in debt restructuring will be key to creating more effective, fair and inclusive debt management mechanisms.

KEY MESSAGES (CONTINUED)

3. Strengthening domestic resource mobilisation is crucial for developing countries, particularly in Africa, where tax bases remain narrow and illicit financial flows are rampant, but also as a lever to private sector finance. FfD4 should prioritise capacity-building, tax system improvements and international cooperation on tax governance. Digital solutions and transparency measures can enhance collection efficiency, while regional and global frameworks must ensure that multinational corporations pay their fair share.

4. Multilateral development banks (MDBs) and Public Development Banks (PDBs) must be reformed to enhance coordination, mobilise more private capital, streamline procedures and facilitate access (including through greater coordination with PDBs) and expand local currency financing. FfD4 should promote and guide regulatory changes that allow MDBs to optimise balance sheets, deploy concessional finance strategically and strengthen collaboration with national development banks. Realistic, actionable reforms aligned with shareholder interests will be critical for long-term impact.

5. A robust monitoring framework within FfD4 is needed to track progress on development financing, integrating multiple institutions into a coherent oversight mechanism. This mechanism should involve UN bodies, regional organisations and financial institutions. Peer review processes, particularly at the regional level, can enhance accountability and learning. Strengthening data transparency and institutional collaboration will be key to ensuring that commitments translate into action.

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INTRODUCTION: CONTEXT AND OBJECTIVES

Ten years have passed since the third United Nations Conference on Financing for Development (FfD) was convened in Addis Ababa. This meeting was crucial for discussing the means of implementation of the 2030 Agenda and its Sustainable Development Goals, as well as the Paris Agreement later that year. These key steps to global sustainable development were followed by considerable setbacks in the years that followed, both caused by and leading to an international community characterised by increasing fragmentation and competition.

As an important sign of willingness to put the global development agenda back on track, Spain offered to host the fourth FfD conference from 30 June to 1 July 2025 in Sevilla. While a key event in its own right, the FfD4 conference also works as a catalyst, stimulating discussions on the future of financing for development and bringing together relevant policy discussions on topics such as debt management, taxation and financing that are furthered in various regional and international organisations and groupings. Beyond official actors, the conference also triggers discussions and exchanges among civil society, think tanks and research communities, some of which were also directly solicited by the United Nations Department of Economic and Social Affairs (UNDESA), which prepares the conference. A first consultation on an Elements Paper resulted in a Zero Draft of the outcome document for the conference, published by UNDESA in January 2025.

This policy brief presents the ETTG members' analysis of key aspects discussed in this outcome document, which will be subject to official negotiations during the coming weeks and months—with the aim of giving new impetus to the financing of the global sustainable development agenda. While these various issues and topics appear technical, the conference itself also provides an arena for shifting global alliances and coalitions of the willing seeking to strengthen their positions vis-à-vis others. While discussing what should happen, grievances and concerns about things that did not happen also need to be factored into official actors' engagement during the coming months. As several observers and official actors have deemed recent UN negotiations on climate finance and biodiversity as disappointing, FfD4 also provides a horizontal opportunity to revitalise international discussions and the global development agenda with concrete decisions to the benefit of all.

To this end, the policy brief analyses the following five key questions that should facilitate the further development of the outcome document:

1. How Can Financing Align Better with Sustainable Development Goals (SDGs) and Shift Focus from Sources to Expenditures?
2. What Role Should FfD4 Play in Addressing Debt Crises?
3. What Contributions Should FfD4 Make on Domestic Resource Mobilisation (DRM)?
4. How Can FfD4 Advance Multilateral Development Bank (MDB) Reforms?
5. How to Strengthen Monitoring and Implementation?

