Council of the European Union

Brussels, 26 May 2025
(OR. en)

9394/25

DEVGEN 75
RELEX 654
ACP 31
SUSTDEV 37
ONU 26
FIN 556

OUTCOME OF PROCEEDINGS

From:	General Secretariat of the Council
On:	26 May 2025
To:	Delegations
No. prev. doc.:	8927/25
Subject:	Pathways to progress: maximising impact for sustainable development and global prosperity - Council conclusions ahead of the 4th International Conference on Financing for Development (26 May 2025)

Delegations will find in the annex the Council conclusions ahead of the 4th International Conference on Financing for Development - Pathways to progress: maximising impact for sustainable development and global prosperity, as approved by the Council at its 4099th meeting held on 26 May 2025.

ANNEX

Pathways to progress: maximising impact for sustainable development and global prosperity

Council conclusions ahead of the 4th International Conference on Financing for Development

1. The Council looks forward to the upcoming 4th International Conference on Financing for Development (FfD4), which will take place in Seville from 30 June to 3 July 2025 and will present an important opportunity to accelerate collective action towards a renewed global financing framework for sustainable development. The EU remains fully committed to advancing this important agenda through political leadership, unity and inclusiveness, and as a trustworthy partner, with a view to making this conference a success based on an ambitious and impactful outcome that confirms the relevance and indispensable role of multilateralism.
2. The Council recognises that despite important progress achieved in the decade since the 3rd International Conference on Financing for Development in Addis Ababa, the financing gap has widened significantly over the last five years, reaching around USD 4 trillion annually[1], and there is an urgent need to address new and remaining issues, as well as systemic challenges to financing for sustainable development.
3. The Council recognises that FfD4 will take place in a significantly altered security, political, social and economic environment. Therefore, the Council remains concerned about the profound impact of the evolving global landscape, marked by the proliferation of conflicts and growing geopolitical tensions, attacks on international cooperation and on inclusive and sustainable development, disruptions, and persistent crises and conflicts, including increasing trade-related tensions putting further strain on the multilateral trading system. This fuels economic uncertainty, strains multilateral cooperation, and undermines trust in the international financial system, thereby increasing unpredictability, fragility and vulnerability in financing for sustainable development. The Council stresses that the FfD4, when feasible, should prioritise recognising, building on and improving existing achievements, frameworks, platforms and initiatives in line with their different roles and specific mandates.

[1] OECD Global Outlook on Financing for Sustainable Development 2025.

4. The Council stresses the strong need for continued reforms towards a more inclusive, efficient and representative international financial architecture for development, within the framework of each institution's mandate and building on the progress already made. We underscore the need to enhance the representation and voice of developing countries in decision-making in multilateral development banks (MDBs) and other international economic and financial institutions, to continue delivering effective, accountable and legitimate institutions. Strengthened representation must go hand in hand with greater responsibility. The Council also emphasises the importance of steps towards UN80 reform. The FfD4 is a vital opportunity to advance reforms of global governance structures and make them fit for the 21st century[2]. The Council reaffirms the EU's steadfast commitment to effective multilateralism and to the rules-based international order with the United Nations at its core.

5. The Council reaffirms the unwavering commitment by the EU and its Member States to implement the Pact for the Future, the 2030 Agenda and its Sustainable Development Goals (SDGs), the goals of the Paris Agreement, the Sendai Framework for Disaster Risk Reduction and Resilience, the Global Biodiversity Framework, the Copenhagen Declaration on Social Development, the Beijing Declaration and Platform for Action and the Programme of Action of the International Conference on Population and Development (ICPD) and the outcomes of their review conferences. The Council also reaffirms that poverty in all its forms and dimensions, and particularly extreme poverty, remains the greatest global challenge and its eradication is an indispensable requirement for sustainable development.

6. The Council emphasises the importance of narrowing the global financing gap for achieving the SDGs through the effective use of all sources of financing – public and private, domestic and international – to support the implementation of the 2030 Agenda, as also called for in the Pact for Prosperity, People and the Planet.

