

Review of the Zero Draft of FfD4 from Bangladesh Perspectives

by

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Acknowledgement

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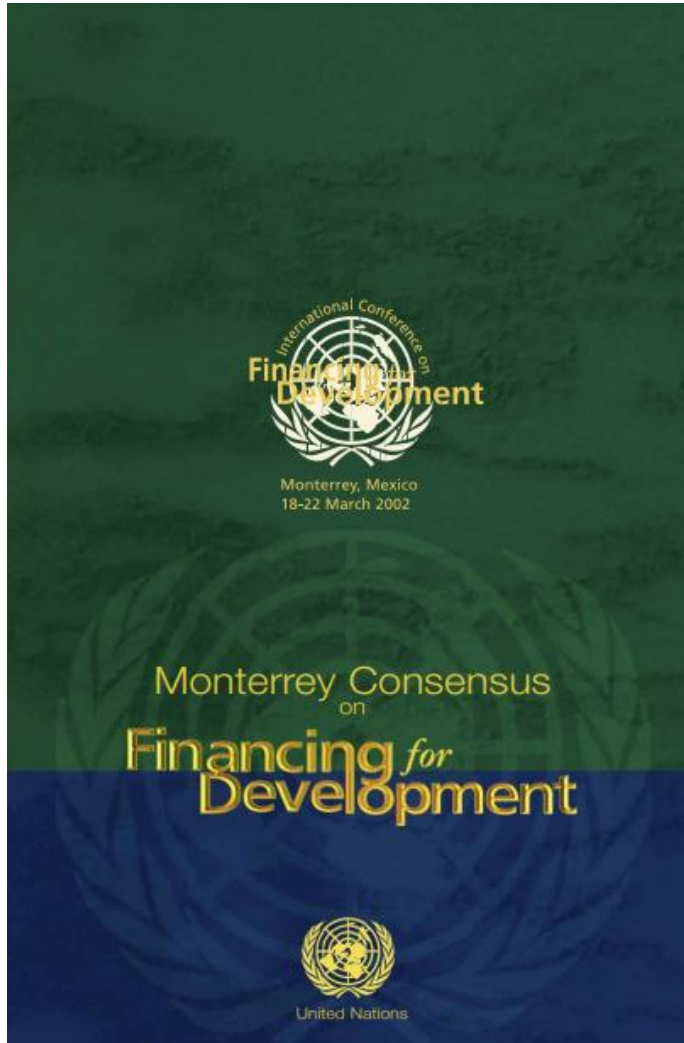
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This is a shorter version of a more elaborated analysis of the Zero Draft

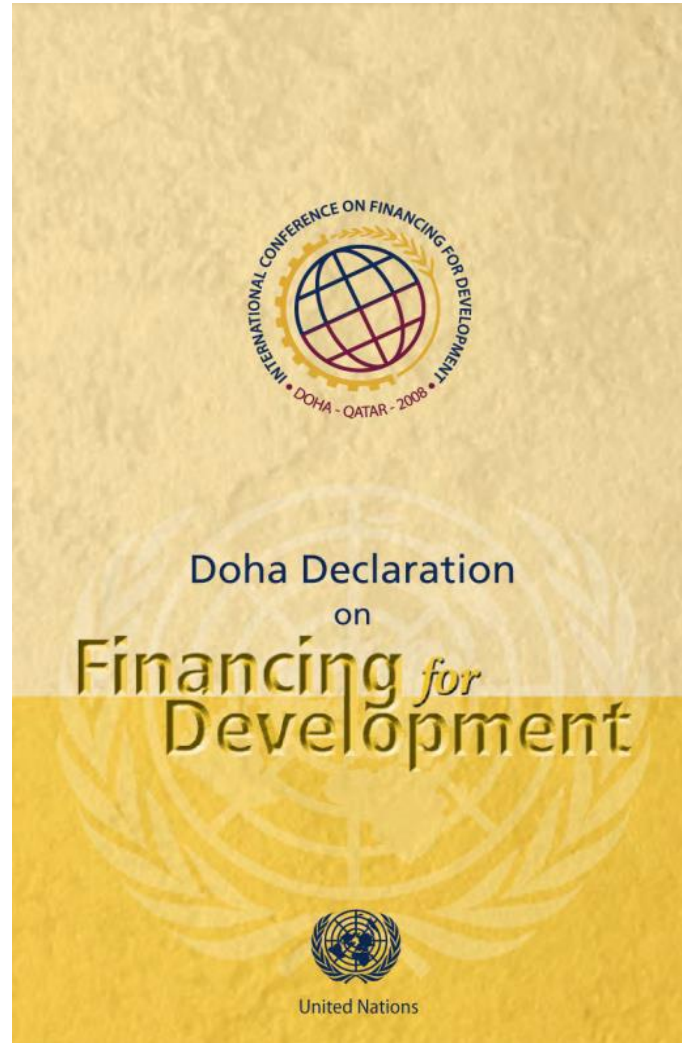
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1. The Prehistory of FfD4