1. HOW CAN FINANCING ALIGN BETTER WITH SDGS AND SHIFT FOCUS FROM SOURCES TO EXPENDITURES?

The financing gap for achieving the SDGs remains a significant challenge, with estimates suggesting that between $2.5 to $4 trillion per year is needed.[1] Notwithstanding record levels of official development assistance (ODA) in 2023, reaching $223 billion, and despite it being vital that ODA commitments are kept and met, this amount will be insufficient to bridge the gap. Financial flows relevant for development remain misaligned, both thematically and geographically. While mobilising resources remains critical, the focus of international discussions and national decision makers must shift from merely identifying funding sources to ensuring that expenditures are effectively aligned with SDG outcomes. This requires a strategic approach that moves beyond promises, such as the unmet 0.7% ODA target, and instead emphasises sustainable and impactful spending.

1. https://www.un.org/sustainabledevelopment/sg-finance-strategy/

The Zero Draft outcome document of the FfD4 underscores the importance of aligning financial flows with the SDGs at all levels—global, regional and national—and across all actors, including public institutions, private investors and multilateral development banks (MDBs). Achieving SDG alignment requires not only increasing the volume of financing but also ensuring that expenditures directly contribute to long-term sustainability and equitable development (Riaño et al., 2022). The Zero Draft underscores the necessity of avoiding SDG-washing by establishing clear criteria and monitoring mechanisms to track progress. The challenge lies in moving beyond the initial mobilisation of resources to the effective allocation of these funds in ways that directly support SDG outcomes. The multiple references to SDG alignment in the Zero Draft are welcome, but FfD4 cannot rely on broad calls for alignment that remain aspirational without a clear commitment from member states to define what SDG alignment means and how it will be measured and pursued by defining concrete mechanisms, which we discuss below.

One of the key barriers to effective SDG financing is the tendency to prioritise financial mobilisation over allocation strategies that directly support SDG outcomes. Current financial systems are often structured around short-term profitability, limiting long-term investments essential for sustainability. Without dedicated efforts to ensure that mobilised resources are spent efficiently, financial gaps will persist, and progress toward the SDGs will remain uneven. Due to the interlinkages between the goals, such allocation patterns will negatively affect SDGs that are under-financed as well as those that are over-financed. Public Development Banks (PDBs) and MDBs play a crucial role in addressing this challenge by integrating SDG alignment into their financial strategies and ensuring that their investments generate both financial returns and positive social and environmental impacts (ETTG, 2021).

> “The challenge lies in moving beyond the initial mobilisation of resources to the effective allocation of these funds in ways that directly support SDG outcomes.”

To achieve this alignment, several mechanisms can be put in place. First, there is a need for ‘common definitions and standards’ for SDG-aligned investments that can be adopted and implemented by different types of actors, whether private or public. While significant work has already been done in this area (OECD/UNDP, 2021 or IDFC and Natixis, 2022), FfD4 should task MDBs and relevant international organisations with agreeing on a common framework for alignment. This would enable better allocation of financial resources and reduce the volume of funding that remains misaligned with the SDGs.

Common definitions and standards would help avoid ‘SDG-washing’, where funds are misallocated or misrepresented as contributing to the SDGs without delivering tangible benefits. Transparency and continuous monitoring of financial flows are essential to ensure that resources are directed toward projects that genuinely advance sustainable development. A focus on results will help avoid a situation where policy makers remain preoccupied with measuring inputs, which is one of the drivers of SDG-washing.

National ownership is critical to the success of SDG financing strategies. Strengthening country-led frameworks such as the Integrated National Financing Framework (INFF) or country platforms can enhance the alignment of national development plans with international financing efforts. FfD4 should emphasise the need for countries to take full ownership of their financing strategies, integrating sustainability considerations into fiscal policies and institutional frameworks. Additionally, country platforms that align international financial flows with national priorities can further facilitate effective resource allocation.

These tools allow countries to tailor financing strategies to their specific contexts, ensuring that the mix of financing resources aligns with national priorities. More specifically, these frameworks will help countries to better align their budgets and public spending with SDG targets, thereby reflecting country-led development priorities rather than representing donor-driven agendas. The platforms can bring together key stakeholders—governments, international organisations and private sector actors—to coordinate efforts and mobilise resources more efficiently.

