

Preparatory Committee for the Fourth International Conference on Financing for Development (FFD4)

NY, May 1, 2025

Matthew Simmonds, Eurodad, on behalf of the CS FfD Mechanism Intervention delivered at the Second informal meeting: panel discussion 5

International Development Cooperation

This is an unprecedented moment in the history of International Development Cooperation (IDC). Aid budgets are being severely cut, and real people are suffering the consequences. A more than 50-year-old commitment on 0.7 has all but been abandoned. FfD4 is an opportunity to respond swiftly and resolutely.

So far, we are unmoved by the level of ambition in the negotiations. Our calls for a major reform of the governance of IDC have so far gone mostly unheard.

The current governance arrangements of IDC have landed us in this current quagmire and need a major overhaul. A status quo approach will be a deathblow to the entire system.

On the current text we welcome the proposal that values unmet commitments on ODA as unpaid debt.

We support the call for ODA to target poverty eradication, inequality, structural transformation and the promotion of gender equality and women's empowerment.

We align with the language that aims at creating the conditions that would make governments more accountable to their commitments on volumes, allocations, and targets, so that more ODA reaches countries in the global south.

We wholeheartedly contest proposals which seek to challenge the concessional character of ODA-this would undermine the integrity of the ODA metric.

We are also sceptical of the numerous proposals to use ODA to mobilise private investment which to us are out of touch with reality. The evidence on the efficacy and impact of using concessional finance in this way is weak, and so these references should be dropped.

ODA is best used to directly address poverty and inequality, which is not a given when engaging the private sector.

On development cooperation architectures...

We call for a UN led process to reform the governance of IDC, to make it more representative and democratic.

We **do** support calls that emphasise the convening and norm-setting role of the UN as well as the proposals that strengthen the role, mandate and capacity of the UN-DCF.

The outcome should aim to establish or improve monitoring so that it is country driven and strengthens both domestic and global accountability.

The ambition behind our calls for reform is to put front and center the needs of developing countries.

We want clear proposals aimed at meaningful reform and a more equal balance of power, not for the sake of charity, but because there is an historical responsibility to support the development of countries in the global south.

This can happen with an FfD4 outcome that changes the way IDC is governed and ultimately used.