2002



2008



2015

1. The Prehistory of FfD4 (contd.)

FfD1

Monterrey Consensus, 2002

Participation: More than 50 Heads of State and Government
Over 200 ministers of foreign affairs, trade, development and finance

FfD2

Doha Declaration, 2008

Participation: 40 Heads and 9 Deputy Head of State and Government
Around 237 ministers and vice-ministers of foreign affairs, trade, development and finance and other major institutional stakeholders

FfD3

Addis Ababa Action Agenda, 2015

Participation: Over 11,000 attendees joined the conference, including 18 Heads of State, ministers, government representatives, NGOs, UN organisations, and over 400 media representatives

2. Context and Process of FfD4

- The decision to convene the Fourth International Conference on Financing for Development (FfD4) **from 30 June to 3 July 2025 in Seville, Spain**, was adopted during UN General Assembly 50th plenary meeting on **22 December 2023, Resolution 78/231**
- The **further modalities for FfD4** were subsequently adopted in the **UN General Assembly Resolution 78/271** during its 69th plenary meeting on **11 April 2024**

**Key
imperatives to
convene FfD4**

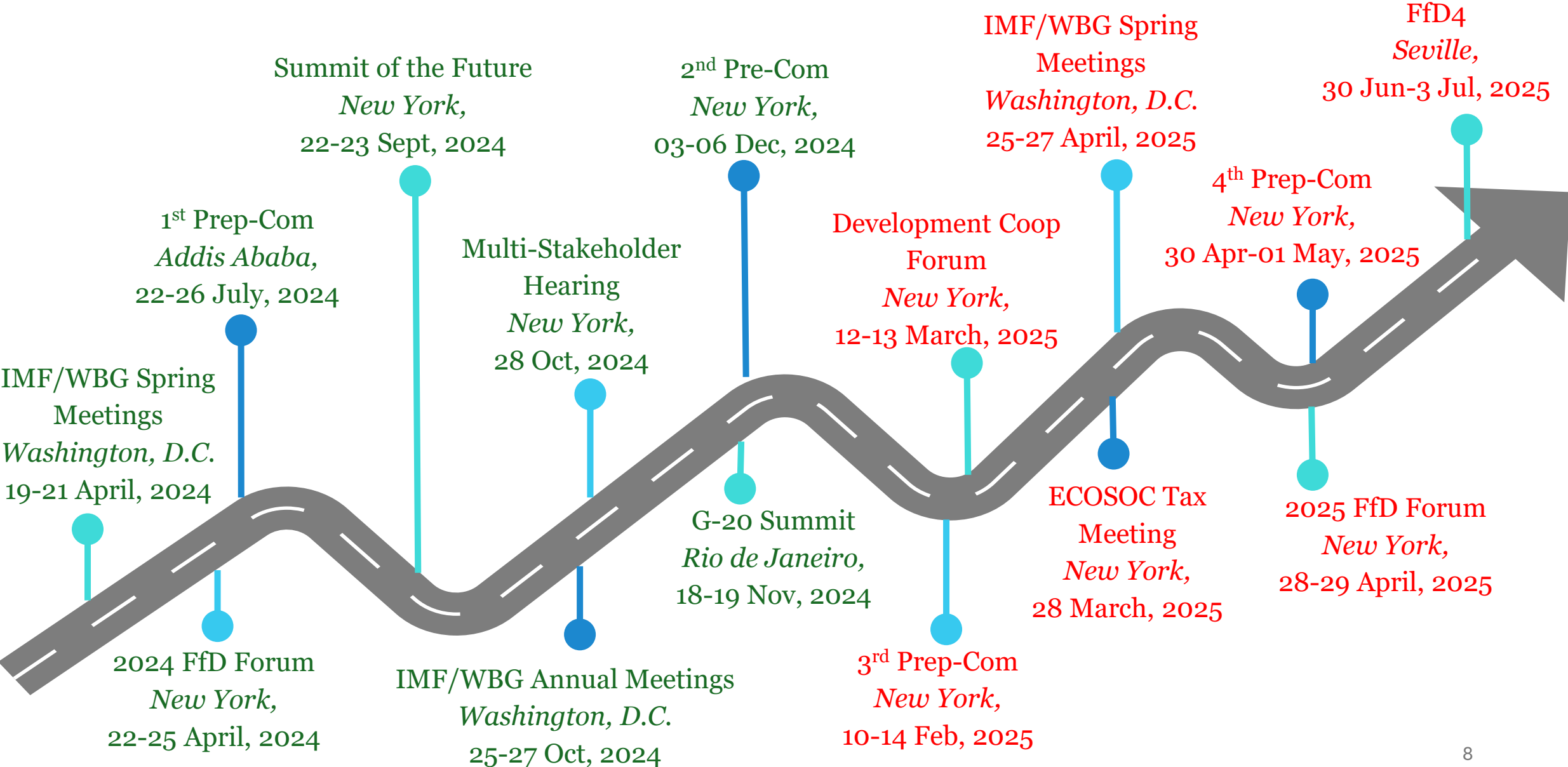
- Serious deficit in **SDG delivery**
- High demand for **humanitarian assistance**
- Low political traction for **development finance**
- Increasing **debt burden**
- Dysfunctional **multilateral governance**
- Escalating **global tariff war**