However, these platforms are not necessarily new, and must be better defined and structured to ensure they enhance international coordination while remaining fully country-led to ensure alignment with country priorities and needs. It is crucial that these platforms do not become an additional layer of conditionality but instead serve to reinforce the leadership and ownership of recipient countries in shaping their development strategies.

2. WHAT ROLE SHOULD FFD4 PLAY IN ADDRESSING DEBT CRISES?

Debt prevention and solutions, including liquidity management, feature prominently in the Zero Draft document. This reflects the shared interests and priorities of both donor countries and indebted countries, as well as the broader agenda of the G20. While there is broad consensus on the need to address debt crises, differences persist regarding governance, solutions and the tools to be employed. These divergences highlight the complexity of achieving a unified approach to debt sustainability.

Debt Governance and the Role of the UN

One critical issue is the governance of debt and the role of the UN in this context. The UN holds significant legitimacy and can amplify the voices of indebted countries in debt-related discussions. However, its role remains ambiguously defined in the Zero Draft document, which could complicate negotiations. Donor countries, in particular, have shown limited traction on this issue, making it unlikely that the UN will take a leading role in debt governance in the near term.

The proposal in the Zero Draft to establish a regular debt dialogue between the UN and the Paris Club is an interesting step toward inclusivity and legitimacy in debt governance. It could contribute to enhancing transparency and trust among creditors and debtors. However, to be effective, it must focus on actionable outcomes and complement existing frameworks like the IMF and G20, avoiding duplication of efforts.

Importantly, more efforts should be applied to improving existing mechanisms rather than creating new ones. The IMF and the G20 are the primary fora where debt-related decisions are made, and these institutions already possess the expertise and infrastructure to address debt crises. Efforts should therefore concentrate on enhancing the effectiveness of these existing frameworks, rather than investing too much energy in establishing a new UN-led governance structure that may face resistance and be operationalised only in the mid to long term—whereas issues related to unsustainable levels of public debt are affecting many countries right now.

> “Efforts should concentrate on enhancing the effectiveness of existing frameworks, rather than investing too much energy in establishing a new UN-led governance structure that may face resistance.”

Innovations in Debt Architecture

To address the urgent debt challenges, particularly in middle-income countries and those vulnerable to climate-induced risks, FfD4 should prioritise innovative debt instruments and mechanisms. State-contingent clauses, such as Climate Resilient Debt Clauses (CRDCs), can temporarily suspend debt servicing obligations in the event of climate emergencies or other extreme shocks. These clauses should be mainstreamed in sovereign debt contracts to provide immediate relief during crises. Other innovations including the use of debt swaps could be promoted on a case-by-case basis. However, some of these innovations remain contentious for some countries.

Improving Debt Transparency and Private Sector Engagement

Transparency in debt-related data is another critical area for action. Establishing an international debt registry and improving information-sharing arrangements between debtors and creditors can enhance the efficiency of debt restructuring processes. Both North-South and South-South cooperation should be strengthened to ensure that all parties have access to accurate and timely data.

Private sector engagement is equally crucial. While European countries hold less debt compared to China and private creditors (Karaki, 2023), they can play a pivotal role by developing national legislation to compel private creditors to participate in debt restructuring efforts. This would help level the playing field and ensure that private lenders contribute to sustainable debt solutions. FFD4 could call for that.

Strengthening the G20 Common Framework

The G20 Common Framework (CF) for debt treatment remains a key tool for addressing debt distress, particularly in low-income countries. However, its effectiveness has been limited by challenges in comparability of treatment and the exclusion of middle-income countries. FfD4 should advocate for reforms to the CF, including extending its eligibility to lower-middle-income countries and ensuring that debt service suspensions are implemented promptly once agreements are reached.