[2] 11422/24 Council Conclusions on EU priorities at the United Nations during the 79th session of the United Nations General Assembly, September 2024 – September 2025.

7. The European Union and its Member States have long been at the forefront of supporting global efforts to promote sustainable development, together representing 42% of all official development assistance (ODA) today. Reaffirming the New European Consensus on Development, the Council confirms the commitment of the EU and its Member States to the principles and objectives of sustainable development in its three dimensions, to reducing and, in the long term, eradicating extreme poverty, to ending hunger[3] and all forms of malnutrition and achieving food security, to addressing climate change, biodiversity loss, and environmental degradation, to protecting the ocean, to reducing disaster risks, vulnerabilities and inequalities, including gender inequalities, and to leaving no one behind. This commitment also plays a crucial role in the agriculture and food systems of rural economies[4]. It is to be supported, *inter alia,* by collective and individual commitments on financing for sustainable development, including on ODA[5]. The Council recalls the collective commitment to scale up and fulfil our respective ODA commitments, including the commitment by the most developed countries to reach the goals of 0.7 per cent of gross national income for ODA[6] and 0.15 to 0.20 per cent of gross national income for official development assistance to least developed countries (LDCs).

8. The Council confirms the EU's global commitment to enhance impact and mutually beneficial international partnerships and to remain a reliable, credible and solid partner, working towards the achievement of the SDGs. Through the Global Gateway the EU and its Member States, working in a Team Europe approach, together with financial institutions and the private sector, support partner countries by leveraging investments in infrastructure with a focus on the digital, climate and energy, transport, health, education and research sectors, and by supporting an enabling environment for investments. The Global Gateway should also continue to improve conditions for quality investments through technical assistance, policy dialogue, trade and investment agreements, and standardisation and regulatory frameworks.

---

[3] In this context, the Council recalls its support for the G20 'Global Alliance Against Hunger and Poverty' initiative.

[4] This is in accordance with the Committee on World Food Security Principles for Responsible Investment in Agriculture and Food Systems (CFSRAI).

[5] 11339/24, 2024 Annual Report to the European Council on EU Development Aid Targets – Council conclusions (24 June 2024).

[6] Member States which joined the EU after 2002 committed to strive to increase their ODA/GNI to 0.33%.

9. Financing for Development is a broad endeavour covering domestic resource mobilisation (DRM), international tax cooperation and the fight against illicit financial flows (IFFs), more efficient public spending and sovereign debt management, ODA, and private financial flows.

10. The Council considers fair and effective tax and expenditure policies as crucial to improving DRM to finance development and reduce inequalities. To strengthen international tax cooperation and ensuring that international tax rules respond to the diverse needs, priorities and capacities of all countries, the Council is resolved to consider ways of strengthening the voice and representation of developing countries in the international tax architecture, emphasising the importance of careful analysis of the implications of international tax cooperation frameworks for all countries. The Council supports demand-based institutional, technological and human capacity building support to developing countries to help them improve their fiscal policies and revenue administration. The Council acknowledges the work already produced under the G20-OECD Framework, encouraging its continuation and avoiding duplications and takes note of the ongoing negotiations on a United Nations Framework Convention on International Tax Cooperation and its protocols. The Council underlines the importance of exploring innovative ways to find new financing for developing partner countries.

11. The Council reiterates the importance of mobilising private finance towards sustainable development, including to leverage domestic, bilateral, triangular and multilateral public resources to achieve scale and impact. The Council calls for effective use of innovative financial instruments with financial additionality, including guarantees and other risk-sharing mechanisms, public-private investment funds, as well as green and blue bonds, and encourages better coordination and harmonisation of these tools to maximise their impact. Mobilising private finance to advance the financing for development agenda goes hand in hand with revamped mutually beneficial partnerships based on full ownership by countries, in particular in strengthening their public institutions and economic governance, and in developing an enabling business environment that incentivises private investments. It also supports the mobilisation of remittances and diaspora investment for sustainable development.