2. Context and Process of FfD4 (contd.)

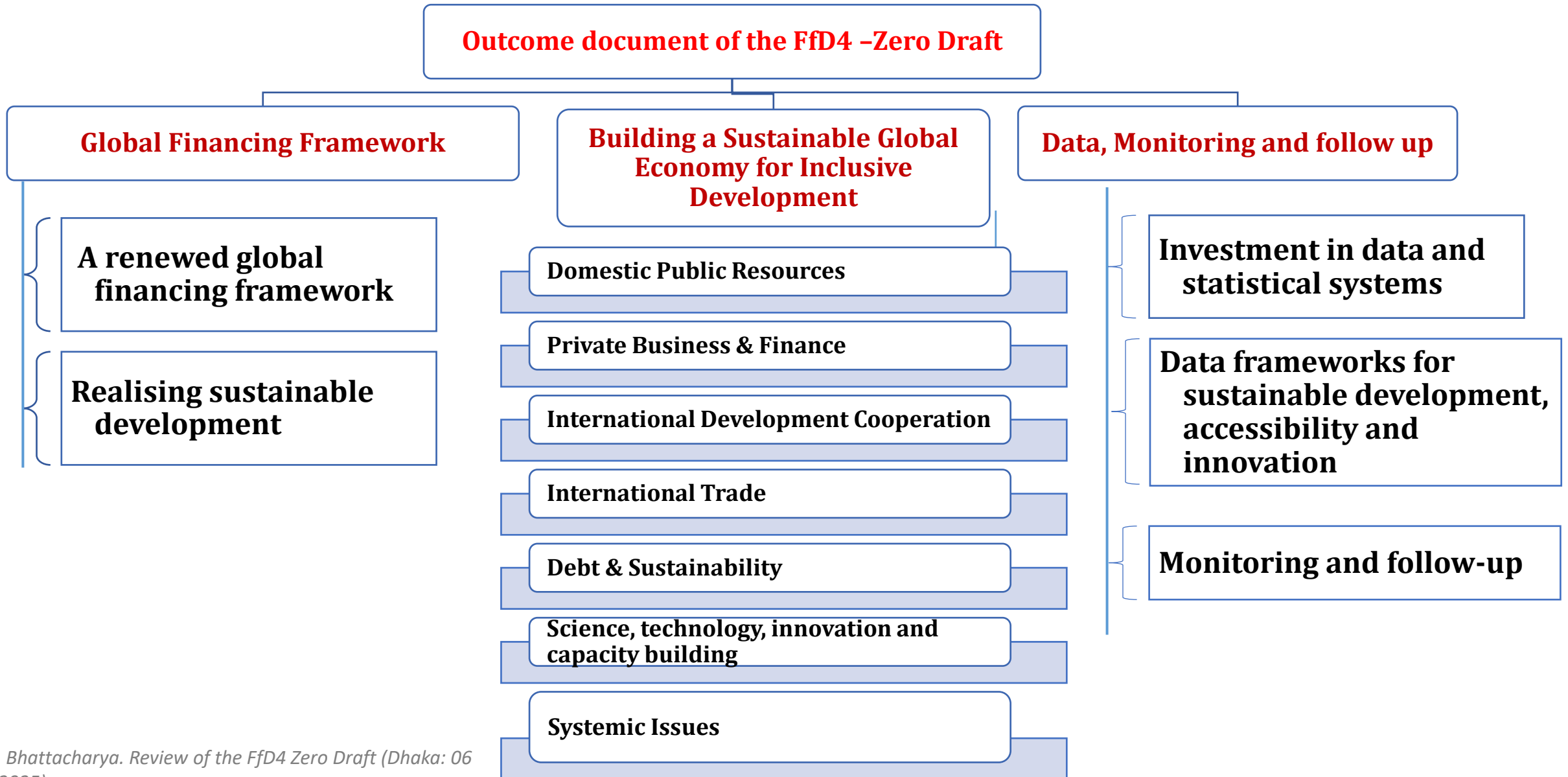
Objectives of the FfD4

- To address challenges encountered in fulfilling the objectives agreed in **previous FfDs**
- To overcome **obstacles and constraints** impeding the progress and achievement of **SDGs**
- To tackle **new and emerging issues** and accelerate the implementation of **SDGs**
- To support reforms of the **international financial architecture** to make it more inclusive, equitable, and responsive to current global challenges

2. Context and Process of FfD4 (contd.)



3. Structure and Distinguishing Features of the Zero Draft



3. Structure and Distinguishing Features of the Zero Draft (contd.)

Common Features Across All FfD Conferences

Global Partnership

Emphasis on collaboration for development financing

Poverty Eradication

Consistent focus on poverty reduction and inclusive growth

Sustainable Development

Increasing emphasis on climate and environmental sustainability

Monitoring and Follow-up

Need for data and tracking mechanisms

New Elements of FfD4

Focus on SDG Financing Gaps

Addressing severe off-track progress

Reforming Financial Architecture

Stronger emphasis on inclusivity and responsiveness

Innovative Financing

Exploring green bonds, digital currencies, and blended finance

Additional Issues

Digital divide, geopolitical tensions, pandemic recovery

3. Structure and Distinguishing Features of the Zero Draft (contd.)

Recurring Issues with No Significant Changes

Inadequate ODA: 0.7% GNI target unmet since FfD1

Debt Crises: Persistent debt sustainability issues in developing countries

Global Inequalities: Widening gap between developed and developing nations

Systemic Issues: Need for reforms in global financial systems

Recurring Issues with New Elements

Climate Change: Greater emphasis on climate risks and financing in FfD4

Domestic Resource Mobilisation: Focus on innovative financing and tax reforms

International Trade: Addressing digital trade and supply chain disruptions

Global Partnerships: Strengthening partnerships with private sector and civil society