Credit Enhancement and Liquidity Support

Finally, FfD4 should focus on enhancing liquidity through innovative financing instruments. Guarantees and other credit enhancement tools can help developing countries access capital markets more affordably, particularly for green, social and sustainability-linked bonds. These instruments can also improve credit assessments, making it easier for countries to secure financing for sustainable development projects.

3. WHAT CONTRIBUTIONS SHOULD FFD4 MAKE ON DOMESTIC RESOURCE MOBILISATION (DRM)?

DRM is vital for reducing aid dependence, addressing debt sustainability concerns, and ensuring locally owned development strategies and priorities. Discussions at the first and second preparatory meetings for FfD4—PrepCom1 and PrepCom2—highlighted a number of challenges to DRM in least developed countries (LDCs), especially in Africa where more than 70% of these countries are located (UNCTAD, 2023). Among other challenges, LDCs struggle with weak domestic enabling environments (exacerbating informality and narrowing tax base), illicit financial flows (or IFFs, including money laundering, tax evasion and tax avoidance), inefficient tax systems and low tax-to-GDP ratios. This section analyses the Zero Draft and Africa's inputs to the Elements Paper to outline specific actions that can be taken to raise DRM in Africa and, more broadly, in developing countries.

FfD4: Challenges and Pathways to Raise DRM

An enabling business environment is critical to private sector development and, consequently, to DRM. In an analysis of data since 2015, Africa has attracted less foreign direct investment (FDI) (US $60 billion annually) compared to Asia (US $400–$650 billion) and Latin America and the Caribbean (LAC) (US $90–US$190 billion) (UNCTAD, 2024). An enabling environment can boost private investments in the region, and this can be achieved through increased access to information, transparency of rules and regulations, and streamlined administrative procedures. Digital government solutions can bring about progress in these areas (UNCTAD, 2024: 90). Equally important is the role of low domestic interest rates in increasing access to credit (Sunel, 2020). The Zero Draft also underscores the potential impact of national development banks on leveraging private investments. FfD4 should therefore facilitate the exchange of best practices between countries.

DRM cannot increase without curbing IFFs, causing significant losses in government revenues. While the magnitude of IFFs varies across sub-regions and countries, estimates suggest that Africa loses an average of US $88.6 billion annually. These losses represent about 3.7% of the continent's GDP (Ngabirano, 2022: 8; UNCTAD, 2020: 25). Furthermore, IFFs represent a significant opportunity cost for public spending on SDGs. Factors causing IFFs range from capacity constraints and prevalence of special provisions or tax exemptions—often used as a tool to attract foreign investments—to fraudulent and unreliable practices such as profit shifting and tax avoidance by multinational corporations (MNCs) headquartered in OECD countries (Mankam, 2024).

> "Domestic Resource Mobilisation cannot increase without curbing Illicit Financing Flows causing significant losses in government revenues."

The Zero Draft highlights a series of mechanisms for enabling detection, prevention and repatriation of illicit funds. FfD4 should clarify actions that should be taken at the national, regional and international levels. At the national level, focus should be put on the implementation of robust anti-corruption laws and enhanced public financial management systems, as well as the establishment of independent oversight bodies. In countries deriving significant portions of government revenues from the extractive sector, efforts should also be directed towards implementing transparent contract negotiations (OECD, 2023: 27). At the regional level, existing processes—such as the African Union's High-Level Panel on Illicit Financial Flows—should be used to raise awareness and foster cooperation among African nations. Finally, international efforts should centre on implementing global mechanisms to enhance cooperation in taxation, as well as transparency, accountability and fairness. For instance, the United Nations Framework Convention on International Tax Cooperation can ensure that companies, including MNCs from advanced countries, pay taxes in countries that host their operations. It can also promote collaboration among national tax authorities, including the sharing of information and the standardisation of regulations and mechanisms for asset recovery and returns (United Nations, 2023). In addition to the UN framework, the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) could play a significant role in combating IFFs (OECD, 2025). Some key features of the BEPS framework include a global minimum tax rate of 15% on the profits of large MNCs, the reallocation of certain taxing rights over MNCs' profits to the countries where their customers are located—regardless of physical location—and a requirement for MNCs to disclose their tax information to tax authorities.