12. The Council underlines the catalytic role of ODA in leveraging other public and private sources of financing, such as DRM, blended finance and sustainable private investment. In this context, the Council also stresses the increased importance of non-financial means of implementation for the achievement of the SDGs, as well as the importance of continued access to concessional finance and grants, especially for sectors crucial to sustainable development which are not attractive for private sector investment. Triangular cooperation also serves as a key modality for leveraging North-South and South-South Cooperation and ensuring that development solutions are impactful, transformative, and locally driven.

13. The Council welcomes the consideration being given to using complementary measures of progress that go beyond gross domestic product (GDP), including the Multidimensional Vulnerability Index and other potential indicators that take into account vulnerability and inequality. The Council acknowledges the need to enhance support for countries graduating and that have recently graduated from LDC status, through appropriate incentives and measures tailored to each country’s context and designed to minimise disruption in its development trajectory. The Council takes note of the ongoing work of the OECD Development Assistance Committee (DAC) in this area.

14. The Council recognises the diverse needs and challenges faced by countries in special situations, such as the LDCs, landlocked developing countries (LLDCs) and small island developing states (SIDSs), as well as the specific challenges faced by middle-income countries and countries in conflict and post-conflict situations, and countries particularly exposed to climate change or facing financial vulnerabilities. The Council encourages all development institutions to take better account of the factors that cause vulnerability into their analysis and action.

15. The Council recognises the urgent need to build resilience, particularly in the contexts affected by conflict and exposed to high and extreme fragility, with a focus on addressing immediate needs and investing in prevention. In terms of disaster risk reduction, the Council underscores the importance of risk-informed development strategies and anticipatory action, aimed at reducing vulnerabilities and fostering sustainable, inclusive recovery. Bearing in mind that 40 per cent of those living in extreme poverty and hunger are in conflict-affected countries, the Council calls on the United Nations, Member States and international financial institutions – both at headquarters and in the field – to intensify their efforts to develop and apply innovative and flexible financing solutions for conflict prevention, peacebuilding, and sustaining peace. These approaches should build on best practices, align with national priorities, and support coordinated, context-specific implementation in conflict-affected settings.

16. The Council also again stresses the need to build peaceful, just and inclusive societies that provide equal access to justice and that are based on respect for human rights and democracy. The Council reiterates the EU's commitment to a balanced approach towards the three pillars of the UN: fostering peace and security, boosting sustainable development and safeguarding human rights.

17. The Council underscores that sustainable development now occurs in a world that is deeply affected by the triple planetary crisis. At country level, we call for an integrated sustainable development planning process that brings together all forms and sources of finance, including climate and biodiversity finance. In accordance with the decision on the New Collective Quantified Goal adopted at the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement on its 6^{th} session, the Council calls on all actors to work together to enable the scaling up of financing for climate action from all public and private sources for developing countries that are parties to the Paris Agreement. The Council recalls that making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development can unlock investment in climate action at scale and calls on all the actors to work towards that objective. The outcome of the upcoming third United Nations Ocean Conference for sustainable ocean action should also be taken into consideration.

18. The Council is in favour of enhancing the international development cooperation architecture, building on the strengths and expertise of the relevant entities and ensuring that it is fit for purpose to accelerate financing for sustainable development. The Council reiterates its support to development effectiveness and its principles of country ownership and leadership, focus on results, inclusive partnerships and transparency, and mutual accountability. The Council supports country-led plans, strategies and platforms, such as Integrated National Financing Frameworks, as a basis for engaging with all development partners. The Council underlines the importance of enabling environments conducive to financing for sustainable development and the importance of leadership and commitment from national stakeholders and authorities, who have the primary responsibility for their countries' development. This also plays a crucial role in the agriculture and food systems of rural economies.[7]

19. The Council highlights its commitment to good governance and the rule of law, and to fighting tax evasion and avoidance, corruption, money laundering and organised crime across all levels and fields, as well as IFFs derived from them, building on existing frameworks such as the Financial Action Task Force (FATF). All of these are crucial factors for creating favourable investment environments that attract both domestic and international investment and promote inclusive and sustainable growth. Transparent, efficient and accountable public finance and debt management and overall policy coherence for sustainable development are also essential in that regard.