New Issues in FfD4

Digital Divide: Addressing the growing digitalisation gap

Geopolitical Tensions: Impact on global development financing

Pandemic Recovery: Lingering effects of COVID-19 on economies

Innovative Financing: Green bonds, blended finance, digital currencies

Reforming Financial Architecture: More inclusive and equitable system

3. Structure and Distinguishing Features of the Zero Draft (contd.)

FfD4 Building on the Pact for The Future (PTF)

Commonalities

- Emphasises the **urgent need to reform the international financial architecture**
- Proposes **greater inclusivity and representation of developing countries**
- Recognises the **importance of climate finance, taxation reforms and illicit financial flow regulation**
- Promotes **public-private partnerships and blended finance solutions**

3. Structure and Distinguishing Features of the Zero Draft (contd.)

FfD4 Building on the Pact for The Future (PTF)

PTF

- Financial sector reform lacks an in-depth operational framework
- Urgent reforms to bridge the SDG financing gap and provide predictable funding to developing countries viz. African countries, LDCs, LLDCs, and SIDS etc.

VS

FfD4

- Comprehensive plan for financial sector reforms
- Proposes concrete policy frameworks and mechanisms to mobilise and allocate funds for SDGs effectively

3. Structure and Distinguishing Features of the Zero Draft (contd.)

Reference to LDCs in the FfD4

1. **Recognising LDCs' unique challenges** alongside African countries, LLDCs, and SIDS
2. **0.15–0.20% GNI target** reaffirmed for ODA to LDCs
3. **Urgent climate adaptation finance** for LDCs facing severe climate impacts
4. **Focus on health, education, decent work, and social protection**, prioritising LDCs
5. **International tax rules** must better address LDCs' needs to safeguard tax bases
6. **International Investment Support Centre** proposed to enhance technical and investment-related assistance
7. **Reduce high infrastructure costs** for LDCs' market connectivity

Trade-related measures for LDCs

1. **Duty-free, quota-free market access** for all LDC products, with support for **industrialisation, export diversification, and global value chain integration**
2. **Double Aid for Trade to LDCs by 2031**, with **50% for trade infrastructure**
3. Expansion of **special and differential treatment measures and exemptions available to LDCs to graduated countries** for a period appropriate to their development situation

4. The Zero Draft - Issues from Bangladesh Perspectives

The Six Critical Issues for Bangladesh

1. Access to Official Development Assistance (ODA)

2. Flexibility in Debt Management

3. Facilitating Recovery of Laundered Money

4. Fairness in Global Trade

5. Support for Domestic Resource Mobilisation

6. Inclusive Systemic Reforms

5. Way Forward with the Negotiation

1. Keep a Tab on the Calendar- Don't Miss the Dates!

- Monitor key negotiation dates and deadlines to ensure **timely participation and preparation**

2. Identify the Offensive Issues and the Defensive Issues

- Identify where Bangladesh **seeks gains** and where it **must protect its interests**

3. Adopt an Issue-oriented Negotiation Strategy based on Variable Geometry

- Adopt **flexible and shifting alliances based on** shared interest and the specific issue at hand

5. Way Forward with the Negotiation

4. Free-ride Influential Groups to Strengthen Advocacy

- **Leverage the advocacy and bargaining power of larger countries/groups** to advance self-interests (e.g. with *LDC Group & G77* to advocate for *extended preferential trade terms, market access, and transition assistance*, with *Climate Vulnerable Forum (CVF) & AOSIS* for *climate finance*, with *G77* on *systemic issues*, with *BRICS & Developing Countries in WTO* for *technology transfer and digital economy*)

5. Remain Engaged in Text-based Negotiation

- Making adjustments built on consensus can go a long way **to push for stronger legal obligations instead of voluntary commitments** and to ensure accountability

6. Set up A Support Team for Negotiators in New York

- A dedicated team can **track negotiation developments, analyse legal texts, and provide data-driven arguments** to strengthen Bangladesh's position

Thank You



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