Addressing inefficient tax systems is essential for raising tax-to-GDP ratios. Africa's tax performance remains lower—with many countries collecting less than 15% of their GDP in tax revenues—compared to other developing regions. Efforts to boost tax performance should focus on improving tax structures, compliance and enforcement. Additionally, G20 countries and international development organisations should provide tailored support—technical assistance and capacity-building programmes—to help countries address inefficient tax systems. FfD4 should also promote existing initiatives that have successfully helped developing countries enhance their revenue mobilisation efforts. These include the Tax Inspectors Without Borders programme, as well as the World Bank's and IMF's efforts to support LDCs in developing their tax systems and enhancing their tax capacity.[2]

FfD4 should emphasise the adoption of technology and best practices in using ODA support for increasing tax revenues. Technology can help African countries in enhancing tax administration by enabling accurate identification of the tax base, detecting tax evasion, simplifying tax payment processes and ensuring equity in tax payments (Okunogbe and Santoro, 2023).

4. HOW CAN FFD4 ADVANCE MDB REFORMS?

The urgency of addressing the climate crisis while promoting sustainable development necessitates a transformative approach to financing. FFD4 presents a pivotal opportunity to catalyse reforms within MDBs and PDBs to ensure they are more effective, coordinated and impactful. However, while very high expectations exist for these institutions—such as mobilising private capital, expanding local currency financing and working better as a system—there is a need to remain realistic and strategic. Understanding the interests and constraints of shareholders, who ultimately make the key decisions, is crucial.

Strengthening MDB and PDB Coordination: Horizontal and Vertical Integration

MDBs and PDBs must enhance their capacity to function as a more integrated system, both horizontally (among MDBs) and vertically (between MDBs and national PDBs). While national PDBs can play a critical role in developing pipelines of bankable projects, they often lack the resources to do so effectively and struggle to recover associated costs. FfD4 should encourage mechanisms to strengthen MDB-PDB collaboration, ensuring that national development priorities align with global financing efforts. The G20 'roadmap towards bigger, better and more effective MDBs' provides a foundation for these discussions, but as with any roadmap, real action and further steps are required to translate its ambitions into concrete action (G20, 2023).

2. https://www.tiwb.org

Providing Affordable Financing While Fostering Long-Term and Additional Investments in Local Currency

MDBs and PDBs should also expand their ability to provide local currency financing, reducing exchange rate risks and making investments more viable for domestic private sector actors. Yet, fostering local currency lending implies taking more risks, which MDBs and PDBs will have to mitigate, and in doing so, favour short- to mid-term lending rather than long-term lending (+ 20 years). Likewise, providing long-term lending implies taking more risks, which are likely to impact the concessionality of the financing. In short, MDBs and PDBs can help address various issues, but there needs to be a clear awareness of the trade-offs involved, in order to be more strategic (and to develop the right set of instruments).

To enhance private sector engagement and go the extra mile in terms of financial and development additionality, MDBs should leverage de-risking instruments, including guarantees, insurance mechanisms and blended finance structures. Addressing risk perceptions—particularly in emerging markets—requires more flexible lending instruments and improved regulatory frameworks that create incentives for long-term investment. In other words, MDBs and PDBs are no silver bullets to fixing systemic issues that require the engagement of relevant government's entities, in the right forum such as the G20.

Distinguishing Concessional Finance for Fragile Contexts vs. Private Sector Mobilisation

A central challenge for MDBs and PDBs is mobilising private investment while maintaining access to concessional financing where needed. For low-income countries (LICs), concessional finance remains essential to support high-risk investments in fragile contexts. In contrast, for middle-income countries (MICs), concessional finance should be strategically deployed to crowd in private capital, rather than substituting market-based financing.