20. The Council stresses that science, technology, and innovation are key drivers in achieving the SDGs and emphasises the importance of technology transfer on voluntary and mutually agreed terms, as well as knowledge sharing and capacity building. In this context, the Council recognises that strengthening human capital and skills is a cross-cutting driver of productivity, resilience and inclusive growth, and a key factor in creating enabling conditions for investment and innovation.

[7] This is in accordance with the Committee on Food Security Principles for Responsible Investment in Agriculture and Food Systems (CFSRAI).

21. The Council reiterates its full commitment to promoting gender equality, women's empowerment and financial independence and recalls the need to systematically mainstream a gender perspective in all policies, programmes, modalities and budgets. In this regard, the EU underlines the importance of creating the conditions to mobilise sufficient domestic resources and foster full, equal and meaningful participation and leadership by civil society organisations in order to achieve gender equality. The Council underlines that the International Financial Institutions and Multilateral Development Banks (MDBs) have a central role in promoting gender-responsive policy measures, including fiscal and financial policies, and catalyse investments in sectors that are central to bridging structural inequalities in general and gender inequalities in particular.

22. The Council further recognises the importance of data and statistics to measure progress towards the SDGs and inform evidence-based decision-making. The Council underscores the value of ODA statistics and the role of the OECD/DAC in monitoring ODA. The Council underlines the importance of the Total Official Support for Sustainable Development (TOSSD) standard, as a data source for better measuring, and improving the transparency of and knowledge about, the resources contributing to the implementation of the 2030 Agenda, capturing all official flows and private amounts mobilised to support sustainable development. The Council expresses the EU's readiness to explore more inclusive and more transparent ways to define and measure financing for development, including through improved use of data for risk assessment and resource allocation. The Council also emphasises the importance of monitoring and evaluation as well as follow-up actions in relation to existing resources to strengthen accountability and learning in the efforts towards sustainable development and global prosperity.

23. The Council also underlines its willingness to strengthen support for partner countries through targeted capacity building, notably through strengthening institutions, and including the training of government officials. This support should focus, *inter alia*, on the creation of enabling environments that foster business development and economic growth, the formulation of innovative financing instruments and the reinforcement of institutional capacities for sound public financial management, including debt management. Furthermore, the Council recognises the importance of capacity building to support countries in improving domestic revenue collection and in designing and implementing effective public policies, in line with their national development priorities.

24. The Council stresses its commitment to seeking long-term solutions to unsustainable sovereign debt, the critical importance for countries to ensure debt sustainability and increase fiscal space for reaching the SDGs, and the need to support countries in these efforts through better prevention and improved resolution mechanisms. The Council welcomes the critical progress made in recent debt restructuring cases under and outside the G20 Common Framework for Debt Treatments. The priority today is not to create new debt relief instruments, but to scale up the implementation of initiatives that are delivering positive results. For this reason, the Council calls for further efforts to step up the implementation of the Common Framework in a more predictable, timely, orderly and coordinated manner.

25. The international debt architecture needs to be strengthened in order to better take into account the concerns and needs of developing countries. Addressing debt sustainability is paramount, also through dialogue between major stakeholders on existing principles of responsible borrowing and lending. To this end, the Council supports the setting-up of an annual dialogue across UN institutions, countries facing debt vulnerabilities, the Paris Club, other official creditors, and the International Monetary Fund (IMF) and World Bank (WB) as observers, to address debt policy issues.