FfD4 should promote a more nuanced approach to concessional finance, distinguishing between its use in LICs and its role in mobilising private investment in MICs. Mixing these objectives can lead to inefficiencies and misallocation of resources. MDBs must establish clearer guidelines to ensure concessional finance is appropriately targeted, ensuring that financing instruments are tailored to country-specific needs.

Unlocking Prudential Regulation Reforms: A Role for FfD4?

Regulatory barriers, including conservative prudential regulations, limit MDBs' ability to maximise their balance sheets and scale up investments. FfD4 could provide an impetus to advance discussions on regulatory reforms that remain stalled in other policy processes, such as at the G20 level. Revisiting risk-weighting methodologies, and leveraging hybrid capital instruments—including special drawing rights—could enhance MDBs' abilities to expand lending without requiring large capital injections from shareholders.

Moving from Wishlists to Implementation: Aligning Expectations with Resources

While the agenda for MDB and PDB reform is ambitious, it must be grounded in political and financial realities. Transforming expectations into actionable reforms requires clarity on the types of support—whether additional capital, policy backing or technical assistance—needed to make systemic changes viable. By aligning MDB and PDB reforms with shareholder interests, refining concessional financing approaches, unlocking regulatory constraints and strengthening system-wide coordination, FfD4 can ensure that these institutions deliver on their mandates effectively and sustainably.

While FfD4 may not have the mandate to make binding decisions on many of these issues, it can serve as a platform to generate political momentum and advance discussions that may influence relevant institutions and fora, including the G20. However, given the challenges in achieving a shared vision within the UN and the G20's role as a political forum rather than an implementing body, translating commitments into concrete action will require strong follow-up mechanisms.

> "While the agenda for Multitalteral Development Banks and Public Development Banks reform is ambitious, it must be grounded in political and financial realities."

5. **HOW TO STRENGTHEN MONITORING AND IMPLEMENTATION?**

One expected outcome of the Sevilla conference is the decision to put together a solid (and fit-for-purpose) monitoring framework to track the progress made in bridging the development and climate financing gap. Since the Millennium Development Goals were adopted two and a half decades ago, the goals to be met have been defined and clarified in precise targets and quantifiable objectives—which contrasts with the declarative nature of the financing for development agenda throughout the three previous conferences. In this sense, FfD4 opens a window of opportunity to build a framework that would allow for a better monitoring of the progress made and the implementation of the commitments adopted by all parties.

In this sense, the Zero Draft expects four sets of measures: (1) a closer collaboration between the Bretton Woods institutions and the UN system (ECOSOC, mainly) via the Inter-Agency Task Force on Financing for Development (IATF), the FfD forum and the Development Cooperation Fora (DCF); (2) enhanced collaboration with other relevant actors, such as the Paris Club, the WTO, the Financial Stability Board or UNCTAD; (3) support for building monitoring capacities at the national level; and (4) Financing Action Reviews, presented by UN member states at the FfD forum.

As underlined in previous analyses, one particular feature of the FfD conferences is that they aim at defining goals for agendas that are actually negotiated and agreed in parallel political spaces or fora such as the (global, regional and national) development banks' general assemblies and boards, the Paris Club, the G20 or the OECD, to name a few. As a result, the design of a functional FfD monitoring system needs to put these policy spaces at the core of such system, even if all these co-existent monitoring processes are embedded in an overarching framework for the sake of consistency and alignment with the FfD, 2030 and, soon, post-2030 agendas.

In line with this, the Total Official Support for Sustainable Development (TOSSD) International Forum provides one interesting platform for tracking part of these development finance flows. By including other official flows, South-South and triangular cooperation, support to international public goods and private finance mobilised by official interventions, the TOSSD measure goes well beyond official development assistance while connecting Northern and Southern donors and multilateral organisations and measuring flows from the perspective of Southern countries. This complementary nature of TOSSD should be emphasised, while ODA remains of crucial importance for particularly those countries less served by other official flows, notably LDCs.

> "Regardless of the final institutional design for this much-needed monitoring framework, its credibility and thus success relies on its ability to provide a comprehensive account of the relevant actors and financial sources contributing to development goals and climate finance needs."

However, given past resistance from some countries to attaching concrete obligations to the FfD4 declaration, it is crucial to emphasise the importance of embedding a robust monitoring mechanism to break the cycle of unfulfilled commitments and ensure real progress beyond political declarations. Regardless of the final institutional design for this much-needed monitoring framework, its credibility and thus success relies on its ability to provide a comprehensive account of the relevant actors and financial sources contributing to development goals and climate finance needs.

The monitoring and follow-up section in the Zero Draft is essential and requires focused attention from member states to ensure that the commitments made at FfD4 lead to tangible implementation. Rather than a single institution overseeing progress, multiple institutions will likely be tasked with reporting on and explaining advancements in different FfD4-related areas. For this approach to be effective, however, there must be a dedicated platform where UN members can regularly review and discuss progress on decisions and commitments made within the FfD4 framework, even when these fall under the jurisdiction of other policy bodies. In this regard, the Zero Draft's recognition of the role of various institutions and fora in the monitoring process is a welcome step forward.

Additionally, the idea of peer reviews where countries can share both successes and challenges is valuable. However, care must be taken to avoid replicating the shortcomings of the High-Level Political Forum, where countries rarely acknowledge difficulties in their reports (Hege et al., 2020).

To foster constructive and meaningful discussions, these peer reviews should take place at the regional level, among countries sharing similar economic and geographical contexts. Such a regional approach would provide a space for technical discussions and peer learning, making the process more relevant and actionable. Strengthening the independence of progress evaluations would also be a crucial improvement. A reinforced system of country-led peer reviews at the regional level, facilitated by institutions such as the UN Economic Commissions (e.g., Economic Commission for Africa (ECA), Economic Commission for Latin America and the Caribbean (ECLAC)), could contribute to a more effective and accountable monitoring framework.

CONCLUSION

FfD4 represents a pivotal moment to address the systemic barriers hindering sustainable financing and to reinvigorate global efforts toward achieving the SDGs. As the largest collective donor of ODA, the EU and its 27 member states bear a special responsibility to ensure that FfD4 delivers an ambitious and actionable outcome. The conference, hosted in Sevilla, offers a unique opportunity to realign global financial flows with the SDGs, not only ensuring that sufficient resources are mobilised but also that these are optimally allocated to drive sustainable and equitable development.

The persistent financing gap for the SDGs, coupled with rising debt crises, climate challenges and fragmented international cooperation, demands a renewed commitment to multilateralism and regional collaboration. FfD4 must serve as a platform to bridge the gap between commitments and implementation, fostering dialogue and partnerships that transcend traditional North-South divides. Regional alliances can play a crucial role in translating global commitments into localised, context-specific actions that address the unique challenges faced by developing countries.

A robust monitoring framework will be essential to ensure that commitments translate into concrete actions, providing the accountability and transparency needed to move beyond political declarations and drive meaningful progress. To achieve real change, FfD4 must prioritise concrete mechanisms for SDG alignment, debt sustainability, domestic resource mobilisation and MDBs reforms. The outcome document should provide a robust policy agenda that not only addresses immediate financing challenges but also lays the groundwork for the post-2030 development agenda. This requires stronger political will, enhanced international cooperation and a commitment to accountability through improved monitoring and follow-up mechanisms.

UN member states, particularly regional groups such as Africa and Europe, must work collaboratively on the most pressing FfD4 issues to identify concrete proposals that can garner consensus and meet the high expectations for sustainable development financing. The success of this conference will depend on the collective resolve of all stakeholders to move beyond rhetoric and deliver transformative action that leaves no one behind.

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