26. The Council also commends the work of the IMF and WB on a three-pillar approach to support low-income countries and vulnerable emerging-market countries facing liquidity challenges, but whose debt is sustainable. At the same time, it considers that liquidity support should not delay restructuring if it is needed. The Council underlines the importance of increased debt transparency and capacity development. The Council recalls the call in the Pact for the Future to promote greater use of debt swaps for the SDGs, including debt swaps for climate or nature, to developing countries, as appropriate, and supports the use of debt swaps on a case by case basis. The Council also supports the mainstreaming of debt pause clauses in official lending, where appropriate.

27. The EU and its Member States continue to be firmly committed to a strong, quota-based and adequately resourced IMF at the centre of the Global Financial Safety Net (GFSN). EU Member States reaffirm their commitment to the IMF, which remains fit for purpose to address the challenges of the 21st century. The Council underlines the need for enhanced support to be provided to Public Development Banks (PDBs) in order to strengthen their institutional capacity and hence maximise their impact. The Council supports strengthened cooperation between PDBs, MDBs and the broader financial system, building on the work of the Finance in Common network.

28. The Council underlines the fundamental role of MDBs in advancing progress towards the goals of the 2030 Agenda and the Paris Agreement. The EU supports MDBs' important reform efforts as they conduct their missions of eradicating extreme poverty and boosting shared prosperity, and addressing global challenges such as fragility and conflicts, climate change, biodiversity loss, pollution and gender inequalities. The Council encourages MDBs to further strengthen their impact with a specific focus on countries most in need, especially those furthest behind and most vulnerable.

29. In this context, the Council calls on MDBs to enhance their collaboration and coordination both among themselves and with other development actors, including the UN system, bilateral donors and the private sector, in order to increase synergies, avoid duplication and ensure coherent support.

30. The Council supports the G20 Roadmap for 'better, bigger and more effective' MDBs, and urges MDBs to implement it quickly, including by enhancing their operational effectiveness and the efficiency of their capital use through capital adequacy framework and balance sheet optimisation measures, while safeguarding their long-term financial sustainability, without losing their high and robust credit ratings and preferred creditor treatment, and safeguarding their triple A ratings where applicable. The Council calls upon MDBs to further improve the way they work as a system and partner with governments, national and subnational development banks, climate vertical funds, and the private sector, including small and medium enterprises, to maximise development impact.

31. EU Member States have collectively pledged around USD 37 billion of voluntary channelling of Special Drawing Rights (SDRs) (or equivalent contributions) to the Resilience and Sustainability Trust (RST) and the Poverty Reduction and Growth Trust (PRGT) and lead the way in transferring the resources to the IMF trust funds, with around USD 35 billion delivered. The Council encourages countries in a position to do so to consider new voluntary contributions to bolster both the PRGT and the RST, and to deliver on their pledges, so that resources are effectively available for vulnerable countries. The Council also encourages countries in a position to do so to consider supporting the rechannelling of SDRs via MDBs, while respecting relevant legal frameworks and preserving the reserve asset character of SDRs.

32. The Council underlines the importance of trade as an engine for sustainable development. The Council reiterates its support for a rules-based, non-discriminatory, fair, open, inclusive, equitable, sustainable and transparent multilateral trading system, with the World Trade Organization at its core. Additionally, the Council reaffirms its commitment to supporting the effective integration of developing countries, especially the most vulnerable and remote, such as LDCs, LLDCs and SIDS, into regional and global value chains.

33. The Council stresses the importance of strengthening regional cooperation and promoting trade integration, which are essential for enhancing resilience and ensuring more inclusive and diversified global economic participation. The EU is the largest provider of Aid for Trade, including both investments in infrastructure and productive capacity through its Global Gateway offer and support for soft measures to improve trade and investment conditions while also addressing potential spill-over effects to ensure that such support contributes to sustainable and inclusive outcomes. The Council confirms the EU's commitment to including measures in its trade agreements to ensure trade has a positive impact on sustainable development.

34. The Council underlines that the financing for development agenda must be coherent, inclusive, effective and more efficient, and that all stakeholders at all levels, including civil society and the private sector, including small and medium enterprises, must be meaningfully involved and do their part.